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Republic Mining Sector**

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Audit Report on the engagement bonuses of mining conventions, transfer of share of capital and their use for the 2004-2006 period, December 31, 2007

Rapport d'audit des bonus de signatures des conventions minières, des transferts de parts de capitaux propres et leur utilisation pour la période 2004 à 2006, 31 décembre 2007

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LIST OF ACRONYMS

ASM	Artisanal and Small Scale Mining
BECDOR	<i>Bureau d'Évaluation et de Contrôle de Diamant et Or</i> Office for the evaluation and control of diamonds and gold
BRGM	Bureau de Recherches Géologiques et Minières
CAR	Central African Republic
CASDOR	<i>Caisse d'Avance Spéciale sur le Diamant et Or</i>
CASM	Community and Small Scale Mining
CEEAC	<i>Communauté économique des États de l'Afrique Centrale</i> Economic Community of Central African States
CEMAC	<i>Communauté Économique et Monétaire de l'Afrique Centrale</i> Central African States Economic Community
CNRST	Committee on National Resources, Science and Technology
DETR	Effective Tax Rate
DFID	Department For International Development
DR Congo	Democratic Republic of the Congo
DS	<i>Droit de Sortie</i> Exit Tax
EITI	Extractive Industry Transparency Initiative
ETR	Effective Tax Rate
EU	European Union
F CFA	Franc Communauté Financière Africaine
FPM	<i>Fond de Promotion Minière</i> Mining Promotion Fund
GoCAR	Government of the Central African Republic
H&S	Health and Safety
HIPC	Heavily Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ILO	International Labour Organisation
IMF	<i>Impôt Minimum Forfaitaire</i> Fixed Minimum Tax
IRR	Internal Rate of Return
KP	Kimberly Process
KPCS	Kimberly Process Certification Scheme
LSM	Large Scale Mining
MIGA	Multilateral Investment Guarantee Agency

MMEH	Ministry of Mines, Energy and Hydraulics
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NPV	Net Present Value
PDSM	<i>Projet de Développement du Secteur Minier</i> Mining Sector Development Project
PRSP	Poverty Reduction Strategy Paper
REIF	<i>Redevance Équipement Informatique et Finance</i> Tax on computer equipment and finance
RIDT	<i>Redevance Informatique Douane Trésor</i> Computer processing fee Custom and Treasury
SADC	Southern African Development Community
SME/SMI	Small and Medium Enterprises/ Small and Medium Industry
SPPK	<i>Secrétariat Permanent du Processus de Kimberley</i> Permanent Secretariat of the Kimberley Process
STI/STD	Sexually Transmitted Infection/Sexually Transmitted Disease
TSD	<i>Taxe Spéciale sur Diamant</i> Special Diamond Tax
UEMOA	<i>Union Économique et Monétaire Ouest Africaine</i> West African Economic and Monetary Union
UNCMCA	<i>Union Nationale des Coopératives Minières Centrafricaines</i> National Union of Central African Mining Cooperatives
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department for Economic and Social Affairs
UNDP	United Nations Development Program
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Program
UNIDO	United Nations Industrial Development Organisation
USD	United States Dollars
VAT	Value Added Tax
WSSD	World Summit on Sustainable Development

Foreword

This report has been produced by collating and editing reports from the following:

- Wardell Armstrong LLP, for the analysis of the artisanal mining sector (including institutional capacity and legal framework), and for the analysis of mining conventions;
- Jean Carrier, of Stikeman Elliott LLP, for the analysis of the large scale mining sector legal framework;
- Professor James Otto, for the analysis of the large-scale mining sector fiscal framework;
- Léon Boksenbojm, for the analysis of the diamond marketing chain governance (including the analysis of the application of the Kimberley Process Certification Scheme in the Central African Republic, and the evaluation of fraud);
- Jean-Eudes Teya, of Xiane Consult International, for the analysis of the impact of the mining sector on public finances;
- Lancéi Traoré, for the analysis of the institutional structure in charge of the management of the mining sector.

These reports were written either in English or French, and while many efforts have been applied to make the overall report uniform, some discrepancies may still remain. Such discrepancies may result from the fact that a great deal of information has been collected orally during meetings held with various stakeholders of the Central African Republic mining sector, and reflect the different ways the sector may be interpreted and subsequently comprehended and studied.

Executive summary

The mining sector is an important source of revenues for the Central African Republic, and the mineral wealth of the country presents good potential in alluvial diamonds, gold and uranium. The mining sector already provides significant employment opportunities through the artisanal and small-scale subsector, and could become a significant source of community development and economic growth. Between 1995 and 2005, the Central African Republic mining sector participated significantly to the moderate resurgence of the country's gross domestic product. In 2004 and 2005 revenues from diamond exports amounted to 40% of the country's overall export earnings. While the greater part of the Central African mining sector is currently constituted of artisanal and small-scale activities, two large scale investors (Axmin/Aurafrique and Uramin/Areva) are now operating in the Central African Republic.

The capacity of the Government to manage the mining sector is limited however, and the governance of the sector has been considered weak. In order to put in place enabling conditions for the profitable development of the mining sector, the Government of the Central African Republic has joined the Kimberley Process Certification Scheme for rough diamonds, and has recently initiated the process defined by the Extractive Industries Transparency Initiative.

In support of the Government's reform programs in public finances management, governance of the mining sector and promotion of private investments, this report provides baseline information on the Central African mining sector, so as to enable the Government to improve its governance and competitiveness. In particular, this report presents recommendations as to the strengthening of the diamond traceability and valuation, and the application of the principles governing the Kimberley Process Certification Scheme.

In order to inform the planned amendment of the Mining Code and the subsequent drafting of a standard investment agreement form, an analysis of the Mining Code is presented, with a particular emphasis on the procedure governing the attribution management and the security of mining titles. The report also presents an analysis of the mining sector fiscal framework as well as of the management of revenues levied from it. Recommendations to enhance the business environment, improve the management of mining assets, reduce fiscal leakages, and help prioritise the allocation of resources are presented.

Finally, the Central African artisanal and small-scale mining sector has the potential for providing a sustainable livelihood to artisanal miners. This report presents recommendations in order to assist the promotion of socially and environmentally responsible artisanal mining practices, formulates advice as to the formalisation of the artisanal mining sector as well as its organisation into cooperatives. Relevant best-practices, which could be adopted in CAR, to improve the working and living conditions of artisanal miners, as well as their communities are identified.

1 Introduction and presentation of the project

1.1 Framework of the study and background

The mining sector is an important source of revenue for the Central African Republic (CAR). The country has substantial geological potential, and high commodity prices have led to heightened mineral exploration, with large scale gold, diamond and uranium projects nearing production phase. Current mining activity however, is predominately made up of artisanal mines producing diamonds and gold. Artisanal mining provides a rural livelihood to many thousands of Central Africans, and through the removal of various constraints the sector could transform itself into a source of growth and poverty reduction for the country.

The CAR government (GoCAR) requested World Bank assistance to undertake a comprehensive analysis of the mining sector in order to identify these constraints, and to formulate recommendations for reforms, including improving governance and the investment climate in the sector, expanding the socioeconomic and financial impacts, and promoting the development of the large scale mining industry. This analysis is to serve as a reference point for dialogue between the GoCAR, donors, and other actors involved in the mining sector.

1.2 Objectives

The general objective of the project is to undertake a comprehensive analysis of the mining sector in the CAR, with a view to identifying relevant actions for reforms designed to promote and organise artisanal mining operations as an instrument for poverty reduction. The project also aims to encourage the creation and development of small, medium and large scale mining enterprises capable of transforming the mining sector into an even more important source of growth, increasing State revenues, and having a generally positive impact on the national economy.

The specific objectives of the project are to:

- Assess the artisanal mining subsector;
- Assess the flow of diamonds and capital from mining to export, including the end-markets and actors involved for current mining activity;
- Assess diamond fraud;
- Analyse the legal, regulatory and institutional framework, including the functioning of key entities such as the Cadastre, BECDOR (the Office for the Evaluation and Control of Diamonds and Gold – *Bureau d'Evaluation et de Contrôle de Diamant et Or*), and the enforcement of existing legislation;
- Compare the value of diamonds exported from the CAR to the value of diamonds purporting to be arriving from the CAR in Antwerp and Dubai;

- Examine the potential existence of price transfers;
- Assess collection and reconciliation of declared revenues from BECDOR, and payments made in the various recipient public institutions with payments made in the Buying Offices (*Bureaux d'achat*);
- Assess collection and reconciliation of payments and material revenues from formal enterprises involved in exploration.

1.3 Methodology

The approach adopted to undertake the assessment of the mining sector in the CAR involved a combination of data collection from in-country visits (including the CAR, Antwerp and Dubai), as well as UK, Canada, and USA based secondary desk studies. In an attempt to collect the necessary information on the constraints, challenges and opportunities of the mining sector and the diamond marketing chain in the CAR, qualitative and, where possible, quantitative (both factual and estimates) data collection approaches were used.

The objective of eliciting quantitative data was essential in determining such issues as the magnitude of artisanal mining and revealing demographic characteristics and poverty levels.

Qualitative data was sought to determine those aspects of the mining sector which were not directly amenable to quantification, but which did determine or influence its continued existence, its isolation from the formal sector or its integration into the rural economy. These included, social processes and relations, views and perceptions of the members of artisanal mining communities, ministries, government institutions, non-governmental organisations, cooperatives and other relevant Central African stakeholders.

Since it was not possible to study all key locations where artisanal mining activities were taking place - due to time, budgetary and security constraints - specific sites were selected for this study. The study concentrated on key sites in the south west of the country, and the diamond concessions at Boda. These artisanal mining sites were selected deliberately after consultation with the World Bank, and the Ministry of Mines, Energy and Hydraulics (*Ministère des Mines, de l'Énergie et de l'Hydraulique*, subsequently referred to as the Ministry of Mines) because they were considered to be representative of artisanal mining in the CAR, and were deemed to be sufficiently safe to visit.

In undertaking this study, various categories of respondents were needed to provide different information and viewpoints regarding the causes, constraints, challenges, characteristics, working conditions and consequences of the Central African artisanal mining sector.

Data collation methods adopted for this assessment included:

- A thorough literature review of published documents on the CAR mining sector;
- Direct observation through site visits to both gold and diamond artisanal mining sites, and detailed discussions with representatives from all echelons of the artisanal mining communities.
- Key informant meetings with:
 - Government officials from the Ministry of Mines, the *Direction Générale des Mines* (General Mining Directorate), and other cogent Ministries including the Ministries of Social Affairs, Health, and Education;
 - Rural Préfecture and Sub-Préfecture level administrations;
 - Other cogent governmental institutions and State organs including the BECDOR, and representatives from the University of Bangui;
 - Private sector mining and exploration companies;
 - Non-governmental organisations;
 - Artisanal miners and artisanal mining communities.
- Artisanal mining community meetings were used to gauge the level of understanding of the communities and thereby determine the potential for future collaboration. The meetings also sought to identify past and/or existing artisanal mining interventions/projects to avoid duplication and to ensure that the proposed project either complements or supplements such projects;
- Miners' interviews (often through an interpreter to speak in Sango) on the artisanal mining sites with both individuals and in groups were led according to a semi-structured interview technique and open discussions to discuss reasons and problems of working in the mines and their desires and future aspirations;
- Focus group discussions (including women) were used to observe and/or discuss with communities and artisanal miners themselves (again through an interpreter in Sango) to help examine the real needs of the artisanal miners, the problems they have, their views, their aspirations for themselves and their children, any potential barriers to interventions, and the solutions the miners and entire community itself would really like to see.

The artisanal site visits were considered as particularly important as they had the objective of gauging the level of approval, understanding and commitment from the Sub-Préfecture authorities, community leaders, artisanal mining communities, and other relevant stakeholders. It is vital to emphasise that real sustainability of the artisanal mining sector will only be achieved with full community acceptance, support, buy-in and cooperation from the outset of the project.

1.4 Constraints

Since this project began in November 2007, there have been two (excluding the initial fact-finding scoping mission) trips to the CAR in December 2007 and January 2008. The visits focused on the capital Bangui and field visits to some accessible artisanal mining sites. Regrettably, the second trip coincided with the resignation of the Government of Prime Minister Elie Doté¹ and severely affected the ability of the mobilised team to complete some key tasks including additional field visits. During the team's visit, the security situation remained precarious and the team was advised by the country's World Bank representation and the United Nation Security Unit to remain in Bangui and at times to remain confined indoors (therefore, a scheduled field-trip to an artisanal mining area had to be cancelled).

This unforeseen event impacted on the overall progress of this project, as public sector data collection has been painfully slow and at times restricted. During its week-long stay in the CAR, the team could only meet members of the resigning government, and the circumstances were not the most favourable. Interviews with civil servants were rendered more difficult too, in the face of the socially and politically tense context and the strike within the various administrations. The collecting of data from the administration (tax and public finances issues) has been particularly difficult and unsuccessful, members of the administration being reluctant to collaborate in the face of the uncertainty of their position. Due to the impossibility to return to the CAR for budget reasons, attempts have been made to remotely extract data, with a reasonable success though with considerable delay, which limited the amount of time available to spend on data analysis.

1.5 Historical background

The CAR is a landlocked country in Central Africa bordered by Chad in the North, Sudan in the East, the Republic of the Congo and the Democratic Republic of the Congo in the South, and Cameroon in the West. Most of the CAR consists of Sudano-Guinean savannas but it also includes a Sahelo-Sudanese zone in the North and an equatorial forest zone in the South. Two thirds of the country lie in the basin of the Oubangi River, which flows south into the Congo River, while the remaining third lies in the basin of the Chari River, which flows north into Lake Chad.

Between 1000 BC and 1000 AD, Adamawa-Eastern people from what is now Cameroon, heading towards Sudan, settled in CAR territory. During the same period, a number of Bantu-speaking people settled in the South-West, and various Central-Sudanese people

¹ On Friday 18 January, President François Bozizé accepted the resignation of the Prime Minister and Head of the Government Elie Doté. The Government had been battling with striking workers syndicates, demanding the payment of many months' worth of salary arrears. The team arrived in Bangui on the very same day.

settled along the Oubangi River. By 500 BC metalworking started to become commonplace, the knowledge spreading from across the Sahara.

Between the 16th and 19th centuries, the region was subject to a devastating slave trade. In the early 19th century, the Baya people, fleeing from the Fulani of Cameroon, arrived in the region, and later in the century the Banda people, seeking refuge from the Arab slave traders in Sudan also arrived in the region. At this time French expeditions from the Congo occupied the area under treaties with local chiefs, however in the 1880s, the French colonised the region, and organised it as the territory of Ubangi-Chari. In 1910 it was incorporated within the Federation of French Equatorial Africa (*Fédération de l'Afrique Équatoriale Française*), with economic development dominated by European concessionaires. Indigenous people suffered abuse under this organisation, and several violent protests were staged between 1928 and 1930.

In 1946 the territory was first represented in the French National Assembly, controlled by its own elected legislature, and in 1960 the colony became fully independent and known as the CAR. This was followed by three decades of non-democratic rule. President David Dacko's Government was charged with corruption six years later and army Chief Colonel Jean Bédel Bokassa seized power, abolished the constitution and enforced an authoritarian regime. In 1976, a new constitution was issued and the Colonel was crowned Emperor Bokassa I. Bokassa was eventually overthrown by a French backed coup led by the former President Dacko, who resumed power in 1981.

Six months later, army commander General André Kolingba deposed Dacko in another coup, and headed a six year term by popular referendum. The first 'fair' democratic elections were held in 1993, with Ange-Félix Patassé elected President. Patassé's Presidency was plagued by unrest within the military during the mid nineties. A truce was agreed in 1997, and French military forces predominantly withdrew from the country. French backed General François Bozizé overthrew Patassé in 2003, won a democratic election in May 2005 and remains in power today.

President Bozizé has provided a stable background for recent investment in the mining industry. In January 2008 however, civil servants striking over months of unpaid wages forced the Government to resign². A new Prime Minister was rapidly nominated³ and a new Government was ushered in⁴, still under the control of President Bozizé. The post-holder of the Minister of Mines remained unchanged.

² 18/01/2008.

³ 22/01/2008.

⁴ 28/01/2008.

Gold was discovered in the CAR in 1912, and following this, some initial geological descriptions were recorded, maps were drawn, and diamonds were subsequently discovered in 1914. The first mineral prospection was undertaken in the late twenties and thirties by the French Equatorial Company of Mines (*Compagnie Équatoriale des Mines*), who covered large areas in search of gold, particularly in the central and eastern regions. In 1929, the industrial exploitation of gold began at Roandji in central Ubangi-Chari, and the presence of diamond-bearing alluvial deposits was established in the west of the country, between Bossangoa and Nola. Similar diamond-bearing alluvial deposits were subsequently discovered in the central eastern area of the country in 1943. In the decade between 1935 and 1945 diamond production grew rapidly, mined by eight foreign companies, most of whom were making efforts to mechanise production through loans offered by the USA under the Marshall Plan. The gold industry performed strongly until the early fifties, peaking with production of 907kg in 1934. Production however tailed off due a low gold price (US\$1/g) impacting on profitability, and subsequently many companies turned to diamonds of which over two million carats were produced up to 1960⁵.

Shortly after 1958, when the CAR became independent, systematic geological exploration ceased before the entire country was covered. Since then, there have been no major geological surveys, and any geological exploration has concentrated on specific known targets. In 1961, Central Africans gained the exclusive right to mine, and gradually the foreign companies withdrew, prompting the gold production to fall to 2kg per year. Initially, most of this was exported illegally, but in 1961 the first official Buying Offices were set up as a regulatory measure. The market price for gold increased and an artisanal gold promotion programme was set up. By the mid eighties the declared production of gold was over 200kg per year, and it is estimated that between 1929 and 1995, 14.8 tonnes of gold were produced in the CAR. Diamond production was governed sufficiently for the four Buying Offices to record combined exports of 328,404 carats in 1963, compared with only 73,782 carats from the mining companies, and in the period between 1929 and 1995 15.7 million carats of diamonds were produced⁶.

1.6 Current situation

Today in the CAR, the mining sector consists almost exclusively of the artisanal exploitation of diamonds and gold. It is estimated that about 10% of the CAR population is engaged in artisanal mining activities⁷. This range of estimates is not uncommon when compared to

⁵From The Mineral Sector of the Central African Republic, An Introduction, 1995, report prepared for the Ministry of Energy and Mineral Resources, Bangui, CAR, by Crowe Schaffalitzky & Associates Limited, Dublin, Ireland, financed under IDA Credit 1971-CA (World Bank).

⁶From The Mineral Sector of the Central African Republic, An Introduction, id.

⁷ For a discussion on the number of artisanal miners and mine labourers in the CAR, see section 3.

other African Artisanal and Small Scale Mining (ASM) sectors and the wide range bears testimony to the lack of readily available accurate and reliable data due to the informal, clandestine and often seasonal nature of the sector.

In June 2008, there were eight Buying Offices licensed for exportation in the CAR⁸ and between 400,000 and 500,000 carats are officially exported every year through the legal channels. Since the stabilisation of the Government and the introduction of the Kimberly Process Certification Scheme (KPCS) in 2003 diamond exports started to increase.

ASM activity occurs predominately in the West and the Central East of the CAR and, although remote, these areas have many artisanal mining communities.

Recently Large Scale Mining (LSM) exploration drilling operations have commenced in the CAR, and many of these are in close proximity to existing ASM sites. In the past there have been a few incidences of sudden 'rushes' as a result of a large diamond or gold deposit being found. During such migrations large numbers of people have congregated around these newly discovered mineral deposits occasionally resulting in conflict with local communities. In addition, it is possible that when a 'booming' economy develops around a 'rush' type mining activity, localised inflation brought about by the newly acquired higher purchasing power of those involved in mining activities can pose difficulties to those who are not involved in the sector. This can introduce new social problems resulting in antagonism within some communities and sometimes between different ethnic groups and nationalities. In addition, there can be congestion and increased pressure on local services (such as water supply and health provision) which are already scarce in many remote rural areas of the CAR.

From a livelihoods perspective, labouring in an artisanal mine often provides the only means of obtaining an income for many poor Central Africans in remote rural areas who have few non-agricultural livelihood alternatives. The ASM sector does have the potential to economically empower disadvantaged and vulnerable groups and has a significant contribution to the 2008-2010 CAR Poverty Reduction Strategy Paper (PRSP). On a local level ASM labouring can provide a means of survival and 'decent' work for the miners and stimulate demand for locally produced goods, services and various types of infrastructure.

⁸ However, a series of Decrees adopted on October 3, 2008, have retrieved the authorization of seven of the eight operating Buying Offices, on the basis that they did not respect articles 70 and 103 of the *Code Minier*, which create the obligation for Buying Offices to export their production monthly, and to invest 250 million F CFA (~500,000 US\$) in real estate within three years.

Box 1- Extractives Industries Transparency Initiative in the CAR

At the Government's request, the CAR is currently undergoing an appraisal by the Extractives Industries Transparency Initiative (EITI) Commission as a precursor to becoming a signatory. The following requirements must be implemented for the application to be successful:

- A formal application to the Extractives Industries Transparency Initiative International Secretariat based in Oslo, Norway;
- The implementation of a formal national structure to manage the Extractives Industries Transparency Initiative process at the highest level (involving the Prime Minister and the Minister of Mines);
- A scoping study to identify essential details within the mining sector;
- A work plan to organise the divulgence of information - from both public and private institutions;
- A demonstration of how transparency will be enforced at all levels – Centralised (Ministry of Mines), Decentralised (Regional Directorates), and in the field (artisanal mine sites).

Source: Verbal interview with Extractives Industries Transparency Initiative representative, in Bangui, 2008

In addition, if a mutually conducive environment was created for the formalisation of the ASM sector the export of high value mineral commodities could make a significant contribution to foreign exchange earnings and tax revenues for the State and help reinforce and contribute to the objectives of the Extractive Industries Transparency Initiative to which the CAR is currently undergoing an appraisal as a precursor to becoming a signatory (see Box 1).

1.7 Geology

The first geological descriptions and maps of the CAR (then known as Ubangi-Chari) were developed in 1913, as part of a French project to map the Federation of French Equatorial Africa. The most complete source of information concerning Central African geology is the systematic cartography undertaken between 1945 and 1955 by the French geological survey, the *Bureau de Recherches Géologiques et Minières* (BRGM), precursing the publication of the 1:500,000 geological map of the country.

There are three significant geological units:

- horizontal sandstones in the regions of High Sangha and Mouka-Ndélé;
- ancient sedimentary sequences incorporating occasional zones of metamorphism in the regions of Fourouboula and Pama;
- crystalline base with zones of cystalloblastic deposits.

The CAR is founded upon the Old African Shield; a Precambrian base which covers approximately three-quarters of the territory. The remaining quarter is covered by a younger sedimentary formation. There are two distinct significant units:

- the lower, base complex;
- the terminal Precambrian unit.

The base complex dates from the Archaean era, and includes the oldest and most widespread rocks in Central Africa. The dominant formations are compound gneisses, migmatic granites, granulites, dolerites, amphibolites, mica schists, charnockites, and micaceous quartz. It is within these entities that large greenstone belts are located (Bandas to Bambari, Boufoyo to Dékoa, and Bogoin to Damara). The central area of the country is dominated by micaceous sandstones and schists, and there are also crystalline facies represented in particular by the granites.

The terminal Precambrian belt is located in the South, incorporating Bangui and M'baïki, and forms an island like formation surrounding Low-Kotto. The belt flattens into a broad arc to link the Kembe, Bakouma and Zemio regions in the East, and can also be found around Nola in the far south-west of the CAR.

There are three distinct units within the terminal Precambrian belt:

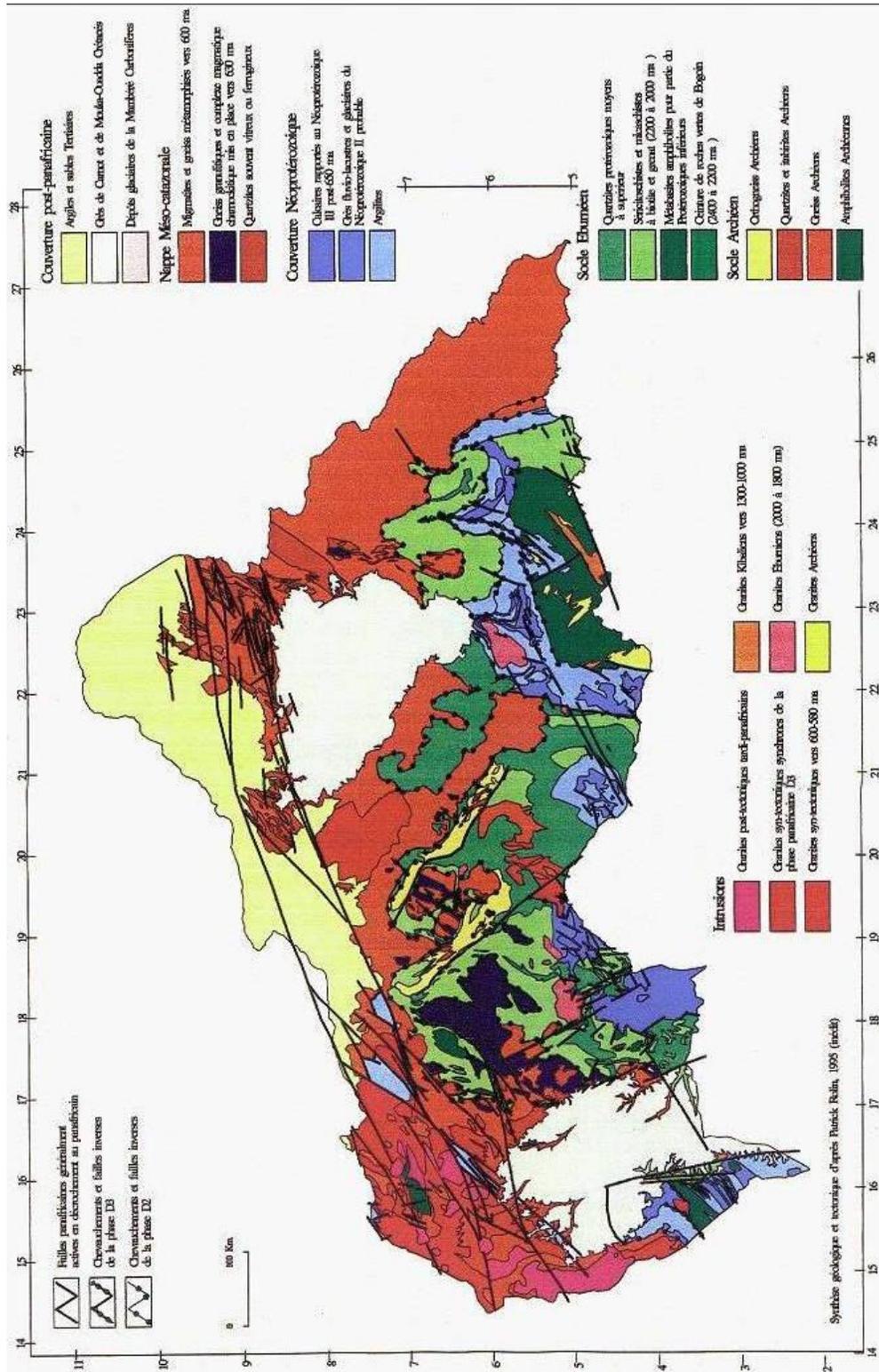
- the lower formation, incorporating quartzites and sericitic schists;
- the intermediate formation, characterised by the prevalence of limestone and schists;
- the upper formation, represented by sandy, calcareo-dolomitic limestones and quartzitic elements.

The Precambrian base is often intersected by disparate magmatic rocks such as granites and dolerites.

The overlying formations occupy approximately a quarter of the Central African territory, without taking into account alluvial and elluvial deposits in the North and East (the south-eastern section of the Chadian basin) and in the South-West and East (the Congolese basin).

Towards the south of the country, overlying formations consisting of quartzitic sandstone, pelitic and slightly metamorphic carbonates are preserved on the northern margin of the craton. These formations are frequently intersected by doleritic intrusions from the Proterozoic era and create an unconformity at the base of the unit. These series are known as Moyen-Chinko, Morkia, Kosho, Fouroumbala, Kouki, Nola, Bangui-Mbaïki, Ouakini and Coumbal.

The upper Palaeozoic unit constitutes a vast Mesozoic sandstone plateau (fluvio-lacustrine formations represented by the Carnot Berbérati sandstones in the South-West and the Mouka Ouadda sandstones in the East), of sub-horizontal beds which unevenly cover the Precambrian base and the local fluvio-glacial formations, which are dominated by mudstones and tillites. Superficial continental deposits of Cenozoic age, and Quarternary formations predominately of clay-sand origin have also developed on the Chadian border.



Geological map of the Central African Republic

Source: Patrick Rolin, 1995

Diamonds and gold are exploited alluvially in former riverbeds which cross the Mesozoic sandstones (fluvio-lacustrine formations) of Moukka in the East and Berbérati in the West; and it is thought that the origin of Central African diamonds is from volcanic deposits within these sandstones. In general, there is often a high diamond content where the former Tertiary riverbed intersects the conglomerate levels in the Carnot region. The bed horizons within the Carnot formation are essentially represented by the intersecting, graded conglomerates of the coarse facies found throughout the series, and the glacial flame structures which are also present can be pregnant with localised diamond deposits due to the clay-sediment bed-rock which has captured the denser minerals.

In the CAR, diamonds are found in both primary and secondary placer deposits, and placer deposit diamond beds have varied morphologies; they can be found in sharply defined active bedded units, some of which have been subject to reworking by erosion and weathering processes, or in morphological features on river banks such as tidal flats, flagstones, small river canyons, pans and bank terraces. Other, more recent exploration projects have been undertaken by De Beers in the northern extension of the Congo craton (known as the Mbomou craton) to investigate the presence of primary diamond deposits, i.e. kimberlite pipes. Interestingly, diamonds from a separate origin can be found in alluvial beds 10km from the Carnot formation. They could have been washed downstream, but as suggested by the lack of erosion on their surface, there could be another as yet undiscovered source nearby.

Gold exploitation is currently principally concentrated in superficial alluvial deposits in the CAR. However the solid geology of the CAR consists primarily of metamorphic and intrusive crystalline formations, with important greenstone belts which meet in the East and West of the country. AXMIN/Aurafrique and Goldiam, two LSM companies currently undertaking exploration activities in the CAR, are researching greenstone belts at Banda (near Bambari) and Bogoin (near Damara) for primary gold deposits for industrial production.

2 Institutional Structure⁹

Despite some revisions, the *Code Minier* has, since its revision in 2004, been regrettably more a compilation of regulatory provisions introduced by successive Governments (ruling, decree, decision, etc.), and the majority of these laws have not been applied or enforced effectively.

However, the GoCAR has invested significant time trying to develop this sector, as can be evidenced by the following:

- A study of the diamond industry in the Central African Republic undertaken by Robertson & Associates in 1984;
- The development of a programme of geographical levees and cartography in the framework of the National Mining Plan 1986-1990;
- The holding of the Governmental Conclave on the mining sector in Central Africa (Bangui, April 2000);
- A meeting of the *Etats Généraux* of the mining sector in Bangui, July 2003.

These latter *Etats Généraux*, which aimed to expand the creation of the sector's wealth, identified the main problems hindering its development as being institutional, financial and social, and then went on to define the strategic objectives and major recommendations likely to improve the income of the State and the operators, and to contribute to reducing poverty.

The following were suggested amongst the recommendations:

- Promote research and studies to improve knowledge and render geological and mining data more reliable to enable better quality information to be provided to potential investors;
- Better management of resources (both those allocated to the sector, and those levied from the sector), respect of the law, respect of the principles of equity and free competition, and finally encouragement of CAR citizens to take a greater part in production and commercial activities;
- Promote appropriate and sustainable technical, financial and material support for mining operators and local populations, and guarantee that the State, the mining companies and the purchase offices are all respecting their obligations and fulfilling their roles;
- Fight fraud in the mining sector in all its forms.

The *Code Minier* was revised in 2004 in an attempt to conform to international standards and to take into account the various recommendations from the *Etats Généraux*. It must be noted that a World Bank sectoral review recommended that it be reviewed by mining law specialists so that international standards could be incorporated in order to enhance the

⁹ This chapter has been written by Lancei Traoré, Mining Engineer, Guinea; and edited by Wardell Armstrong.

overall investment attractiveness for mining companies. It was further advised that mining taxation needed to be stabilised in the medium or long term and that Finance Laws should not introduce annual changes to it.

Box 2 - Public and Semi-Public Services - The role of the Administration and of Public Establishments

One of the essential conditions to the successful adoption of best practices in the management of the mining sector is the quality of the general regulations organising State intervention, as well as its correct application by decision-makers and executives. Certain regulations, such as in Guinea and in Madagascar, have distinguished Public Services from Semi-Public Services. While public services are run by the Administration (centralised or decentralised), semi-public services may be run by Public Establishments.

- Public Establishments with an Administrative nature (*Etablissement Public à caractère Administratif*) are subject to public law, like the Administration.
- Public Establishments with an Industrial and Commercial Nature (*Etablissement Public à caractère Industriel ou Commercial*) are subject to private common law and commercial law, contrary to the Administration.

A law determines under which conditions such establishments may be created and operated. The GoCAR could be encouraged to create Public Establishment of an Industrial and Commercial Nature specifically for the mining sector, which would be subject to private common law and commercial law.

Box 3 - The role of ministerial cabinets and general directorates

The modalities of operation of the administration may form another constraint on the development of many African countries. Frequently, decisions are taken with little regard to procedures or responsibilities, either deliberately or because roles are confused. It has been noted, in the CAR as well as in other African countries, that the distinction between the roles of the Ministerial Cabinet and those of the Directorates General are not always understood or respected.

- The Cabinet is an instrument, at the Ministry's disposal, to implement policies resulting from government programmes, to manage internal operations as well as external relations, and to support it in its technical task of coordinating sectors under its authority or supervision. Cabinet members are chosen by the Minister and can be changed during changes in the government.
- The General Directorates are responsible for regulating and controlling the activities in their sectors in accordance with relevant provisions in sectoral laws and codes and in general regulations of the Public Administration. Thus, they ensure the permanence of the State. They employ civil servants who can only be changed for professional reasons.

It may be considered that Counsellors may have been given too great a role in business management, to the detriment of those who have to apply regulations and manage the consequences of bad contracts. Moreover, unscheduled movements of managers at the head of public administrations are frequently incurred by changes in Government.

2.1 The structure of the Ministry of Mines, Energy and Hydraulics

Decree 04.364 of December 8, 2004 on the organisation and modalities of the operation of the Ministry of Mines, Energy and Hydraulics, has been adopted following the *Etats Généraux* held in July 2003, and following the sectoral review undertaken by the World Bank. This decree takes into account many recommendations issued by the *Etats Généraux* and by the World Bank sectoral review.

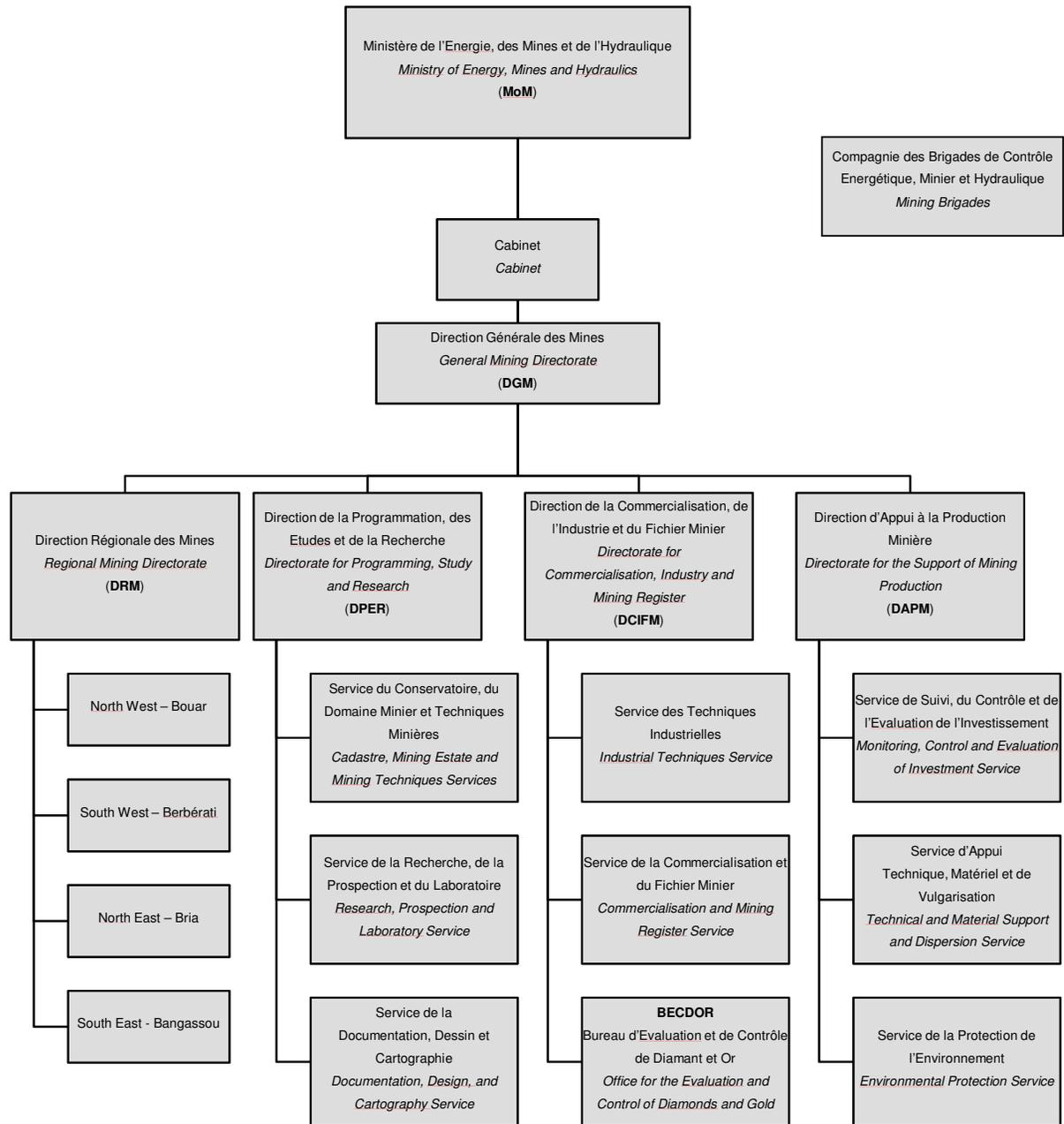
In this decree, the CAR is acting innovatively by creating the position of Cabinet Director instead of the Secretary-General and Head of Cabinet in the previous structure. The new Cabinet Director brings together political responsibilities as well as responsibility for technical coordination.

2.2 The structure of the General Mining Directorate

The fact that three distinct directorates compose the General Mining Directorate is rather atypical for African mining jurisdictions, even if the activities for which they are responsible remain conventional. It is likely, that this situation has probably resulted from the fact that, despite the predominance of artisanal mining in the Central African mining sector, its monitoring and control have been previously organised outside the General Mining Directorate. Therefore, the General Mining Directorate has been mandated the responsibility solely for secondary management activities regarding commercialisation and supporting mining production (including artisanal production) alongside the Directorate for Programming, Study and Research (more often called a 'Directorate for Geology').

In addition to this, responsibilities pertaining to mining inspection, which are more typically one of the main activities of a General Mining Directorate, are not attributed to it. Instead, this inspection is carried out concurrently by the *Compagnie des Brigades de Contrôle Energétique, Minier et Hydraulique* (known as the *Brigades Minières* – Mining Brigades) and by the Directorate for Information and Suppression of Fraud.

Moreover, it would appear that the statutes of certain public mining structures do not match their importance and their complexity. For instance, both BECDOR and the Mining Register (the current *Conservatoire des Titres Miniers*) have mandates which if performed effectively should meet the challenges of modern mining sector institutional management. Both of them should be resourced public institutions, with appropriate equipment and technical expertise, although acting with an administrative nature, as they are agents acting on behalf of the Public Treasury, and thereby should have the means to act autonomously.



Structure of the Central African Republic Administration in Charge of Mines

2.3 The role of the Regional Mining Directorates

The Regional Mining Directorates are responsible for the decentralised aspects of all the functions attributed to the General Mining Directorate, in each of the four mining regions (North West / Bouar; South West / Berbérati; North East / Bria; South East / Bangassou). It would appear that these functions are mostly those pertaining to mining inspection. This is why the *Etats Généraux* recommended that the *Brigades Minières* should be attached to, and placed under the authority of, the Regional Mining Directorates. In theory the Regional Mining Directorates, should be able to facilitate communication and interaction between regional and local authorities on one hand, and mining activities and programmes on the other. They should be able to accommodate, implement, and manage all tasks delegated from the Ministry of Mines.

2.4 Anti-Fraud and Mine Inspection

In the CAR the two critical tasks of mine inspection and the fight against fraud have been partially combined. The mine inspectorate, which aims to ensure the correct application of the provisions of the *Code Minier*, is an exclusive prerogative of the central and decentralised administration requiring an understanding of the legislation and its application in the field especially with respect to safety, environmental management, etc. Conversely the fight against fraud requires different skills, particularly knowledge of the legal framework and mineral valuation, combined with policing, forensic accounting, and investigatory skills. Both responsibilities are part of the prerogative of the Ministry of Mines, which has the mission to promote, develop and protect the mineral resources of the country.

2.4.1 *The Company of Brigades for the Control of Mines, Energy and Hydraulics (The Mining Brigade)*

The company was created by the Presidential Instruction 015/83/CS/PR.CMRN dated August 23, 1983, and its leadership, organisation and modalities of operation are organised in accordance with Inter-ministerial Ruling 86.001 of January 21, 1986. The *Brigades Minières* comprise personnel from the *Gendarmerie* (the army) and the National Police. It is led by a Commander who is an officer from the *Gendarmerie* and who supervises the various sections sub-divided into eleven *Brigades* and two branches.

The task mandated to the *Brigades Minières*, is to oversee the application of the legal and regulatory framework governing the sector, and to fight fraud. Regarding administrative responsibility and hierarchical relations, those in the *Brigades Minières* are considered army personnel and therefore placed under the authority of the Ministry of Defence and Public

Safety. Only this Ministry can pronounce sanctions and issue decisions regarding these agents, even though they are carrying out sensitive actions in the field in a sector as specific as the mining sector. However, the commander of the *Brigades Minières* reports to his hierarchy without the obligation to report to the Ministry of Mines.

Regrettably, the Decree of December 2004 concerning the organisation and operation of the Ministry of Mines, adopted following the meeting of the *Etats Généraux*, did not adhere to the issued recommendations which clearly stated that the *Brigades Minières* should be placed under the authority of the Ministry of Mines.

2.4.2 *The Directorate for Information and the Suppression of Fraud*

The mandate of the Directorate for Information and Suppression of Fraud¹⁰ is to collate information regarding fraud in each of the sectors within the Ministry of Mines and to propose measures to suppress it duplicating much of the mandate of the *Brigades Minières*

This Directorate seems to have been created to somehow counterbalance the fact that the *Brigades Minières* are not controlled by the Ministry of Mines. This national Directorate actually has specific departments for many other non-mining sectors, however, the challenges regarding information and suppression of fraud differ so greatly from one sector to another that it may present a problem to coordinate them under one general national Directorate. Perhaps it would be more effective to link each specialised department to the administration in charge of that sector.

For the mining sector, the Directorate has been attributed the same missions than the *Brigades Minières*. However, the Directorate is far less visible in the field, where the *Brigades Minières* are mostly present. It would appear that the Directorate's active jurisdiction is restricted to Bangui and to the international airport.

2.5 Structures in charge of the management of mining resources

The Directorate for Programming, Study and Research (*Direction de la Programmation, des Etudes et de la Recherche*), which is responsible for managing the country's mining assets, is housed in a small building in PK 10¹¹. The building houses rooms allocated to the geological laboratories, cartography and the administrative office for the registrar. With the exception of the area occupied by the registrar, it would appear that the rooms have not be

¹⁰ Direction de l'Information et de la Répression des Fraudes.

¹¹ Only the Registrar present in the building at the time of the visit in January 2008.

actively used, perhaps not since the research work led by the mining company Aurafrique (some years previously). Based only on a preliminary assessment, it would appear that this Directorate has insufficient personnel and is under-resourced to respond to its allocated mandate and routines tasks and objectives¹². The available equipment is rather rudimentary (currently a paper based cadastre register, antiquated non-computerised filing systems, etc.) in relation to standards of more modern mining jurisdictions, although there are some proprietary computer management programmes with satellite links that helps fulfil some of the Directorate's requirements.

It is apparent that the Registrar is aware of developments in the areas needed to help him more efficiently and effectively fulfil the mandate of his/her Directorate. The registrar works alone without an assistant, which probably reflects the current low priority attached to the Mining Register.

Conservation procedures are defined in the *Code Minier* (articles 13 to 17) and in its Application Text (articles 5 and 6). In accordance with this article 5, Decree 04.364 of December 8, 2004, concerning the organisation and running of the Ministry of Mines, did not detail the duties of the Registrar.

It should be noted that the mining register for artisanal exploitation, which is managed by the *Compagnie des Brigades Minières*, is not connected to the register of mining licences and permits. This is a shortfall which will hopefully be overcome in the future through more comprehensive and cadastral management.

2.6 The management of the allocation of mining licences and permits

It would appear that neither the Registrar nor the General Mining Director carry clear critical cadastral responsibilities for examining applications and allocating mining licences and rights. The *Etats Généraux du Secteur Minier* noted that certain responsibilities, initially attributed to the General Mining Directorate, have been transferred to the Ministry of Mines.

Based on an initial assessment, it would also appear that the allocation of mining licences and rights process does not usually include an assessment of the technical and financial capacity and the credibility of applicants. This was reinforced following an inspection carried out by the preparatory commission of the *Etats Généraux*, when it was discovered that out of 12 research permit holders, only 3 were in order. Similarly, out of 24 holders of individual mining licences, only 4 were complying with their legal and regulatory obligations.

¹² From the personnel list made available during the January 2008 visit, only six engineers and one geologist work there with only junior support staff.

2.7 Personnel and equipment

The staff of the administration in charge of the mining sector are generally educated and trained, and eager to undertake their official duties. The majority of personnel in the technical departments of the General Mining Directorate have received basic geoscience training (Mining Engineers or Geologists). However, the *Etats Généraux du Secteur Minier* have estimated that the number of experienced managers in the department remains very low in certain sectors: technical directorates, mining inspection, geological research, management of artisanal exploitation, etc.

Notwithstanding the apparent enthusiasm and motivation of the Ministry of Mines staff, who are committed to assisting with the formalisation and regulation of the mining sector, it will be vital that all the Directorates and units are adequately resourced. Without such resources and sufficient skills the Ministry of Mines staff will be unable to competently undertake their statutory duties or implement and monitor policies, programmes and action plans for the promotion and development of the sector. Under-resourcing has been the main problem of many other public mining institutions where a shortage of equipment and financial resources has greatly reduced the institutional efficiency and performance of such units to comply with their duties and be responsible and accountable for compliance with laws, regulations, policies, and procedures.

A thorough assessment of the various needs of the public mining institutions, in terms of training and equipment, will be necessary for the restructuring of management and the programming of activities in the sector. This institutional audit should also comprise structured interviews with existing personnel. Redeployment of personnel would help optimising the resources in staff, training or retraining, and may help determine shortfalls and areas where additional staff are needed. This redeployment should benefit Regional Mining Directorates, which are clearly understaffed in comparison to the tasks they are currently responsible for, even more so if they are given greater responsibilities within the reviewed and improved framework of artisanal mining.

The possible restructuring of BECDOR and the Mining Register may not translate into the recruitment of additional civil servants, if these institutions are given autonomous budgets which would allow them to recruit contractual staff.

Improvements in management procedures and methods will require specific modern equipment and appropriate technology. Particular attention should be paid to logistics capacity, given the geography of mining activities and the under-equipment of the country, from a transport infrastructure point of view.

2.8 Proposals to improve management

The drafting of a new mining policy and restructuring and capacity building of the institutional framework should take the following challenges into account:

- Mobilisation of multilateral and bilateral aid and assistance by mainstreaming pro-poor mining development into national poverty reduction strategies;
- Better management, development and empowerment of the artisanal mining sector;
- Promoting responsible private sector investment;
- Sustainable local and regional development.

2.8.1 *Creation of the Directorate for Geology*

The Directorate would be responsible for applying the GoCAR's policy in the area of geology, including formulation of geological maps, collation of geological information and the identification and general assessment of the country's mineral potential.

2.8.2 *Restructuration of the General Mining Directorate*

The Directorate is responsible for applying the GoCAR's policy in the mining sector, and of the regulatory framework particularly the provisions of the *Code Minier*. The Directorate would comprise four services:

- Service for the Control of Mining Activities
- Service for Quarries and Small Scale Mining
- Service for the Protection of the Environment
- Service for the Coordination of the Mining Police (possibly)

2.8.3 *Creation of the Regional Mining Inspectorates*

The Inspectorates are responsible for overseeing the application on the ground of all activities and programmes established by the Ministry of Mines and the General Mining Directorate, and are also responsible for organising the management of the mining activities led at the regional and local level by relevant decentralised authorities. It is envisaged that the Regional Mining Inspectorate would operate through the local zonal offices (as happens in many other mining jurisdictions) established in areas of intense mining activity.

2.8.4 *Creation of a Mining Cadastre*

Created as a department to support the Directorate General for Mines, the Mining Cadastre could be transformed into a Public Institution with an Administrative Nature (*Etablissement Public à Caractère Administratif*) or with a more industrially or commercially focused mandate when justified by the intensity of mining activities. Under the authority of a Director, the aim of the Mining Register would be to manage mining licences and permits, from the initial application until the expiry of their validity period. In this regard, acting as a 'one-stop shop', the institution would be particularly responsible for typical cadastral duties including:

- Receiving, registering, appraising and sending to authorities for a decision, applications for grants and for mining rights renewals;
- Registering and issuing the granted rights;
- If necessary, marking out perimeters on land for mining rights;
- Accepting Environmental Impact Assessments, and other environmental or social permitting requirements, and forwarding them to the competent authorities, register and issue licences to applicants;
- Recover mining and environmental administration costs and ensure they are valued separately in accordance with the provisions in mining and environmental regulations;
- Register payments, note delays in payments or non-payments and send proposals regarding the withdrawal of mining rights for non-payment;
- Make all appropriate information available to the public regarding the Mining Register; regarding mining rights and procedures to be followed to acquire mining permits.

2.8.5 *Creation of an Office for Precious Minerals*

Again possibly created in the form of a Public Institution with an Administrative Nature, an Office for Precious Minerals could be made responsible for managing artisanal exploitation and commercialisation of diamonds, gold and other precious minerals and also monitoring production and export of the same minerals by industrial companies (e.g. as has been undertaken in countries like Ghana and more recently Sierra Leone). The Office, integrating BECDOR, could be given financial autonomy by levying a share of the Export Tax allocated to a special allocation treasury account managed by the accounts agent of the Office.

The Office for Precious Minerals would be run by a General Director, and assisted by:

- An accounting agency responsible for:
 - Liquidation of the tax on exports and various fees;
 - Breakdown of funds received from claimants;
 - Keeping the Office's accounts.

- A Brigade for the fight against precious minerals fraud or an anti-fraud Brigade
- An administrative assistant responsible for:
 - The management of the financial resource of the General Directorate;
 - The relations with the public.

The Office for Precious Minerals could comprise four services:

- Service for managing artisanal exploitation and collection, in charge of:
 - Geological targeting and assessment;
 - Artisanal mining license management;
 - Production recording and registration;
 - Assistance to and monitoring of exploitation.
- National Service for the valuation of diamonds (instead of BECDOR), in charge of:
 - Diamond assessment;
 - Enrolment of the export tax;
 - Certification on the Kimberley Process;
 - Export formalities.
- Gold Laboratory, in charge of:
 - Assaying and certification of gold;
 - Enrolment of the export tax;
 - Export formalities.
- Security Services, in charge of:
 - Surveillance and security of premises;
 - Company responsible for mining security of precious materials.

2.8.6 *Creating a Centre for the promotion of the mining sector*

A national Centre for the promotion of the mining sector could reinforce the achievements of the former International Bangui Exchange Centre (*Bourse*) and improve control and professionalism of the network. Such a Centre could bring together the various management and marketing activities, service provisions and other facilities. Such a centre, set up as a private limited liability company, could be able to host and accommodate:

- Gold and diamond buying offices in specially equipped rooms with adequate equipment;
- Administrative services such as customs, diamond expertise and gold assay;
- Services responsible for the fight against fraud;
- Security services responsible for the security of persons and goods, as well as the security of transfers of funds and valuables;
- Training rooms, with adequate equipment;
- Jewellery and diamond cutting shops as well as small jewellery manufacturing workshops.

It is possible that such a Centre could also have regional offices set up in the same towns as the Regional Mining Directorates, where collector and Buying Offices personnel could carry out their activities.

2.8.7 Institutionalising mining security

The *Etats Généraux du Secteur Minier* have recommended that a Mining Police be created in the medium term and that the organisation and operation of the *Compagnie des Brigades Minières* be reviewed by placing it under the responsibility of the Ministry of Mines. In the CAR, the tasks attributed to the *Compagnie des Brigades Minières* are to oversee the enforcement of the mining sector legal and regulatory framework and to fight fraud. The task of overseeing the application of mining regulations must be performed by the mining administration; however, only agents from the National Police have the legal ability to fight fraud. For instance in Guinea, Mining Security is understood to encompass the protection of mining rights, assets and persons in view of assessing mining resources in accordance with mining regulations. Guinea also has an Anti-Fraud Brigade for Precious minerals materials.

In essence mining security should encompass:

- The protection against any violation of mining rights and licences and other property rights of persons and companies involved in mining research and exploitation;
- Seeking, ascertaining and pursuing any breach of mining regulations;
- Seeking, ascertaining and pursuing fraud in the commercialisation of precious mineral substances
- The protection against theft of any nature, of raw materials, supplies and products on supply and transport circuits;
- The protection of mining infrastructures and installations against vandalism and sabotage;
- Maintaining public order in mining exploitation.

2.9 Final observations and recommendations

In the CAR, the structure of the mining sector management is marked by the preponderance of the artisanal mining subsector. Only the *Compagnie des Brigades Minières* is physically deployed in the field yet it does not report to the Ministry of Mines. Therefore, the worrying reality is that the control and monitoring of the sector is not actually or effectively covered by either the General Mining Directorate or the Ministry of Mines, despite the existence of the Directorate for Information and Suppression of Fraud.

Assessing the number and qualification of agents in an administration such as the CAR General Mining Directorate must be made carefully. Government instability and its constant movements of personnel have resulted in skills being dispersed outside decision-making and executive posts. The development and systematic use of standard mining contracts will be an improvement, providing transparency in the management of mining assets.

It is hoped that the potential future development of the industrial large-scale mining sector will revitalise the Ministry of Mines and make the Mining Register more dynamic, providing an opportunity to modernise the unit's equipment and improve its overall functionality.

It is advised that the following experiences, in other African countries, may be of interest for the CAR:

- Madagascar, for the model of the Mineral Resources Governance Project;
- Burkina Faso, for its similarity in structural constraints and its pragmatic approach to institutional issues;
- Côte d'Ivoire, for the simplicity of its organisational flow chart;
- Ghana and Tanzania, for their recognised progress towards good governance.

3 The Central African Republic artisanal mining sector¹³

3.1 Artisanal mining policy

The strategy opens a new era for a vigorous, fresh economic start, based upon agriculture, mining and forestry – opportunities which are abundant in the country.

Source: CAR Poverty Reduction Strategy Paper
September 2007

Although the current mining sector is largely informal, the GoCAR has wisely identified the formalised development of the mining sector as important for national economic growth. However, the various documents bearing the

CAR's policy for the mining sector do not address artisanal mining in a direct and comprehensive manner and do not put enough emphasis on the quantitative and potentially qualitative importance of ASM as the foremost component of the overall mining sector (98% of CAR mining sector is ASM). Those documents generally prefer to make repetitive hopeful references to the expected development of the industrialised large scale mining sector.

However, the few endeavours to acknowledge the existence of the ASM sector are encouraging, and it would appear that the General Mining Director (*Directeur Général des Mines*) needs direct and specific assistance rather than encouragement to facilitate the sustainable development of ASM in the CAR. Such development should help to ensure the optimal exploitation of small diamondiferous and auriferous mineral deposits and to enable the ASM sector to make a positive contribution to the national, regional and local economies.

In 2003, the GoCAR arranged a national consultation (*Etats Généraux du Secteur Minier*) which identified many of the main problems impeding the sustainable development of the mining sector (institutional, financial, social, etc.). Some recommendations were issued, aiming at improving state and operator revenues, and contributing to poverty reduction. However, the *Etats Généraux*, though well-meaning, failed to make a reliable diagnosis of the ASM sector, and were therefore not able to produce relevant recommendations for the improved formalisation, management and empowerment of the sector.

With respect to ASM, the first step towards a sound Central African mining policy is the recognition and clear definition of the sector, and the acknowledgment that artisanal mining is already being practiced on a sizable scale in CAR. It has been usually stated that there are approximately 80,000¹⁴ artisanal miners and mine labourers in the CAR, and the GoCAR currently estimates that the ASM sector provides around 100,000 jobs, with 1,000 artisanal miners officially registered as such. However, current estimations are now echoing the

¹³ This chapter has been written by Wardell-Armstrong.

¹⁴ According to the General Mining Director in Bangui, January 2008

number of 300,000 to 400,000 people involved in ASM activities¹⁵, whether as a main all-year-round or seasonal activity. Considering the population of the CAR is more than 4.2 million¹⁶, approximately 10% of the country is believed to be engaged in artisanal mining related activities as a rural livelihood, this is particularly in the diamondiferous and auriferous areas in the West, and the diamondiferous central East. Although an estimated three quarters of the artisanal mining population are Central African, there are many migrant workers, predominantly from other regions in the CAR, but also from neighbouring countries such as Sudan, Chad, Cameroon and the Democratic Republic of the Congo, and even from farther afield such as Mali and Senegal. The scale of these statistics indicates that the artisanal mining sector has little respect for legislation, and illegal activity is in fact growing in many mining areas. It is estimated that there are several hundred artisanal mining sites in the CAR, and at the largest sites up to 2,000 people can work, although the average is between 1,000 and 1,500. There are also many sites upon which 200 to 300 people work, however the majority of sites are small and employ much smaller groups of miners. About 90% of the people employed on artisanal mining concessions are labourers actively involved in mining, with the remaining 10% undertaking peripheral services such as providing food. In addition to exposing the precariousness of the artisanal miners conditions of living, this gives an idea of the evident shortfall in mining revenues lost to the State's income.

The informal mining situation has been swelled by the influx of internally displaced people (estimated at 197,000 in 2008¹⁷), refugees from neighbouring countries (estimated at 7,535 in 2008). In addition as a result of the ongoing unrest in neighbouring Darfur many hundreds of thousands of people are being displaced in the north of the country and may possibly travel south to the large diamond concessions to make enough money to survive. Also in the far west of the country there are many miners and labourers from Cameroon, Chad and Congo who tend to work in areas nearest to the border with their home country. The number of people seeking to work in the informal mining sector in the CAR is not likely to decrease over the next ten years, a view based largely on the current national population growth (1.5% according to the United Nations Development Programme, (UNDP), continued under-performance of the national economy with respect to the rural populace, and the expectation that alternative livelihoods will not be able to meet job creation demands resulting in continued rural under-employment.

Given that the CAR is ranked 171 (out of 177) on the 2007/2008 UNDP Human Development Index, it is not surprising that poverty is the overriding driver that forces many people to seek a livelihood in ASM. Many rural people face dwindling livelihood choices in an

¹⁵According to various members of the Central African Mining Administration, met in Bangui in January 2008.

¹⁶The general census of population and housing 2003 established the population at 3,900,000, and the current population estimation for 2007 is 4,216,666.

¹⁷From *The Great Lakes Pact and the rights of displaced people, A guide for civil society*, The Internal Displacement Monitoring Centre (Geneva) and The International Refugee Rights Initiative (New York and Kampala), September 2008.

increasingly marginal environment and hence ASM is becoming the only real option. To those not familiar with the hardships and realities of ASM, the lure of winning ‘valuable rocks’ from their lands and rising above subsistence levels is very appealing. Therefore, many desperate rural people flock to ASM sites, particularly in diamondiferous areas, to seek their fortune. Unfortunately, the vast majority of artisanal miners continue to live in abject poverty. Most also become trapped either through debt-bondage to their financiers (known as *collecteurs* – collectors), or because they have travelled far and abandoned their farms. This means they have no means to return to their previous livelihoods or seek an alternative source of income. The concept of saving is not widespread and many successful ASM miners spend their earnings immediately either by travelling far to try and get a better price, or simply on non-essential temporary ‘luxury’ items.

Table 1- Noted areas of current ASM activity in the CAR		
Mineral	Location	Area
Gold	Sosso-Polipo	South West
	Moboma	South west of Bangui
	Bogoin-Toropvo	130km north of Bangui
	Gaga-Yaloké	Centre West
	Pouloubou	
	Irdéré	Close to the Cameroon border, west of Carnot
	Bozoum	North West
	Bambari	Centre
Diamonds	Carnot	West
	Berbérati	
	Nola	
	Boda	
	Mouka-Ouadda	East and North East
	Bria-Ouadda	Centre East

It is vital to recognise that ASM activities are largely poverty-driven, and thus to link the strategies for development of the sector to those for poverty alleviation. On this point, GoCAR’s policy is contradictory. The CAR Poverty Reduction Strategy Paper

The lower poverty rate in Region 5 (Haute-Kotto Bamingui-Bangoran and Vakaga, the most sparsely populated in the country) is because the area is a mining zone, enabling people to earn a living, however modest.

Source: CAR Poverty Reduction Strategy Paper (PRSP) September 2007

acknowledges the abundant mineral resources of the country, and appreciates the fact that mining areas have a lower poverty rate than other regions. However, it fails to recognise that ASM is the main factor in wealth creation in those regions, and prefers focussing on the announced foreign investments in large scale mining operations. The fact that the GoCAR neglects the potentiality of the ASM sector’s contribution to sustainable livelihoods, poverty alleviation and community driven development means that it fails to recognise as a priority the ASM sector formalisation. As part of this formalisation, the sector needs to be

mainstreamed within national development strategies¹⁸ to help channel development funds towards vulnerable rural ASM communities.

After recognising the existence and scale of ASM, it is important that policy instruments aim at regularising and improving ASM, and recognise the constraints to development faced by the sector. This point is crucial for the elaboration of a modern and efficient mining policy, and must be done in a participatory manner (stakeholders include miners, government institutions, local communities, Non Governmental Organisations (NGOs), members of the private sector, and international development agencies).

It is vital that any future mining policy is truly sympathetic to the realities, constraints and challenges of the ASM sector and that key social issues are clearly enunciated. It should be remembered that through direct employment, family dependency and community service provision (multiplier effects) the ASM sector undoubtedly has an influence on a far greater number of nationals than any potential formal large-scale sector. Key policy issues related to ASM activities and likely to have beneficial impact on the population need to be addressed in priority. These include gender discrimination and child labour, health issues for both mining and local communities, environmental management and health and safety.

The illiteracy rate in mining areas is the highest in the country (68.2%), this is especially the case for women (70%), and the schooling rate is also lower than the national average (25%). Mining areas also have the lowest rates of access to health care (47%), clean drinking water (26%) and sanitation (5%). Women are particularly vulnerable in mining areas, prone to sexually transmitted infections and diseases as well as HIV/AIDS: between 11% and 15% of women are infected, compared to 2% to 6% of men, with a national rate of 6.8%¹⁹. However, the GoCAR does not currently formally recognise in any policy document the gender-differentiated impacts that artisanal mining activities have on people, both directly and indirectly. A sustainable mining policy should bring to the forefront issues related to women's participation in mining. Raising the miners' and the public's awareness of those issues, could be achieved through information and education campaigns. The establishment of women miners' organisations could ensure more visibility and empowerment for those women, and help target specific support measures so as to encourage and facilitate the employment and involvement of women in mining development, including as potential investors, or to provide viable alternatives (see section 3.3.3 on Gender Mainstreaming).

Additionally, the policy should provide for means of enforcement of regulation against child labour, promoting education for children in mining area (particularly for girls) and supporting productivity enhancement programmes which would reduce the need to employ children for those tasks which can be easily mechanised (see section 3.3.4 on Child Labour).

¹⁸Only a few African nations have so far achieved such mainstreaming, but notable exceptions include Guinea, Sierra Leone, Ethiopia and Zambia

¹⁹Source : Development Partner Consultation for the Central African Republic, Brussels, June 2007.

The CAR Poverty Reduction Strategy Paper does not provide for any strategy for the environmental management of the ASM sector, nor for any health and safety policy plan, which are two of the key constraints faced during ASM activities.

Some important regions of the CAR are densely mined areas, with high concentration of artisanal miners and mine labourers. In those regions, enforceable environmental standards must be established and regularly monitored. Environmentally sound technologies should be demonstrated, and their utilisation encouraged. Environmental information should be provided, in French and in Sango, through leaflets and the media, in support of training operations in environmental management. In those information campaigns, it is crucial to emphasise the link between certain ASM practices, the deterioration of the environment, and the consequences directly borne by both ASM and local communities.

Although advancements in health and safety have improved in the large scale mining sector, the same is not true for the ASM sector. An ambitious ASM policy should acknowledge this, but also endeavour to establish health and safety regulation and preventive measures for accidents and other hazards, and incorporate the provision of social infrastructure and hygiene facilities in community development plans in highly concentrated mining areas.

In both the environmental and health and safety sectors, the GoCAR should seek to encourage other stakeholders' involvement to build partnerships aiming at improving awareness and management, organising financial guarantees and enforcing standards. Additionally, the GoCAR should establish proper authority structures to facilitate the enforcement of environmental and health and safety regulations through the inspection of mining sites.

In addition to the above, a sound mining policy should promote the shift from public to private sector-led development.. This has been well acknowledged by the GoCAR, which expects that the reform of the mining sector will lead to more involvement and confidence from the private sector, improving the business climate. Accordingly, the Poverty Reduction Strategy Paper calls for the development of small and medium enterprises and industries in order to stimulate mining output, create employment and improve living conditions, the rationale being that such structures do not require substantial investment. However, and paradoxically, the Poverty Reduction Strategy Paper does not make the link between the need to develop small scale business activities and the need to formalise, organise and develop the ASM sector. Even more significantly, the Poverty Reduction Strategy Paper calls for the creation of an environment '*conducive to mining operations by small and medium enterprises and industries and large mining companies*', without making reference to the ASM sector.

It is recommended that ASM should not be marginalised or treated as a minor side-issue, as has unfortunately been the case within many other African mining jurisdictions. Attempting to simply 'ring fence' the sector into policed ASM reservations and attempt to subject the sector to inappropriate and unenforceable control measures is not a recommended strategy and will only serve as a temporary and superficial solution.

In the view of the potential development of large scale mining activities on the Central African territory, the GoCAR should set a policy which could capitalise on the input brought by such developments, as well as take proactive actions in order to prevent ASM and large scale mining conflicts and promote mutual benefit collaboration. Such strategies should reflect a non-discriminatory approach to development between large- and small-scale mining. Actions could include ensuring fairness by conferring ownership of mineral rights on a 'first come, first served' basis, and the upgrading of ASM activities through transfer of technology from large scale mining towards ASM by promoting partnerships between miners and large-scale investors.

It is worth remembering that the ASM 'problem' has been exacerbated as many African countries have adopted the policy of the currently perceived most attractive mining jurisdictions (based on the level of mining and exploration foreign direct investment) and have been advised to make only minor changes to suit the political, cultural, geographical and economic peculiarities of their country. To their detriment, such jurisdictions have subsequently realised the errors of their past view of their domestic ASM sector and are now keen to vigorously review and enhance the ASM component of their national policy and legislation.

The ultimate goal of any future specific ASM policy and subsequent assistance interventions should be to help the GoCAR create strategies for the ASM sector that promote a more positive working relationship and where GoCAR policy and action were not only seen as reactive but rather proactive, affirmative and supportive of the sector. There will be a need to focus on the means to allow the sector to align itself with the principles of sustainable development and mitigate the threats to the social, economic and biophysical systems throughout the CAR. This may necessitate national multi-stakeholder workshops to raise the profile of ASM, sensitise and build partnerships with local *Préfecture/Sous-Préfecture* administrative structures, local and traditional leaders, security forces, *gendarmerie*, police, customs and revenue authorities, the banking sector and the existing industrialised mining/exploration sector to raise the general level of awareness of all the ASM issues. It is recommended that the drafting of any ASM policy utilises and builds on the existing plethora of ASM specific policy²⁰ and declarations. In particular, heed should be taken of existing

²⁰Also concluding statements from key fora and meetings including the Durban Declaration (Special Conference of African Energy & Mining Minister 1997), Ouagadougou African Mining (MIGA 2000), SADC Mining Protocol (Article 7), SADC Mining Sector Strategic Plan, UEMOA Joint Mining Policy (2000), ECA (Committee on National Resources & Science & Technology

generic ASM policy and declarations, especially the United Nations Department of Economic and Social Affairs Harare Guidelines (1993) and the more recent United Nations Department of Economic and Social Affairs/ United Nations Economic Commission for Africa Yaoundé Declaration (2002). In addition, it would be prudent to collaborate and consult with the Communities & Small Scale Mining (CASM²¹) Africa Network.

3.2 Institutional capacity for the artisanal and small scale mining sector

Despite donor interest in this sector for over three decades and the numerous international fora, conferences and meetings, the truth, albeit unfortunate, is that many African governments, including the CAR, have been unsure as to what their long-term goals were for the ASM sector. In the past the GoCAR appeared to be caught between the shorter-term national economic benefits that can be gained from encouraging foreign large-scale mining and the idealised vision of having a formalised, mainly local, traditional ASM sector. In the past the GoCAR has neglected the sector thereby allowing the negative social and environmental impacts to be aggravated.

Moreover, the lack of real decentralisation of the CAR's political institutions and administrative services has been an additional handicap. The CAR inherited the French colonial legacy of a centralised structure. Since 1995 and the adoption of the new Constitution, four levels of decentralised institutions have been created: five regions, 16 Prefectures (*Préfectures*), 71 Sub-prefectures (*Sous-Préfectures*) and the *Communes* (174 cities, 9,000 villages). However, this first step towards local democracy and an administration closer to the citizens has not been followed by tangible results. The public structures have remained extremely centralised in the capital city of Bangui, for many reasons:

- There is some political tension and a certain degree of mistrust between the capital city of Bangui (where the political and financial powers are concentrated) and the various regions where the authority of the current administration may be challenged, due to the political unrest in many parts of the country;
- The administration organisational and structural chart (*e.g.* structure of the Ministry of Mines) is often redundant and not adequate;
- The local communities have no elected representatives, and there is no funding available to truly empower decentralised structures;

CNRST 2001), NEPAD, WSSD Implementation Plan (Chapter on sustainable development for Africa), and the African Mining Partnership.

²¹The Communities & Small Scale Mining CASM network seeks to improve coordination between miners, communities, donors, governments, NGOs, mining companies and other stakeholders. CASM is a multi-donor initiative whose secretariat is housed in the World Bank in Washington and is currently chaired by the UK's Department for International Development (DFID)

- The recruitment of trained professionals for the decentralised administrative structures is very difficult.

As a consequence, there is no local democracy and no local administrative services. For the successful formalisation, organisation and management of ASM activities, a decentralised approach is crucial. This would also facilitate a better knowledge of the sector, and create a basis for a better day-to-day field management of ASM activities.

Many claim that the GoCAR's past unclear and changing stance toward the indigenous ASM sector, coupled with a lack of real motivation from the ASM miners themselves, has severely stifled the development and formalisation of the sector. If the GoCAR is serious about developing the mining sector of the country, it must be ready to undertake a radical reform of the ASM sector by tackling all of the relevant issues.

In the CAR the Ministry of Mines, Energy and Hydraulics is responsible for the ASM sector through the General Mining Directorate (*Direction Générale des Mines*) and the four Regional Mining Directorates (*Direction Régionale des Mines*). At present there is no definitive and separate unit responsible for ASM although there are numerous staff whose duties also involve ASM.

The current procedure to obtain an artisanal mining permit procedure is complex. Applications must be sent to the General Mining Directorate which transmits it to the relevant Regional Mining Directorate. Applications for special mining permits (which are exclusively available to cooperatives) must be sent to the Regional Mining Directorate. Despite these allocations of duties, the Regional Mining Directorates is largely responsible for the controlling activities.

Therefore, given the significance and complexity of the ASM sector it may be advantageous to create a specific ASM unit within the Ministry of Mines. The actual mandate and role of such a unit would have to be carefully and collectively determined and thereafter delicately managed to avoid duplication of efforts or political altercations between general and regional authorities. The unit would also have to ensure that it fully collaborated with both General and Regional Mining Directorates through sustained lines of communication. Such a concept has been reasonably successful in many countries including Ghana, Sierra Leone, Zambia and Tanzania. Despite the apparent enthusiasm and motivation of the Ministry of Mines staff, who are committed to assisting with the formalisation and regulation of the ASM sector, it will be vital that such an ASM unit is adequately resourced. Without such resources and sufficient skills the staff will be unable to competently undertake their statutory duties or implement and monitor policies, programmes and action plans for the formalisation and development of the ASM sector. Under-resourcing has been the main problem of many other national ASM units where a shortage of equipment and financial resources has greatly

reduced the institutional efficiency and performance of such units to comply with their duties and be responsible and accountable for compliance with laws, regulations, policies, and procedures relevant to the ASM sector.

The Ministry of Mines, though its apparent motivation to assist with the formalisation and regulation of the ASM sector, in reality lacks the resources and sufficient skills to competently undertake its statutory duties or propose, formulate, implement and monitor policies, programmes and action plans for the formalisation and development of the ASM sector.

The GoCAR is cognisant of the institutional shortfalls and has also acknowledged that such a reform will also rely on restructuring, strengthening the capacity of, and increasing the resources of the Ministry of Mines and the Public Mining Institutions (especially the four Regional Mining Directorates, the various technical/support services and the *Brigade Minière*) to ensure that they can effectively undertake their statutory functions, enforce appropriate legislation and properly monitor the ASM sector. The future restructuring and resourcing of the Public Mining Institutions should also be based on the expected internal and external demand for the institutional services needed by the ASM beneficiaries.

In order to understand the strengths and weaknesses of the Ministry of Mines, with respect to ASM, a brief institutional audit was undertaken that sought to examine the current organisational deficiencies influencing the performance of the Ministry of Mines, and to identify the advantages of the organisation and where it needs to be strengthened or changed. The institutional audit sought to briefly assess:

- A critical examination of the mandate of all Public Mining Institutions, especially the Regional Mining Directorates and the technical/support services dealing with ASM, to determine how a separate 'ASM Unit' could be established;
- The qualifications, experience and motivation of the staff; an evaluation of ASM relevant staffing levels and identification of their influence on the performance of the Public Mining Institutions;
- The training needs of the staff to accomplish their duties relevant to the ASM sector and identification of the recommended scope for future training and awareness (e.g., gender) programmes;
- The availability of equipment, financial resources and adequate office facilities and the influences of the current shortcomings on the institutional efficiency and quality of the current and future services/products for the ASM sector;
- The performance of the units in complying with their duties, and identification of responsibility and accountability for compliance with laws, regulations, policies, procedures, and definitions of functions relevant to the ASM sector. Also determine

how the regulatory duties and proposed extension services (see section 3.3.6) could be competently divorced;

- The work procedures, their efficiency in time and use of resources and their influence on the quality of the services and products.

Box 4 - Key Findings of the Ministry of Mines, Energy and Hydraulics Institutional Audit

- Most Ministry of Mines staff have had no ASM specific training;
- There are no dedicated staff or sub-department to monitor, regulate or provide assistance specifically to the ASM sector;
- Ministry of Mines staff are not able to travel to field sites to monitor ASM activities as often as they would like (or need) and are therefore not fully sensitised or aware of the real (non-technical) challenges and opportunities of the sector;
- There is a reasonable level of awareness about many of the key issues and problems that constrain the ASM sector and also some very commendable ideas and suggestions on means to improve and assist the sector;
- There appears to be a lack of consistent and effective communication between the Ministry of Mines staff in the General Mining Directorate and the staff of the Regional Mining Directorates and technical/support services with respect to ASM;
- There is minimal communication with other cogent ministries who have overlapping mandates with regard to community development and basic social services/infrastructure, and environmental issues (there is only one entity which gather representatives of various Ministries: the Technical Commission in charge of the control of environmental and social impact assessment studies – *Commission technique chargée du contrôle des études d'impact environnemental et social*);
- Available equipment and resources to allow Ministry of Mines staff to work effectively on ASM issues are minimal;
- Communication and experience sharing with other African nations with a comparable ASM sector is minimal.

The findings of this study (see box above) should be communicated to the relevant stakeholders through interactive workshops to highlight strengths, weaknesses, inconsistencies, and a means to improve the institutional arrangements relevant to the ASM sector.

It is clear that there will be a need to retrain and sensitise the Ministry of Mines and Directorates staff tasked with assisting and developing the ASM sector as many are unaware of the realities and constraints of the sector and sometimes even offer inappropriate technical advice. However, it should be emphasised that this is a consequence of a lack of regular field exposure to ASM and a reliance on desk based studies rather than a deliberate oversight or neglect. In particular field staff must learn that their job also requires them to listen and respect the miners and their communities and help identify incentives that will aid formalisation. In particular, they must also be sensitised to understanding and helping to overcome the gender-differentiated roles and constraints of the sector. It is critical that the relationship between the Ministry of Mines staff, General and Regional Directorates staff, the

license holders and actual miners is clearly examined and understood. Ministry of Mines and Directorates staff must be encouraged to work with, rather than against, the ASM community and gain their trust in order to meet the GoCAR's desire to formalise and regulate the sector. They must also be firmly discouraged from any propensity to become despotic 'tax collectors' creating private fiefdoms on their designated sites, as has been the case in many other African countries with decentralised mining offices.

Most artisanal miners have minimal geological knowledge and rely on past experience, instinct and superstition to locate and pursue the mineralised orebody. This can perpetuate haphazard and dangerous mining, incredibly high dilution and very low recovery situations leading to high grading and the possible sterilisation of highly economic deposits. Therefore, the Cadastre must also be encouraged to ensure that all relevant geological information is made publicly available. The Cadastre (in full collaboration with the General and Regional Mining Directorates staff) should be given a mandate to analyse all existing data and attempt to delineate and define the nation's mineral potential suitable for ASM exploitation and not just concentrate on attracting large scale mining companies. There has been little new prospecting in the CAR since independence in 1960, before the country had been completely mapped. It is believed that many geological maps of the CAR were taken to France after 1960. The Cadastre is currently in a preliminary discussion trying to get those maps repatriated from the *Bureau de Recherches Géologiques et Minières* based in Orléans, France. This could help improve the geological data on CAR's mineral resources, and could constitute the first step towards the elaboration of a complete, detailed and geographically accurate database of the CAR's mineral resources.

Box 5 - Exploration campaigns in the CAR

1913, first geological descriptions and maps, led by the French Equatorial Africa's administration.

1920-1930, the French *Compagnie Equatoriale des Mines* covered large areas, especially in the centre and east of the country, in search of gold.

1933-1954, the French *Service des Mines de l'Afrique Equatoriale* undertook a variety of mapping and prospecting missions in CAR.

1947-1963, the French *Commissariat à l'Energie Atomique* prospected for nuclear raw material (discovery of the Bakouma uranium deposit).

1950-1957, the French *Bureau Minier de la France de l'Outre-Mer* conducted several missions in CAR, assisting some of the local French-owned gold-mining companies.

1958-1961, the *Institut Equatorial de Recherches et d'Etudes Géologiques et Minières* replaced the French *Bureau Minier*. End of the period of systematic regional geological exploration, before the country had been completely covered.

Source : *Une introduction au secteur minier de la République Centrafricaine*, document prepared for the CAR Ministry of Energy and Mineral Resources, by Crowe Schaffalitzky & Associates, Dublin, Ireland, financed under IDA Credit 1971-CA (World Bank).

Once this task has been completed, the Cadastre must be charged with the responsibility of determining appropriate means to disseminate all relevant geological information especially to the ASM sector. The proper delineation and definition of resources suitable for ASM would have numerous advantages including the potential to reduce demographic migration and rush-type situations, to facilitate the development of organised ASM community settlements and maximise the potential for longer term sustainability of intervention projects.

Box 6 - List of geological maps and data related to minerals in the CAR held by the French *Bureau de Recherches Géologiques et Minières*.

- Geology:
 - Synthesis maps (1:1 million and 1:1.5 million)
 - Detailed maps (1:200 – one map, 1:500 – 17 maps) with missing areas in the North, East and West
- Hydrogeology: synthesis map (1:1.5 million)
- Mineral Orebodies: synthesis map (1:1 million)
- Geophysics: synthesis map (1:1 million)
- Pedology:
 - Synthesis map (1:1 million)
 - Detailed maps (1:200 – 51 maps, 1:100 – 2 maps, 1:50 – 18 maps). Country almost covered by those maps.

Other documents: Benchmark document for the CAR for geology and pedology : J. Mestraud (1982) *Géologie et ressources minérales de la République Centrafricaine : état des connaissances à fin 1963. Mémoire BRGM n°60*, 1986, including the 1:1.5 million geological map.

A cooperation program between the Cadastre and the French *Bureau de Recherches Géologiques et Minières* aiming at reconstituting the geological documentation on the CAR's mineral resources on paper- and electronically- based support could be considered. Such projects have been successfully led in Guinea-Conakry, Niger and Gabon.

Source : BRGM, Orléans, France

At present the entire responsibility for the ASM sector resides with the Ministry of Mines. However, given the cross-cutting nature of many of the issues that constrain the ASM sector it will be vital to foster coherent and systematic engagement and cross-sectoral understanding between the Ministry of Mines and other cogent ministries. Therefore, the interaction and overlapping mandates of numerous cogent ministries and departments (e.g. Ministries and Directorates in charge of Labour and Social Affairs, Health, Education, Agriculture and Rural Development, Women's Affairs, Finance and Economic Development, Trade and Industry, the Environment, etc.) need to be fully mapped as one of the first Ministry of Mines tasks. It will be necessary to provide information and undertake appropriate awareness campaigns to these cogent and relevant public institutions with a national and regional reach. Such institutions should be made fully aware of the incessant problems within the ASM sector and encouraged to mobilise their resources to help co-ordinate the sustainable development of ASM communities as part of their future action plans. Likewise

there should be an emphasis on facilitating a more proactive local (especially in the prefectures of Mambéré-Kadéï (Berbérati), Nana-Mambéré (Bouar), Sangha-Mbaéré (Nola) and Haute-Kotto (Bria)) administrative involvement in ASM development efforts especially the critically needed social infrastructure for many ASM areas. Such key institutional stakeholders then need to be consulted to facilitate the formation of sustainable inter-ministerial government links and lines of communication with the Ministry of Mines prior to embarking on any ASM intervention projects. The proposed formation of a consolidated and sustainable system for ASM community development will require a critical reinforcement of the specific capacities, commitments and institutional alliances among both national and regional institutions and the ASM communities. This may also necessitate the formation and resourcing of an inter-institutional National Artisanal Mining Committee which must be made accountable and charged with specific objectives and measurable targets to help develop, formalise and empower the ASM sector.

The proposed committee should be made responsible for the development of a multi-dimensional framework (institutional, legal, technical, social, economic, and environmental) that adopts a holistic approach in order to develop and increase the human, financial, physical and social capital available to the sector and help integrate it into the formal rural economy. The committee will also have to take into account the likely divergent interests of the various stakeholders and consider all aspects of ASM including poverty alleviation, community development, legalisation, formalisation, taxation, policy formation, geological data, technical advice, training, extension services, health and safety, access to finance, fair mineral trading, environmental protection, gender mainstreaming, child labour, site security, community health, education, alternative livelihoods, etc.

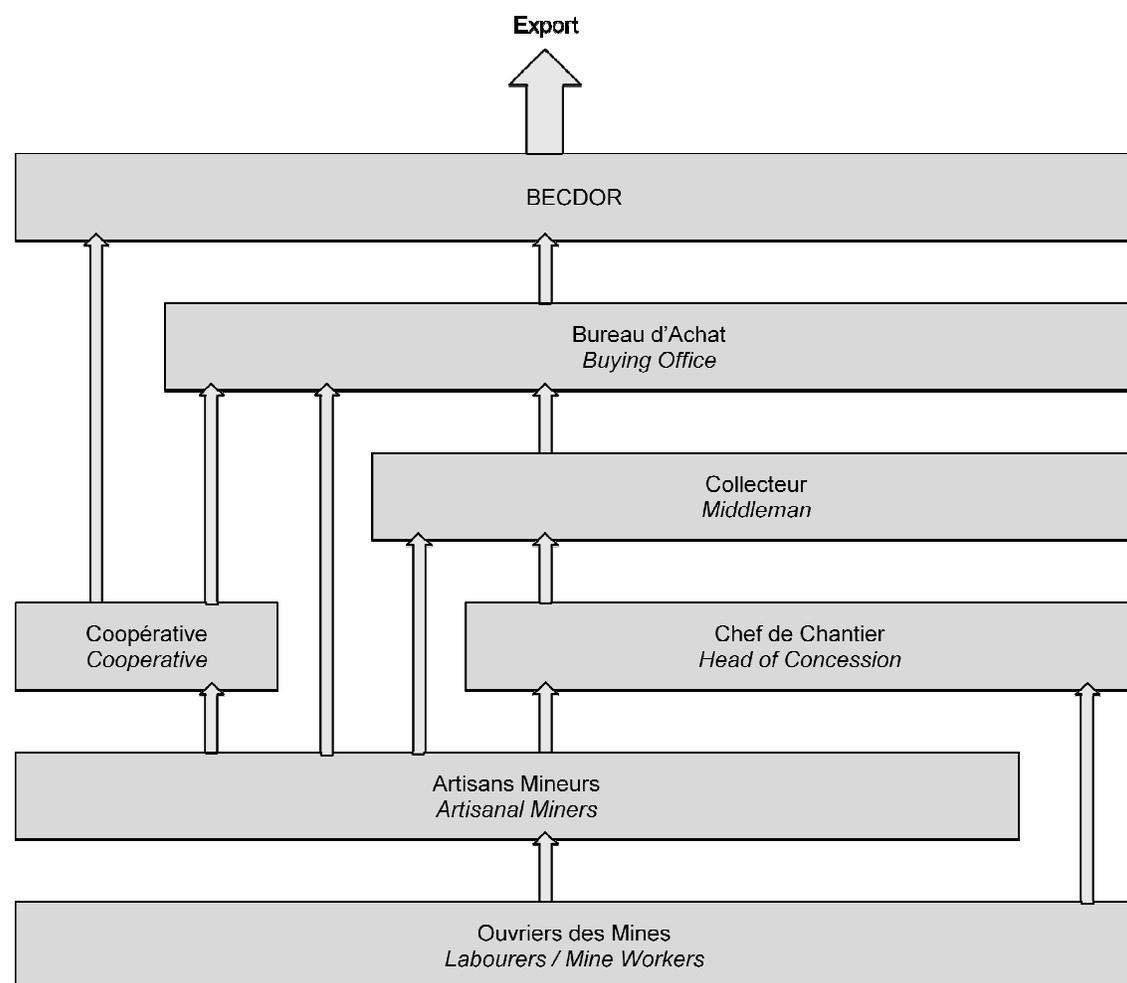
One of the first tasks of this committee will be the co-identification and co-definition of the roles and responsibilities of all the members (cogent state organs and other stakeholders). It would be prudent to ensure that all roles and responsibilities were defined through direct consultation with the actual state organs rather than being defined in their absence and then 'imposed'. Such a participatory approach should help ensure that all stakeholders take ownership of the process from the outset, guarantee full 'buy-in' and thereby accept accountability.

3.3 The Central African Republic artisanal mining sector

3.3.1 Miners' organisation

In the CAR the organisation of artisanal miners differs between the legal and the more numerous unregistered and clandestine activities. Given that artisanal mining is considered a traditional and often family-based livelihood, frequently carried out in remote areas of the

country, it has proved difficult to regulate or extend governmental control over the informal sector. Alongside the government institutions, there are numerous other players that influence artisanal mining activity including village elders, collectors, and religious chiefs.



Organisation of formal ASM activities

In the CAR, artisanal miners officially registered as such are often not the people who actually do the physical mining work. These Central African Artisanal Miners are more similar to *petits patrons* or small-business owners, managing and watching over their employees while they carry out the digging and washing operations. These employees are known as *ouvriers des chantiers miniers* (labourers, diggers or washers), and are essentially ‘second class’ artisanal miners in the CAR.

In the CAR, legally registered artisanal mining sites are organised into a basic structure. At the bottom level are labourers who undertake the basic digging using hand tools in order to

break up the ground and reach the mineral. They often work in gangs (each consisting of five to ten workers) and are engaged to help carry out the various mining activities, e.g. digging, carrying, washing, and panning. The labourers work for the *chef de chantier* who is a registered artisanal miner, and who often owns the land and controls the mining operations being undertaken within it. An artisanal miner becomes a *chef de chantier* by locating an orebody, or by inheriting the operation from his father. All diamonds and gold found within the concession must be taken to the *chef de chantier* who will record the amount in the *cahier de production*²², and give the labourer a previously agreed percentage of the sale. The share received by the labourer may vary, but is commonly up to 50% of the value of the find, and then the labourer is often bound to pay up to another 30% of the value to his pre-financer or investor. The exact payment does depend on the type of mineral and the nature of the work being undertaken by the labourer²³.

The artisanal miners will sell the gold and diamonds from their concession to one of several collectors in the local community, who will often visit the mining concessions on a daily basis at a set time for this purpose. Collectors buy gold and diamonds at a rate far below the market value, and then sell them on to the licensed Buying Offices which are generally located in the larger towns. From here, the gold and diamonds are passed on to BECDOR in Bangui, and then exported.

Alternatively, a group of ten or more artisanal miners or *chefs de chantier* can form a cooperative²⁴. By undertaking this additional registration process, including the submission of a dossier to the Directorate for Commercialisation, Industry, and Mining Register (*Direction de la Commercialisation, de l'Industrie et du Fichier Minier*, part of the General Mining Directorate in Bangui) and a fee of 150,000 F CFA (~US\$ 330), the artisanal miners can work together, pool their resources, and share their profits resulting in a more reliable income. As a registered cooperative it is theoretically possible to obtain prefinancing from investors, and negotiate the sale price for diamonds or gold to this investor; however no real evidence of this was seen in practice. Cooperatives come under the management of the Directorate for the Support of Mining Production (*Direction d'Appui à la Production Minière*), who help with financing and materials. The other benefit of being in a Cooperative is the ability to export diamonds directly, through BECDOR, bypassing collectors and Buying Offices middlemen and paying a lower tax rate. However, this route is only possible with an export value worth over 40,000,000 F CFA (~US\$ 90,000), a highly unlikely amount to be produced from artisanal mines which in reality acts as an impassable barrier to the entire

²² The *Cahiers de Production* (Production Notebooks) are bought from the Administration of Mines (*Fichier Minier*) in Bangui, or the *Brigade Minière* outside Bangui, by the artisanal miner. The artisanal miner must record his/her findings in this notebook, which will be used by the *Brigade Minière* and the Administration of Mines to control and trace the whereabouts of the mining product throughout the marketing chain.

²³ According to an interview with three *chefs de chantier* in Boda.

²⁴ C.f. *infra* Legal Framework of artisanal and small-scale mining activities.

process. If the value of the minerals is less than this figure, then the diamonds or gold must be sold to either a collector or a Buying Office and passed through the marketing chain in the usual way.

Registration as a mine labourer costs 2,000 F CFA (~US\$ 4) for the year, and is payable at the local office of the *Brigade Minière*, who will provide a license. The process involves filling in a numbered registration card, and the name, number and address of the artisanal miner being forwarded to the Directorate for Commercialisation, Industry and Mining Register. These registration cards must be carried at all times when working on a mining concession, as the *Brigade Minière* undertake inspections and failure to produce can result in the confiscation of all minerals and tools. According to various sources in the field, only approximately 20% of mine labourers in the CAR are in possession of a license, as a result of the lack of real benefits and lack of enforcement. To register as an artisanal miner, an annual fee of 35,050 F CFA (~US\$ 80) must be paid at the local *Brigade Minière* office. It is not uncommon for artisanal miners applying for a license to require a literate person to fill in the card for them.

The GoCAR attempts to extend control over the mining sector through the Directorate for the Support of Mining Production, and more specifically through the subdivision covering the dispersion of technical and material support. The *Brigade Minière* is responsible for policing the mining sector in the CAR. The *Brigade* personnel come from the *Gendarmes* (army) and Police, and are engaged with preventing fraud in the diamond and gold mining and marketing chains, and preventing and resolving conflicts on mining concessions.

As with many organisations in the CAR, the *Brigade Minière* personnel are operating with many constraints. They have no official training in geology, mineral identification or diamond valuing, coming directly from police operations, and although they insist they recognise diamonds when they see them, this is hardly an ideal situation. The decentralised regional offices, located within the main mining communities, are invariably understaffed (employing just one or two people), have no equipment such as radios to communicate with each other or with any of the local mining concessions, and only have access to motorbikes often with insufficient fuel. If a conflict needs resolving on a mining concession, for example in Boda in the South-West, , then one of the parties involved must borrow a car from a volunteer in the community, drive to the *Brigade Minière* and collect one of the officials to bring them to the location of the conflict. Such logistical problem prevents routine verification that miners working on concessions are legally registered. Obviously this is a highly ineffective arrangement for an organisation that is supposed to be keeping watch over all mining and trading in these mining concessions.

The *Brigade Minière* personnel are entitled to confiscate any gold or diamonds from unlicensed artisanal miners and any minerals deemed to be smuggled or from an illicit

source. The confiscated diamonds and gold are rarely returned to the artisanal miner even if they are found to be legitimate. The seized goods risk being 'lost' on the way to Bangui for a verification process which takes place every couple of years. After this time, the *Brigade Minière* apparently often claims that the artisanal miner can no longer be found. In truth, artisanal miners understandably become disillusioned with the legal registration process resulting in the confiscation of the minerals that support their livelihoods, and switch to working illegally. It is alleged in the field that any miner, legal or not, who is trying to sell a diamond greater than five carats is often put under a lot of pressure from corrupt officials who would like to confiscate the stone under false pretences for their own personal gain. It is also alleged that many artisanal miners avoid registering at all because to do so would involve giving their name and address to the *Brigade Minière*, and that would facilitate the confiscation of their valuable gold or diamonds if it became unofficially known that they chanced upon a significant quantity. The selling of these undeclared minerals through illicit channels is the starting point of fraud in the mining sector in the CAR, and therefore it is alleged that the *Brigade Minière* are completely counterproductive.

Organisation of informal ASM activities

Within the much larger informal sector there is less clear division of labour and profits. Instead, most miners and labourers simply tend to organise themselves into gangs with an appointed gang leader/foreman or simple family based groups (particularly if the mining concession is proximal to a reasonably large community base).

In both the formal and informal ASM sectors there are a number of employment-related issues that must be addressed so as to make the employment more meaningful to certain key actors, particularly women. Some issues highlighted include the following:

- The employment relations within the sector are substantially informal and 'casual'. The sector does not offer any form of social protection for employees and does not comply with statutory obligations relating to social security, taxes, insurance, compensation, hours of work, and the health and safety of employees. The female labourers are often exploited and work largely to enrich the predominantly male licence holders, buyers, sponsors, etc.
- The bargaining power of artisanal miners/labourers within the sector is generally weak, largely because they do not have a competent voice, through a democratic cooperative, to engage in negotiations with employers;
- Although mine labourers can earn more than some in the rural areas, the incomes of workers (carriers, crushers and washers) within the sector are low when taking into account the physically taxing, arduous and dangerous character of the work they undertake.

Although deemed by some as a socialist concept, the general global consensus is that the formation of miners' organisations, cooperatives or associations can help to provide a single 'voice' that can assist the miners and labourers in conducting pricing or workplace negotiations, mobilising assistance programmes, conducting awareness campaigns amongst its members and organising security and mine-site related activities. The formation of truly emancipated, democratic and empowered miners organisations in the CAR would also support the monitoring and administration of the subsector, as well as enforcement of the legislation whilst facilitating the dialogue and interaction between the General Mining Directorate (and associated units) and the miners. It is advised that the General Mining Directorate investigates the appropriateness, and subsequently tries to facilitate and foster the development of democratic miners' organisations.

Many Central African mining entrepreneurs will probably be sceptical and somewhat reticent about the formation of such organisations and prefer not to empower their workers and labourers. These people may feel distinctly threatened by the formation and empowerment of such organisations who could then theoretically simply by-pass them and market their mineral produce more directly. Of equal importance are the invisible, but highly influential, power relationships within the government and *Préfecture* administrations; between the indigenes and migrants, between the license holders and the miners/labourers and through local business networks, which could undermine the formation of miner's cooperatives. It is likely that such relationships are exceedingly complex and characterised by varying degrees of mutual resentment, mistrust, antagonism, intimidation, extortion, oppression, threats and increasing conflict. Despite these problems, most of the mineral markets in the CAR could certainly benefit from a streamlining of the commodity chain to reduce the number of collectors who allegedly seek to maximise their share of the profits, perpetuating the subsistence life of those who produce the actual mineral wealth.

Therefore, any encouragement or promotion through the General Mining Directorate to organise the creation of cooperatives must fully take in to account the peculiar cultural, traditional (it may also be more appropriate to advocate family or community based cooperatives and in some areas women specific organisations) and situational circumstances in the various areas of the CAR and attempt to highlight the benefits of pooling resources.

The General Mining Directorate promotion process should also acknowledge issues of indigenous ethnicity, gender, illiteracy, lack of unity, loyalty, conflict, administrative skills, and available resources whilst ensuring that the motives of potential members to join any cooperative are not fraudulent or self-seeking. Cognisance should also be given to the lessons from the analysis of failed ASM cooperatives in other countries. These invariably seem to be dominated by the culpability being placed on a 'lack of management' and the fact that cooperatives develop a political character of their own, with various struggles for

leadership (increasingly between indigenes and migrants) and difficulties in decision making on crucial questions.

3.3.2 Land tenure

Land tenure in artisanal mining communities is always a contentious issue in Africa. In the CAR the surface land surrounding villages is owned by individual families from the communities, and passed down through a matrimonial process in the case of death. It is considered that the land from a depth of approximately two metres²⁵ below the surface is owned by the State, and therefore any minerals contained within are also the State's property. This fact appears to be widely understood by artisanal mining communities in the CAR and this is enforced in the field by the *Brigade Minière*. It is increasingly apparent, however, that on diamond mining concessions surrounding Berbérati (and probably in other localities too) in the west of the country the artisanal miners are illegally removing the diamonds from ground they consider to be owned by their ancestors, and are then fraudulently exporting these diamonds over nearby borders. Obviously this practice is going to have a detrimental effect on the implementation of the Kimberly Process Certification Scheme and the Extractives Industry Transparency Initiative in the CAR.

3.3.3 Gender mainstreaming

Over time, women's involvement in ASM activities has tended to increase, particularly in Africa (45 - 50% of all ASM workers in Africa are women), and they are also involved in ancillary mine site activities resulting from the prevalence of family based activity in rural Africa. In the CAR, women's involvement varies, but is reported to be higher in some traditional village-based *orpillage*²⁶ areas such as Boda.

In many instances, women and girls are compelled to undertake the poorly paid ancillary labour including manual transport, ore crushing, sorting and in particular washing. For instance in many sites, women's low status means that they are only permitted to treat the tailings from the abandoned operations or from the primary processing and panning by men. In other sites they only work for part of the day to enhance the earnings of their husbands. In general, for those women who are forced to work long and arduous hours, they receive far less pay than their male counterparts whilst also being expected to fulfil all their primary care giving roles and undertake their traditional domestic duties of fetching firewood, collecting water, cooking, cleaning.

²⁵According to sources in the field.

²⁶ Artisanal gold mining.

The fact that women are often limited to engaging in lower status and lower paid labour activities stems from cultural perceptions and traditional beliefs of appropriate work for men and women. Moreover, women have much more difficulty than men engaging in formalised artisanal mining. They have no patrimony, no land, and therefore no access to credit to buy tools, this is especially the case in the rural areas. It is more difficult for them to obtain the artisanal miner's card and mining permits, as their endeavours are generally faced with incomprehension and often hostility, such initiatives are frequently dismissed as frivolous and seldom carried forward. Women can find it more difficult to get financial, legal, or technical support to gain ownership of land, and many rural women still face traditional and religious obstacles (illiteracy, insufficient technical knowledge, oppressive gender relationships, patriarchal views, social taboos and family responsibilities) in asserting their formal rights and discrimination under customary laws further contributes to the feminisation of poverty in rural areas.

Therefore it may be prudent to try and determine whether promoting and assisting with the formation of specific women's ASM cooperatives, for example, may be of benefit to helping understand and overcome the issues and challenges of women's multiple roles in ASM communities. In intensively mined areas some women are gathering in associations (though often informal) to support one another and help channelling small-scale funding such as micro-credits. In Boda, such an association exists, bringing together more than 30 women. A delegate was sent to Bangui to participate in a meeting aimed at establishing a Women's *Mutuelle* for Savings and Credit. It is estimated that a dozen of such associations exist.

On many artisanal mining concessions in the CAR, there are numerous collateral activities that employ women and young girls. The main activities that attract this group include selling locally produced goods (e.g. women petty traders selling food, beverages, firewood, etc.) and working/serving in bars and restaurants. In fact, it has been reported that many young girls migrate to ASM sites from afar (including other countries especially Sudan, Chad, Cameroon and the Democratic Republic of the Congo) in the hope of making some money in the apparently 'booming' ASM settlements. They usually arrive on site with the expectation of working in the local market or bars or just petty trading, but unfortunately many young women find it difficult to sustain and survive through such activities and their hosts or peers often encourage, or even force them to seek extra cash through sex work.

It should be noted that this is not always the case however; reports in the field indicate that there are mining concessions in the CAR which are run by female artisanal miners and employ women exclusively.

The nomadic nature of many miners in some areas of the CAR also has a direct and damaging effect on the traditional extended family structure, and women's role in particular.

Traditionally the extended family is a very important, with a strong social security institution taking care of orphans, the elderly and widows. However, this crucial structure often disintegrates when members participate in ASM, particularly when the male miners have to travel far from home and are away for indefinite periods of time. The remaining female-headed households have to cope without their husbands for long periods and live in hope that they will send money back or return soon. Often such households' struggle and the children are forced to work. In addition, some of the occurrences of child labour in ASM in the CAR can be attributed to the fact that women in some mining areas are forced to bring their children along to work (it is common to see babies/infants strapped to their mothers back). Such situations lead to arguments that it is the women's involvement in ASM activities that is to blame for child labour and that it is therefore not desirable to have women in ASM. However, it is the lack of child-care provision for the children (especially for widowed women), as well as the limited opportunities women have to make alternative arrangements, that is to blame for the presence of some children on ASM sites.

Past ASM assistance efforts in other countries have made a major oversight in not recognising the gender-specific nature of development. By assuming that 'what is good for men is good for their families', most ASM programmes have been orientated towards the tasks, interests and needs of men. Future reviews of the ASM legislation and policy must focus more sharply on removing the many engrained gender based constraints and incorporate ways to give women more power in their communities and their households. This can be done through the enactment of gender-neutral legalisation (e.g. Zimbabwe, Namibia and Ghana) and in accordance with the International Labour Organisation Convention on the Elimination of All Forms of Discrimination against Women (C45). Women are critical to community stability, cohesiveness and morale, and act as primary agents in facilitating change. Therefore empowering women within ASM communities in the CAR will have a greater impact on alleviating rural poverty and supporting the development of strong and resilient communities, as they are more likely to spend the money on family needs compared to their male counterparts who in general tend to be rather frivolous and irresponsible with their incomes.

3.3.4 Child labour

Child labour is prevalent in many gold and diamond ASM operations in the CAR. A combination of economic decline, poor education, poverty, rural remoteness, a large informal working sector, poor governance, disease and HIV/AIDS (reported as high as 25% in some artisanal mining communities) has created conditions that are rife for the exploitation of child labour together with a worrying increase in orphanhood. Likewise the ease of opportunity to exploit children, the growing proportion of the young population, and the fact that child work is often considered part of the socialisation process by many rural peoples has resulted in a

high prevalence of child labour in rural CAR. Worryingly this issue is seemingly neglected by most reports on the sector.

A general lack of labour law enforcement and investment in the social infrastructure in many rural areas has resulted in child labour being common practice in the ASM sector in the CAR. In general children work in the mines to help their parents, and to supplement the family income in order to provide basic goods simply to survive and their contribution is highly valued by their families. As education is not free, many children are forced to either drop out of school or work part time in the mines to help support their family needs or pay for the educational fees. Some children and adolescents are simply lured by the prospect of becoming rich while others are encouraged by their parents to help contribute to the family earnings.

Child Labour in the ASM sector of the CAR is considered a result of:

- Worsening poverty in rural areas (according to the *Profil de Pauvreté en Milieu Rural*, UNDP, 2003);
- The illegality and informal nature of the ASM sector;
- Past Government apathy and lack of capacity and resources to police sector and enforce labour legislation;
- The lack of empowered miners associations/ASM unions, organised community-based organisations or sector specific;
- The disintegration of the traditional extended family and significant gender inequality;
- The growing proportion of children and rising number of orphans (including AIDS orphans);
- The remoteness and isolation of many mining areas;
- The reliance on traditional family-based *orpaillage* activity;
- Increasing numbers of Sudanese refugees, economic migrants and internally displaced people from villages in the north of the country, being forced to relocate as a result of the ongoing instability in Darfur;
- Traditional and/or religious discriminating attitudes toward girls and their educational needs;
- The lack of opportunities or incentives to go to school or continue with education in mining areas;
- The lack of post primary education, few job prospects, regular employment or livelihood choices in rural areas;
- A lack of improved ASM performance and access to fair mineral markets.

It is commonplace for families to accompany the men seeking out a livelihood in artisanal mining in the CAR, particularly if the relocation is thought to be a permanent one. In such circumstances the children immediately suffer; they lose many of their basic rights, the vital stability and routine of village life that is critical in their infancy, they lose touch with their

extended family and friends, lose concepts of normal social conventions and moral stability, lose opportunities for an education, and even the opportunities to play safely. Once on site, continual poverty and lack of earnings soon forces the entire family to seek work in the mining operations. Even the most caring parents are painfully forced to plead mine 'owners' and fellow miners to allow their children to undertake some work in order to earn some payment and contribute to the meagre family income. The unrelenting poverty that plagues the ASM sector, combined with the lack of viable alternative livelihoods, destroys the strongest of family values and principals and compels parents and children to remain on the sites and endlessly work in the mines just to survive from day to day.

Box 7 - Worst Forms of Child Labour Convention, 1999

Article 3 - For the purposes of this Convention, the term the worst forms of child labour comprises:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

Source: International Labour Office

At present there is no detailed data on child labour in the ASM sector of the CAR. It is also unclear whether there is greater incidence of boys rather than girls working directly in mines. Therefore, it would be a valuable exercise to specifically study the issue of child labour in ASM to help determine what aspects of the mining operation are the children involved with; how many hours they work per day; the hazards they are exposed to; how they are remunerated if at all; whether they manage to find alternative employment; auxiliary work (including sex work); and the means of recruitment ('voluntary'; family or community relationships/understandings or 'forced'; with the children working as conscripted or bonded labour).

Without such knowledge it would be ill-advised to try to formulate any child labour elimination projects. However, based on experiences from other African ASM sectors it would be prudent to ensure that any intervention did not solely concentrate on child labour in isolation, be too academic, insufficiently researched, or inadequately resourced. The General Mining Directorate must appreciate that there is certainly no quick fix solution to the complex child labour problem in ASM in the CAR. However it is likely that better governance could result in greater relative success in child labour interventions, and reduction solutions must be

integrated into a holistic approach to assist the ASM sector that considers all the constraints, issues and challenges.

3.3.5 Mining and processing methods

In the CAR, both gold and diamonds often occur in the same areas, particularly in the south-west of the country. The minerals both occur in alluvial gravel beds, which vary between half a metre and one metre in thickness. In some of these regions it is theoretically possible to mine both gold and diamonds from the same gravels, however as the mineral processing technology is insufficient to do this successfully the artisanal miners tend to forgo one to concentrate on the other. The depth of overburden varies depending on the individual location, however in the south-west of the country the artisanal miners generally have to remove about five metres of sterile material, and in the central-east of the country it can be as little as two metres (around Bria), or as much as seven metres. The prospection method for new mineralised gravel beds is exceedingly basic; consisting of driving a steel pole into the ground until the gravel horizon is located. Following this, sufficient overburden must be removed so a small sample of gravel can be removed and assayed. The assay process simply involves panning a bucket of ore (for gold) or sieving/hand jiggling (for diamonds) at random, if any gold or diamonds are found then mining will commence. Sources indicate that the alluvial gravels tend to harbour a meagre distribution of diamonds. If nothing is found then the process will be repeated at a nearby location.

Mining of the alluvial gravel is undertaken by groups of artisanal miners who initially remove the overburden, which can be at depths between one and seven metres. Following this, which often happens in stages similar to open cast strip mining (the overburden is removed in strips and used to backfill the previously mined strip), the auriferous or diamondiferous gravels are piled into heaps approximately two metres cubed. In some cases the pits are stepped in terraces (benches) to ensure stability but more often they are unbenched, and even undercut. Water ingress can be a problem with this type of mining and dewatering is either undertaken manually using buckets or very occasionally with the use of a diesel pump which makes the operation more costly. By mining only in the dry season and cultivating agriculture during the wet season this can predominantly be avoided. The ore excavated from these pits is usually carried in head pans to suitable locations for processing.

The methods employed for processing the gravel to recover minerals differs for diamonds and gold. When mining diamonds a rudimentary hand jiggling process is adopted; the gravels are poured into small metal buckets perforated with large holes, and this colander-like tool collects the larger rocks, whilst the small particles escape through the holes and are collected in a square mesh sieve, approximately 50 centimetres square. The small particles are then washed in water (using a swirling motion) to let the smallest particles of earth and

gravel wash away. When there is a single layer remaining in the sieve, this is taken to dry land and examined in minute detail to find the diamonds. The most obvious shortcoming of this method is that any diamonds smaller than the size of the mesh will be lost. According to reports, there is an artisanal mining concession near Bria where mechanised jigs are employed to process the gravel more efficiently with a larger grain size.

The method engaged for recovering gold from the alluvial gravel is similar to that for recovering diamonds. After manually crushing the auriferous gravels, one method is to pan the gravels to concentrate the denser gold particles, using increasingly smaller diameter basins until the gold can be collected from the bottom. The second method seen in the field is to mix the crushed gravel particles with water to form a 'sludge', which is then very primitively sluiced. This sluicing process entails progressively adding water to the gold-bearing 'sludge' at the top of an inclined wooden chute (such as a section of disused dug-out canoe or pirogue), and the denser gold particles collect nearer the top of the chute, whilst the tailings are washed down to the bottom. To be even remotely effective this process must be repeated several times. Visual evidence in the field indicates that no form of horizontal riffles or strips of carpet were used in the wooden chute to recover the gold particles from the flow, and some wooden chutes seen even had patches of sheet metal fixed onto the flow surface with the intention of slowing the flow, but which in reality would trap the gold particles underneath, rendering it completely inaccessible.

In ASM activity in the CAR, concepts such as mine planning and grade control are non-existent or at best rudimentary and the hand tools (shovels, picks, hammers, axes, chisels, metal bars, or spearheaded digging tools), hand equipment (calabashes, sieves and sluices) and techniques used by the artisanal labourers are very simple (often because they also have to be mobile) and often inappropriate. Levels of mechanisation in mining are minimal and the techniques, tools and equipment adopted for routine unit operations in the various mines (rock breaking, ore/waste handling, hoisting, ventilation, and drainage) are usually inadequate and labour intensive, necessitating the miners working long and arduous hours in hazardous conditions.

Examples of typical practices common to most artisanal mining sites in CAR include:

- Manual pre-stripping of only minimal overburden to expose the orebody;
- Very rudimentary grade control by random sampling. The sample is then manually crushed, sieved in the case of diamonds, or panned in the case of gold;
- Open pits are sometimes not benched, berm undercutting is common and bench face scaling is never practised;
- Deep pit excavations are not protected or fenced and access is unsafe;
- Hoisting from deep open pits is often undertaken using headpans carried either by individuals or through a 'human-chain' of miners passing headpans from one to another;

- Artisanal miners can spend many hours in cramped and hazardous conditions whilst undertaking hard manual labour;
- Water inflow and mine dewatering is a big problem, and miners are mostly reliant on manual methods for dewatering with limited access to diesel pumps;
- Ore is usually manually crushed on site, and transported to nearby water pools to pan/hand jig for the precious minerals.

Although it is often claimed that the current ASM methods are archaic and crude, it should be remembered that throughout the many centuries of artisanal mining in Central Africa the indigenous artisanal miners have been innovative, having developed their own tools and technology and have been far from static or backward. However, technological issues associated with informal ASM activity are still cited amongst the main constraints that limit the sector from attaining its full economic and wealth generation potential.

3.3.6 Training and outreach

The informal nature of artisanal mining combined with a lack of knowledge and funds to improve mining methods and techniques or acquire appropriate equipment, forces many artisanal miners and labourers to adopt inefficient mining techniques. In addition, the artisanal miners have had no training, they have minimal geological understanding and rely on past experience, instinct and superstition to locate and pursue the mineralised orebody. Such conditions thereby perpetuate haphazard and dangerous mining, incredibly high dilution and very low recovery (probably as low as 10-40% when using simple sieving or wooden sluices) leading to high grading and possible resource wastage through sterilisation of economic deposits. Advice and training on improved mining methods, practices and techniques is a key area that the General Mining Directorate should more proactively endeavour to promote.

When discussing areas of concern and their main desires, many artisanal miners and labourers cited a lack of means, equipment and technology as their key problem. It is because of this apparent demand, and because of the past orientation of many development interventions, that technological improvement and 'best practice' adoption has been, for some intervening agencies in neighbouring countries (e.g. United Nations Development Program, European Union, United Nations Industrial Development Organisation) viewed as the key for improving artisanal mining for both environmental protection and increased productivity. Beside these two objectives, the selection of appropriate 'best practice' techniques and technology should also be based on a variety of other practical aspects and criteria such as the full acceptance by the miners, the local structural geology and orebody characteristics (especially reserves in order to justify and sustain an ASM community), the specific mineralogical characteristics, health and safety, financial gain, affordability, the ease

of use, and the availability of necessary equipment and materials all within the specific Central African context. Direct assistance to help miners improve productivity is often a useful incentive to convince miners to legalise and work within a more formal and regulated regime.

Box 8 - Improving Mining & Processing Techniques/Technology

- Remember that technical problems require technical solutions, but an integral multi-disciplined approach is required for implementation.
- Remember that there are NO 'one-size-fits-all' generic technical solutions.
- Evaluate shortcomings and inefficiencies in current mining and processing techniques for diamonds and gold.
- Accept that it will be best to first adapt and improve existing traditional methods before attempting to introduce new and alien techniques or technology. Technology development is more likely to be sustained if built upon the labourers' and miners' strengths, inherent skills and knowledge.
- Through a participatory and consultative approach identify and provide the labourers and miners with improved and safer 'best practice' means of production that helps raise their productivity, increase the mineral recovery and lead to self-sufficiency.
- Ensure the selection of any new 'best practice' techniques and technology creates a 'win-win' situation and be based on various practical aspects and criteria such as the full acceptance by the miners (overcoming social barriers), be fully accessible, inexpensive to operate, easy to duplicate, use and maintain, utilise readily available local resources, and it must generate obvious financial benefits through more efficient and expedient recovery.
- Recognise that any alternative techniques and technology must be easy to demonstrate in terms of a more efficient and lucrative operation rather than relying on arguments based on long-term health and/or environmental implications.
- Acknowledge that it may be prudent to adopt a strategy where the miners and labourers must pay/contribute to access the technical assistance – based on the argument that 'It cost me, I use it and I take care of it'.
- Make sure any proposed strategies are not arrogant or patronising and always value and respect the knowledge of the miners and labourers. Likewise ensure due consideration to the potential 'social barriers', cultural diversity, level of knowledge and expertise, and varied perceptions of individuals.
- Make sure all technical interventions are adapted and tested in conjunction with the miners and labourers in a step-wise manner, are accompanied with suitable levels of education and training, and also provided with sufficient supervision and prolonged monitoring.
- Ensure all proposed solutions are replicable without external aid and devise a suitable dissemination strategy to maximise duplication.

However, field experience has shown that the key benefits to the miners and labourers of any 'best practice' technology must be easy to demonstrate in terms of a more efficient and lucrative operation rather than rely on arguments based on long-term health and environmental implications. Therefore in order to gain acceptance and be adopted any new or alternative technology must be fully accessible, inexpensive to operate, easy to duplicate, use and maintain, utilise readily available local resources and must generate obvious financial benefits from the start through more efficient and expedient mineral recovery.

It is plausible that in certain areas of the CAR there may be some 'social' barriers that have to be overcome before acceptance and adoption of new technology, as there is often a traditional affinity to the reliance on some preferred equipment and techniques. Miners and labourers can be very sceptical and loath to adopt any different methods or technologies regardless of who is advocating their use. This is especially true of the imposition of technology through solutions perceived to be developed behind closed doors in a 'Western' non-African environment. Any future General Mining Directorate strategy for the introduction of new or improved technology, whether in joint venture with a major donor organisation, private sector company, or on their own, must not be arrogant or patronising, but should ensure due consideration to the cultural diversity, level of knowledge and expertise, and varied perceptions of individuals in the ASM communities. Therefore respect and understanding for the varying degrees of permanence, local knowledge, adaptability to new methods, and other issues (including ethnicity, culture, gender, age, poverty, motives, etc.) will be given before selecting an optimum alternative technique or specifying different equipment. Indeed, experience from Latin America has shown that the widespread adoption of alternative technologies may take several years. Also because ASM miners and labourers may have a history of being suspicious of outsiders, they are a particularly difficult group to persuade to try new technology unless a mutual trust and understanding can be built and maintained. Any future training and technology transfer interventions through the General Mining Directorate should aim to build on experiences of the attempted (but very restricted due to limited resources) training schemes that they have apparently implemented in the past through the Technical and Material Support and Dispersion Service (*Service d'Appui Technique, Matériel et de Vulgarisation*²⁷).

Given the fact that many in the artisanal mining sector use inappropriate technology or have limited access to, or knowledge of, geology or mining, there is also a likely need to provide accessible, free (or affordable) multi-disciplined advice, training services and products to miners. Such training services will need to be delivered in appropriate locations (either with static or roving training centres) and at appropriate times of the day (when the miners/labourers have finished work). Such proposed training extension services need to act as a 'one-stop-shop' in terms of outreach to the miners, labourers and their communities (with access to rights and entitlements) and should have a duty to advise on 'good practice' in accordance with the national labour (i.e., child labour and gender mainstreaming), environmental and health and safety policy and guidelines for artisanal mining. Training should include an understanding of basic geology, mining and processing (appropriate locally fabricated technology), sustainable environmental management and health and safety guidelines, legislation, access to credit and profitable marketing, mineral pricing and stone evaluation, business, bookkeeping and management skills and community health/issues. The linking of the training of different aspects of artisanal mining and small enterprise business management will be essential to allow the artisanal mining sector to thrive and rise

²⁷According to staff at the General Mining Directorate.

above mere subsistence levels. In theory, these training centres could also act as a conduit for more general education including general water management, agro-pastoral training, healthcare and HIV/AIDS awareness for the wider community.

All proposed training methods should be appropriately promoted and structured to ensure the level of detail and methods of instruction match the targeted educational level and technological capacities of the miners and labourers. All advice and assistance services should therefore take account of the cultural background, gender issues, geographical isolation, capabilities and the working environment of artisanal mining communities in each locality. Advice should be clearly worded in an appropriate local language (Sango), or illustrated considering potential issues of illiteracy, and be relevant to the local conditions and culture. Indeed it will be important that the literacy standards of the artisanal miners and labourers are not assumed to ensure that information dissemination is aimed at those with the lowest literacy levels. For this reason minimum written information and maximum use of 'pictograms' may be important in the dissemination and uptake of some critical messages. All potential methods of communication and appropriate media should be investigated and tested; such as leaflets, posters, videos, local radio broadcasts, theatrical role-plays, meetings with community leaders, community-based organisations, mutual assistance associations, local non-governmental organisations, artisanal miners' communities, group leaders, village elders/traditional rulers, and so forth.

3.3.7 Health and safety

For a number of reasons, the health and safety risks to which the artisanal miners and especially labourers are exposed to can be significantly greater than for large-scale mining (statistics on accidents and fatalities in the ASM sector were not available as most accidents go unreported). Most obviously, the informal and unregulated nature of ASM in CAR means that it operates beyond the scope of legislation or enforcement of health and safety guidelines.

Although the majority of miners and labourers are hard working and courageous, they are simultaneously often reckless and are particularly vulnerable to exposure to dust, effects of noise and vibration, shaft/stope/bench collapses and rock falls, poor ventilation, over exertion, inadequate work space and inappropriate equipment. If such conditions are common then they will undoubtedly result in respiratory infections, asthenia, arthropathy and various wounds, dermatological, muscular and orthopaedic ailments, and sight problems. Often the miners, especially the young labourers, are not aware of all the risks they are taking and even simple safety items including basic personnel protection equipment such as boots, gloves, safety glasses, etc. represent an eccentric and costly investment with no immediate return. Moreover, it is common for miners and even labourers to introduce

maladapted mining methods and inappropriate or more 'mechanised' equipment or techniques without the complementary safety measures, and often these individuals are not aware of the increased risks they are running.

Fortunately, it is consistently maintained by officials that the use of mercury is currently not an issue in the CAR, and indeed no evidence of this activity was unearthed on field visits to the various gold concessions. Mercury is used for the amalgamation and concentration of gold, and the inhalation of methyl-mercury by artisanal miners is a major risk to their own health, that of others, and results in consequential bio-accumulation within their local ecosystem (which is often the activity of greatest concern for many including the United Nations Industrial Development Organisation and the United Nations Environment Program). Numerous studies in other countries have categorically shown that miners who use mercury have elevated levels of mercury in their blood, hair and urine. It is questionable however, how long the absence of mercury in CAR will continue given its high level of use in other countries in West and Central Africa where mercury is readily available and reasonably inexpensive. It would be prudent for the General Mining Directorate to be aware that the inappropriate use of mercury often arises due to a lack of knowledge of the amalgamation and smelting process. However, an astute proactive task that the General Mining Directorate should consider, already implemented in countries like Ghana, Tanzania, Sudan, Burkina Faso and Zimbabwe, would be to alert people to the danger to themselves, their families, and the environment. If mercury use does penetrate into the CAR then the General Mining Directorate will need to encourage artisanal miners to adopt mercury pollution abatement techniques including the use of simple methods to capture the mercury vapour through retorts or through the adoption of enhanced comminution, more efficient gravimetric concentration or improved amalgamation techniques.

Specific legislation addressing the issues on health and safety for the ASM sector are rare, and the CAR has health and safety covered under the *Code Minier* which addresses the entire mining sector (Article 50 of the *Code Minier* – the permit owner is responsible for health and safety on site). This is inappropriate for artisanal mining concessions, and gives no indication on health and safety requirements and good practices (Article 78 of the *Code Minier* merely makes reference to 'good practice and diligence' according to 'current legislation').

It is worth noting that a few countries in Africa that have attempted to formulate ASM specific health and safety guidelines include the new Mineral and Mining Policy of South Africa and the 1971 Mining Regulations of Zambia. Unfortunately, despite the best intentions many Governments have been largely unsuccessful at being able to raise standards immediately simply through legislation and enforcement. A more realistic approach that should be promoted by the General Mining Directorate needs to centre around sensitisation and increasing awareness (especially to women miners) of the risks and to demonstrate less

dangerous alternatives that are appropriate to local circumstances, and that allow mining communities to make better-informed choices. Cognisance should be given to the fact that exaggerated safety requirements will tend to discourage miners, leading them to simply ignore and label all safety advice as utopian. The General Mining Directorate must ensure that all regulations and guidelines need to be formulated through a consultative approach including discussions with the actual artisanal miners.

3.3.8 Community health

The unhealthy environment most often extends beyond the actual mining sites. Those engaged in ASM in the CAR are already some of the poorest and most vulnerable (it must also be recognised that the health of women and men is differentially impacted by ASM) people and are therefore likely to have inadequate sanitation, with little access to clean water or basic health care. These problems can be even worse where migrant miners and labourers converge around a freshly discovered 'rush' area and settled in unorganised 'shanty type' camps. Remote and temporary settlements often do not have proper public health or sanitation facilities. In addition to harbouring diseases related to poor sanitation, they are usually breeding grounds for alcoholism (a strong distilled natural liquor is the most common drink), narcotics (predominately cannabis) and substance abuse, prostitution and other forms of social character erosion particularly amongst the young male workers. The problems related to prostitution and sexually-transmitted diseases including HIV/AIDS are exacerbated by a lack of education on modes of transmission and prevention, leading to a higher than average prevalence (local sources suggest 25%) of HIV/AIDS in many artisanal mining sites in the CAR compared to the national prevalence of 15%. Widowing is common stemming from marriages between young women and older men who die before them, and there are a high number AIDS orphans in artisanal mining communities who suffer in particular from the malnutrition and kwashiorkor resulting from people predominately concentrating their energies on mining. Elderly people are also particularly vulnerable.

Common ailments found amongst artisanal mining communities in the CAR, directly attributable to the mining activity, include respiratory problems, wounds, hernias and broken limbs. Other health threats include malaria spread by mosquitoes breeding in water filled pits left by the miners in the rainy season. Local sources note that dysentery, diarrhoea, tuberculosis, and other parasitic and infectious diseases are also rampant in such informal and remote ASM camps. Sanitation facilities are often nonexistent, intensifying the spread of diseases related to poor hygiene. Children in these communities are particularly at risk and diseases such as dysentery, diarrhoea, malaria and other parasitic infections are particularly common. Although there are no formal quantitative or qualitative studies on the health of ASM communities in the CAR the influx of migrant miners and labourers certainly puts a strain on the limited resources of the local health facilities which usually consist of the

odd hospital and small health centres, most without any qualified medical staff. In Boda for example, there is one doctor and one midwife covering 25,000 people.

The use of traditional medicines is widespread (it has been reported that, in the African continent, traditional medicine is used by 80% of the population for primary healthcare). Western medicines purchased in pharmacies are used, but they are very expensive (often the most expensive items available to buy in the communities, along with manufactured goods) and there may be sometimes a certain distrust of doctors. Recognition needs to be paid that traditional medicine is believed in, not by ignorance but because it has been an established part of many communities for thousands of years and in many places exists alongside western or modern medicine. They mostly consist of specific roots and plant which can be harvested for free from the surrounding forests as required. If the medical doctor is unable to heal a patient, they are frequently referred on to the traditional community medicine man.

3.3.9 Environmental impact

In the CAR as in many other countries with sizeable artisanal mining sectors, the environmental destructiveness is the single most visible aspect of ASM. However, as with many other African countries a lack of awareness, particularly of the less visible or long-term environmental impacts of activities, combined with a lack of information about affordable methods to reduce impacts and a lack of obvious incentives to change, all contribute to the significant environmental problems within the ASM sector of the CAR.

Since most of the ASM operations in the CAR for the miners are subsistence activities, miners and labourers are forced to focus more on immediate concerns rather than the long-term consequences of their activities. This is compounded by the fact that in the past the General Mining Directorate or the Ministry of Environment has lacked the capacity to effectively monitor or control these informal activities that occur in remote and sometimes inaccessible locations.

In the CAR, almost 10% of the country's surface is protected on an environmental basis²⁸. Areas most intensively mined generally do not overlap with environmentally protected land. However, the fact that artisanal miners do not use geological maps but mostly trust their instinct and past experience, means that areas perceived to have mineral potential do overlap with environmental assets. This is a key issue that the General Mining Directorate and Ministry of Environment needs to jointly evaluate.

²⁸More than 61,000 km² are protected for environmental reasons, the country's surface being close to 622,000 km². Source: Convention on Biological Diversity website <http://www.biodiv.be>.

It should be emphasised that poverty alleviation is intimately linked with environmental management. In the CAR these links include the enormous burden of disease that affects the rural populace through pollution of water and air, and their dependence on natural resources and ecosystem services which, when degraded, can undermine their very livelihoods.

Art. 32 of the Environmental Code: The exploration and exploitation of mines and quarries resources shall be done in an ecologically rational manner, taking into account the environmental considerations provided by the current legislation and in the applications texts of this code.

Art. 69 of the *Code Minier*: [...] any type of mining operations shall be forbidden at a minimum distance of 200 metres near [...] national parks, wildlife reserves, nature reserves, biosphere reserve [...].

Art. 70 of the *Code Minier*: Protected areas of any size can be established within exploration or mining sites for the purpose of protecting (...) water supply points [...] national parks, special reserves, sanctuaries, wildlife reserves; classified forests or around any location in respect of which environmental protection is deemed necessary [...]

Probably the most significant environmental impact of artisanal mining in the CAR is land degradation. In many areas it is common for prospective ASM sites to be stripped bare of vegetation and topsoil and the excavated pits are left uncovered and abandoned, which in turn renders the land unsuitable for any other purpose. In addition many ASM operations often undertake the processing near water sources, rivers or ponds resulting in siltation and destruction of aquatic environments. However, one consolation is that the majority of environmental impacts appear to be confined to the close proximity of the ASM workings and as a result, the impacts of individual operations are of a limited scale and should be reversible. Nevertheless, the cumulative effects of these mining activities may be less apparent, and should be borne in mind. The regenerative capability of the natural vegetation of the environments where the ASM operations occur needs also to be considered and the effects on biodiversity need to be fully investigated.

Box 9 - Best Practice Recommendations for Environmental Management in the ASM Sector in Africa

- Regulations should be specific to ASM operations Environmental (and H&S) legislation should establish control over the distribution and trading of dangerous chemicals.
- Legislation should allow users to be known and hence can be easily monitored for compliance and assistance.
- Legislation should allow data on the amount of chemicals entering the country, amount used and other relevant information to be accessed.
- Legislation should increase the use of safe methods and reduction in health and environmental negative impacts.
- Establishment of locally enforced security systems which allows miners to watch each other's mining practices to ensure that set environmental and safety standards are adhered to.
- Establishment of regulations that contribute to improved working relations between miners, authorities and their organisation.

Source: United Nations Economic Commission for Africa

The ASM sector in the CAR needs to comply with the requirements for minimising the numerous negative environmental impacts attributable to its unregulated activity. By their very nature, many ASM workings are informal and increased legislation will be ineffective in their regulation. Better enforcement of existing legislation is one approach that could limit or curtail operations. Therefore, the General Mining Directorate needs to develop appropriate, easily understood and enforceable legislation that will draw the ASM sector into national programmes for environmental management and protection. The General Mining Directorate must ensure that simple environmental management guidelines are developed in order to encourage artisanal miners and labourers to adopt working methods that are appropriate to the Central African sector in terms of efficiency, standards, minimisation of negative environmental impacts and restoration. Such best practices may include:

- A simplified environmental impact assessment for the ASM sector: prior to the commencement of mining in an area that may have been environmentally damaged, the licence holder must request an inspection of the area to confirm the environmental disturbance. Else, this area will be considered to be in a satisfactory condition, as a reference in case of later environmental damages;
- Vegetation clearing cannot be undertaken within 20 metres from any stream or river bank;
- To ensure that the mined areas are rehabilitated as mining proceeds, no new development can be undertaken without backfilling the abandoned previous working. And to ensure the funding of such provision, a certain percentage of the revenue obtained by the commercialisation of the extracted mineral shall be received by the supplier as 'environmental rehabilitation charge'. This fee can also be transferred to a 'land reclamation fund'.

3.3.10 Social impact

The population of the CAR is very young, with 49% under 18 and only 4% over 60. This suggests a high potential from growth and development provided that the young are sufficiently educated and in good health. The population is gradually drifting away from the countryside; a result of the lack of jobs, declining agriculture and deficient social infrastructure. Bangui currently contains 16% of the national population and is expanding in a fairly chaotic manner resulting in many unresolved housing, sanitation and environmental issues.

In some areas of the CAR, rural livelihoods are no longer valued or perceived as sustainable, leading to gradual migration to the cities. The degradation of some of these rural livelihoods and increased levels of poverty has forced an increasing number of rural families to rely on basic coping strategies to secure an alternative off-farm source of income in other sectors, including artisanal mining. In the CAR some miners and labourers, and often their families, are highly mobile and flock to the mineral rich areas in the desperate hope of escaping poverty and accumulating wealth, and unfortunately many care little for conventional social behaviour or traditional values. According to some past research, few members of such artisanal mining communities possess any real natural, financial or physical capital or tangible assets and even the social and human capital of the community is most often weak.

Many citizens, especially in rural areas, are suffering under the combined weight of hunger, lack of electricity and water, a decrepit communications infrastructure and absence of health and education services. It would be informative to ascertain whether the migration of people causes increased pressure on such local services which are already scarce in many remote rural areas. In other countries local people conclude that they have seen few lasting benefits; most of the profits will have disappeared while the legacy of social and environmental damage persists.

Artisanal mining communities in the CAR draws many migrants, both nationals from other regions and from nearby countries. In Boda in the South-West, for example, the national migrants include the Gbanou, Gbaya, Mandja, Bofi, Mbororo, Bandas, Ngbaka, and the Ali. Immigrants also come to work on the mining concessions from nearby Sudan, Cameroon, Chad, and also from more distant countries like Mali and Senegal. This migration is an enduring fixture of artisanal mining communities in the CAR, especially when new concessions open and migrants flood in to make money. There are two types of migrants; those who bring their families and settle in the community, and those who come alone with the express interest of making as much money as possible in a relatively short time before returning to their homelands. The latter arrangement unfortunately results in increased fraud and smuggling, and also prevents any investment in these local, impoverished communities.

Often marriages are encouraged between immigrants and Central African citizens because this increases the likelihood of internal reinvestment, and also by becoming Central African they are then eligible to legalise and register for an artisanal mining license. In the CAR it is also common for the man to spend many days or even weeks at a time on mining concessions, leaving their families to struggle as best they can; a situation which unsurprisingly leads to tensions and increasing divorce rates. The general consensus in the field is that the GoCAR needs a more appropriate, enforceable immigration policy which favours CAR nationals.

When large numbers of migrants arrive at a new concession, conflict with local communities can occur. It is common in many of these mining communities in the CAR that when a 'booming' economy develops around a remote 'rush' type artisanal mining activity, localised inflation brought about by the erroneously perceived high purchasing power of those involved in the artisanal mining sector often poses extreme difficulties to those who are not involved in mining. In other counties in Africa this sometimes provokes violence and introduces new social problems resulting in antagonism within some communities, and sometimes between different ethnic groups and nationalities. This has not been confirmed in the CAR so far, and reassurance is given by sources in the field that the different national and tribal groups coexist harmoniously. It is, however, recognised that the higher cost and lower availability of basic foodstuffs in such areas can result in under nourishment and malnutrition (and related conditions) for many and is especially common amongst the vulnerable groups like women and children.

Given that many artisanal mine sites in the CAR are in remote rural areas, often far from established villages, most people who flock to the area usually believe they will only be resident for a short time and once they make fortune, substantial amount of money they will return to their village. Therefore most miners and labourers care little for conventional social behaviour, traditional values or, because of a short-term view, establishing a planned village with intricate housing, drainage or sanitation facilities. In addition the speed and scale of the development of some ASM sites means basic social infrastructure such as road access, water, health or educational facilities are often non-existent, leading to a multitude of social and health problems. Due to this transient nature and belief that their presence on site is temporary many nomadic miners and labourers may ignore their traditional or religious values which they would have respected and meticulously upheld in their home villages; a situation which results in the erosion of the social code or values including high levels of alcoholism, narcotics and substance abuse and prostitution. This is particularly the case amongst the young male migrant labourers who in turn can influence the local adolescents.

On the mining sites, young people (defined in the field as being between 18 and 35) consist of 70% of the population. Many children of a school age do not have any formal education, instead accompanying their parents to work either on the mining concessions, in the fields,

or carrying out other occupations which can provide them with nourishment. In mining areas there are very poor schooling levels particularly for 12 to 15 years-olds. In the Boda commune, for example, there are 31 official schools and also various other smaller education facilities in the surrounding villages. Over 6,350 children attend these schools, which is approximately 25% of the schoolable population, and around 5,000 children will complete the year; the rest dropping out to seek work. Two thirds of the children at school are boys; girls are held back by parents who do not deem it necessary for them to learn 'book skills' or formal education. Schooling a child costs annually 3,000 F CFA (~US\$ 6) for insurance and 500 F CFA (~US\$ 1) to cover the fees. In the unofficial schools in the smaller villages the parents must also pay for a teacher between them. Families in artisanal mining communities in the CAR often have problems affording the fees, another reason why children are pulled out of school and taken to work. According to a school teacher in Boda, pupils at school are told about the dangers of working on the mining concessions, and very basic health and safety information is suggested to them.

Agriculture is impacted by artisanal mining activities in the CAR. Men often cultivate coffee which is predominately exported to the Sudan, whereas the women tend to cultivate subsistence crops to sustain their families such as banana, manioc, grain, and cacao. The equipment is archaic, and there has been no influx of modern technology from Bangui or anywhere else. The soil is, however, very fertile. Fulani communities rear cattle; however as a result of rebel road blocks they moved their herds to Cameroon and Chad several years ago. They are starting to return to the CAR now, lured by the rich pastures. Game, including monkey, gazelle, boar and antelope, is hunted for meat, and chickens are also reared in the communities. The agricultural season is between January and April, during the rainy season, and between May and December the communities concentrate on mining. Immigrant artisanal miners often ignore these social requirements and this can initiate conflicts over land. In some areas farms have been abandoned and diamond mining has become the year-round priority leading to potential food insecurity and rapidly increasing prices of basic foodstuffs in the rural mining areas. Based on such findings it may prove beneficial to implement supplementary agricultural assistance projects that assist with improved arable/pastoral farming and animal husbandry in some ASM communities.

3.3.11 Fair mineral markets, and access to finance and credit

ASM in the CAR is confined to exploitation of high value minerals, notably gold and diamonds that are generally for export. Such minerals are particularly attractive as they have the advantage of being relatively simple to extract, refine, and transport. Informality and illegality of the ASM sector in the CAR also extends to the marketing of these precious mineral products that are easily smuggled through the nation's porous borders (especially to Cameroon) and serve as an exportable hard currency equivalent. The lack of a local and fully liberalised market in the CAR is probably one of the greatest constraints to achieving

real and tangible development of this sub-sector. The proliferation of parallel and illegal markets and the covert and fraudulent nature of some diamond 'transactions' is testimony that there are problems with the existing mineral marketing arrangement. This situation is exacerbated by the fact that many gold and diamond ASM sites are located in remote areas, and it is often far easier to trade in a neighbouring country than to travel all the way to Bangui. Ancestral ethnic links facilitate cross-border trade and barter, and not surprisingly gold, and increasingly diamonds, are a favoured exchange commodity.

It is important to remember that illicit marketing in many other countries is primarily the result of inadequate government policies when 'official' prices are too low, taxes too high, or due to the traditional strong ties (debt bondage) established by collectors through the prefinancing of ASM operations.

The lack of true liberalisation, formal protection and proper acknowledgement by the Central African authorities for the informal ASM activities increases the risk that the artisanal miners will be exploited by collectors and other intermediaries and they rarely get fair prices. It also encourages capital flight, fraud, criminality and smuggling in the commodities chain.

It would also be naïve to believe that mineral smuggling can be eliminated completely, however, through the implementation of appropriate liberal macro-economic policies (i.e., monetary, fiscal, and trade), and marketing incentives at the micro, meso and macro levels, gold and diamond smuggling can be reduced. Within the gold sector it is believed that not all smuggling in the CAR is the result of malicious practices. Miners will always seek the most convenient and profitable prospect, whether within the CAR or outside. For example in many areas in the West of the country, a far better price, with no tax liability, can be realised in neighbouring Cameroon and gold and diamonds continuously leak across the border.

Income is discontinuous for most miners in the CAR, therefore in order to ensure a regular cash flow from small amounts of production; mining communities in the ASM sector typically have to sell their products as quickly as they can. Combined with a lack of real 'voice' or bargaining power, they usually get a low price. This exploitation is even more acute for women whose unequal status often means that they are usually compelled to carry out poorly paid work. Those working further along the commodity chain, such as the many traders, collectors, and other intermediaries, the greater share of the profits. This inequitable distribution of the profits is one of the major obstacles to achieving poverty reduction in the ASM communities throughout the CAR.

There are a number of possible ways in which the profits retained by mining ASM communities could be increased in CAR through specific interventions including:

- The establishment of official buying centres (and diamond bourses) in remote mining areas where miners receive a fair price (i.e., the margin does not exceed an appropriate percentage). However, it is important that the financial requirements and fees for these establishment are not excessive.
- A more open system of licensed buyers/vendors who visit mining areas and buy small amounts of mine output. If there were sufficient licensed agents, competition between them should prevent the purchase price from being so low that it leads to widespread black market transactions.
- Links with the growing 'fair and community trade' movement in industrialised countries.
- Increasing the awareness within the ASM sector regarding methods of adding value to mineral commodities by establishing appropriate processing industries (including lapidary and jewellery manufacture).

The liberalisation of the domestic mineral markets through simplification of the licensing procedures for private mineral dealers should steer most collectors through legal channels. Therefore the processing of mineral marketing licenses and monitoring of the trade activities should be undertaken by relevant departments regulated from the headquarters in the General Mining Directorate (this is the how the marketing systems in both Ghana and Tanzania operate). Such a system would also greatly facilitate the collection of revenue and data. Any proposed Central African marketing scheme must also discourage monopoly organisations from controlling mineral markets and pricing of commodities, as well as foster competition among private sector collectors and sellers to ensure that ASM communities have a number of options for disposal of their output and are not trapped by 'predatory' sponsors.

Financial empowerment of the ASM sector is a prerequisite for the success of the overall development of the sector in the CAR. The majority of artisanal miners in the CAR would like to step up to higher levels of productivity and output by mechanising more of their activities and developing new reserves and would likely cite financial assistance as their greatest need. But few are able to gain the necessary capital.

Therefore it may be worth examining whether local banks are conversant with the concept of realistic micro credit/finance for the ASM sector or the specifics of mining project finance for even the small-medium scale semi-mechanised mine operators. Verbal reports claim that the lack of appropriate pre-financing mechanisms or appropriate micro-credit has resulted in many Central African miners having to resort to seeking credit from the multitude of

'predatory' sponsors and collectors that plague such informal sectors and are thereby trapped to endlessly work for these sponsors in a debt-bondage situation.

The General Mining Directorate recognise the need for micro-credit to be extended to ASM communities, and such micro-credit should also target women's groups and off-mine alternative livelihoods in an attempt to diversify the economic base of the ASM communities and help them become more resilient and sustainable.

Women's micro finance groups have been set up in artisanal mining communities in the CAR, and representatives teach women about micro finance, investment, and money management. These initiatives are genuinely beneficial as it is recognised that the financial empowerment of women is a major step for successful local development initiatives.

Many countries in Africa have attempted to initiate some form of credit scheme for ASM with varying degrees of success particularly with regard to loan repayment. The reasons why the establishment of a sustainable revolving loan scheme has proved elusive in many cases is still unknown, although inadequate debt servicing, unrealistic interest rates, selecting the wrong partners and high administration and set-up costs are all major culprits.

Box 10 - Examples of Access to Credit & Finance in Africa

Some interesting examples collated by the United Nations Economic Commission for Africa that may provide valuable lessons for future Central African financing schemes include:

- Loan-based financial schemes;
- Zimbabwe – Government supported loan schemes including loans to purchase and/or develop mines, emergency loans and the Mining Industry Loan Fund specifically for the ASM sector;
- Mozambique – *Fundo de Fomento* established by the Government to help small-scale miners gain access to finance;
- South Africa – financing by the National Steering Committee of Service Providers;
- Equity based financial schemes;
- Zambia – the Mwaca Amethyst Project supported by HIFAB International to form a Swedish-Zambian JV company;
- Zambia – equity sharing on the zinc tailings recovery project at Sable Zinc Kabwe Inc.;
- Hire/purchase schemes;
- Zimbabwe – an equipment hire/purchasing scheme implemented by the Government;
- Co-operation with LSM;
- South Africa – the Dumpco Trust diamond tailing retreatment project sought an interest free loan form De Beers and the National Union of Mineworkers;
- Buyer credit schemes;
- Tanzania – the Meremeta gold buying scheme established to provide marketing assistance to the artisanal miners.

Source: United Nations Economic Commission for Africa

A variety of financing mechanisms could be investigated in consultation with all the stakeholders including some form of soft loan guarantees, grants, micro-credit schemes, micro-savings second hand equipment purchasing and/or equipment leasing and hire. The overall objective must be to establish a long-term, transparent, fair and sustainable financing scheme, which ensures adequate debt servicing based on firm business terms and results in long term sustainability of the scheme. The proposed schemes must also ensure they target the actual miners/labourers (and especially women miners) through empowering cooperatives that break the existing debt-bondage links, rather than the collectors for example. However, any future schemes must be simple to administer and easy to monitor and take into account the special needs of the ASM sector, as well as problems with exchange rate fluctuations, and the current exorbitant bank interest rates.

3.3.12 Artisanal mining development

In the past, most ad hoc efforts and assistance programmes have endeavoured to solve one aspect of the ASM sector alone and ignored others. Whilst being well meaning, these one-dimensional projects have provided little more than superficial gains and little long-lasting impact. Indeed, many projects have suffered from a lack of resources, competent management, political will, result-oriented and time-bound actions and monitoring. Over the last few decades various approaches have been employed in order to 'deal' with the ASM sector and these have been closely associated with the viewpoint and agenda of the implementing donor agency.

Box 11 - The Enhanced Heavily Indebted Poor Countries (HIPC) Initiative in the CAR

The HIPC initiative, set up in 1996 by the World Bank, is a financial operation which is designed to reduce the levels of Third World Debt to a manageable level. The aim of the programme is to help any country with debt worth more than one-and-a-half times their annual export revenues and the debt repayments are instead channelled into sustainable development initiatives. Currently about 41 countries have either Qualified for, are Eligible or Potentially Eligible and May Wish to Receive HIPC Initiative Assistance, but about ten do not meet the World Bank conditions. The CAR has completed the first stage of the requirements, and is currently an Interim Country, between Decision and Completion Point. However to be relieved of its roughly US\$ 643.5 million of foreign debt one of the prerequisites is to align the mining sector with the procedures governing the Kimberly Process Certification Scheme (KPCS), and to ensure a transparent mineral market chain from mining to export. The development of the artisanal mining sector is critical to achieve this goal.

Many ASM development opponents are quick to draw attention to the fact that the ASM sector is littered with examples of unsustainable interventions, with projects having failed for a large number of reasons. Mostly, however, they have failed because of the approach taken in designing and implementing the project rather than the type of project per se. Many of the

project interventions that have aimed at improving only one aspect of the ASM problem have failed because the needs and concerns of miners were not understood or the interests of ASM was secondary to those of the government, mining company, donor or outside 'experts', who conceived and managed these interventions. Therefore, it is imperative that any interventions adopt a broader multi-dimensional approach, be locally-owned and driven, informed on robust research data, be strategically linked to other key policy initiatives and sectors (in order to avoid duplication of efforts and maximise efficient use of donor funding) and also builds on existing capacity. Trying to solve the symptoms of ASM in isolation from the other issues and challenges that plague the entire ASM sector will likely result in only temporary and cursory success.

The ASM issue must be tackled nationally. In order to be truly sustainable, there must be a clear objective to foster and encourage local stakeholder buy-in and ownership, and ensure all stakeholders identify and provide incentives for the continuation of any proposed assistance scheme whilst appealing to the self-interest of the artisanal miners, labourers and their communities. It will also be vital that the nomadic nature of the sector is fully considered and incentives to encourage settlement or reduce migration may also have to be examined.

It should be emphasised that the problems of ASM will continue and not be resolved if future community development interventions ignore the root causes and simply seek to solve the multitude of symptoms of ASM that concern the GoCAR, or future large scale mining operators and will likely result in only superficial gains. There is a genuine and urgent need to take into account the existing socio-economic system and consider how ASM can best contribute to poverty alleviation and sustainable development through integration into pragmatic community driven development plans. Development interventions must find better and more affirmative ways of integrating artisanal miners into the rest of the Central African economy and encouraging ASM communities to invest their revenues in other forms of economic activity as well as in communal services. It must be emphasised that the realistic development of the ASM sector implies the recognition of the complexity of social, gender, cultural and economic issues at its roots. Likewise the ultimate success of any formalisation programme will also heavily depend on the sustained political will of the GoCAR and the large scale industrialised mining sector.

4 The legal framework of the mining sector

4.1 Legal framework for large-scale mining activities²⁹

Executive Summary

This report analyses the provisions of the CAR *Code Minier* and its *Décret d'application* (Application Decree), in the context of large scale mining activities (LSM). This report therefore focuses on the provisions concerning mining titles. Some aspects of the *Code Minier* are up-to-date and reflect international practices. For example :

- Foreign individuals and companies can undertake and lead mining activities;
- The procedure according to which mining titles are granted is clearly established;
- The time scale for such granting is reasonable;
- The perimeter of exploration permits is granted according to the ore body.

However, the *Code Minier* and its *Texte d'application* contain loopholes and deficiencies in their form, their content and their organisation. Such shortcomings impair the competitiveness of the CAR, in comparison with other similar countries. It would be relevant to review the *Code Minier* and the Application Decree in their entirety, so as to establish, reinforce and precise various elements, especially the following:

- Reinforcing the right to remain in tenure;
- Prioritising the right of access to the land for purpose of developing mineral resources;
- Designing a procedure of appeal to organise the granting and renewal of mining titles;
- Designing a procedure of conflict resolution;
- Enhancing the definition of the rights conferred to mining titles holders.

More specifically, the following elements should be either revised or modified:

- Clear identification of the authority having competence over the analysis, reception and approbation of a mining title;
- Identification of the criteria against which the competence, technical capacity and financial resources required for obtaining a mining title are evaluated;
- Identification of and precisions on the level of discretionary power retained by the Minister in charge of Mines, especially with respect to granting mining titles;
- Concerning the granting of mining titles, review the notion of 'caution' (guarantee) which is to be paid;
- Establish standards concerning the level of confidentiality which is applied to any piece of documentation communicated to the State;
- Identification of the various conditional provisions which may be included in the mining permits;
- Clarification of practices related to the creation of protected areas;
- Determination of the conditions governing the relationship between mining title holders and land-owners;
- Determination of the time scale set for the processing of a demand of approbation of mining title transfer;
- Identification of the rights and obligations related to fiduciary/trust accounts, and off shore accounts;
- Elaboration of clear dispositions concerning the employment of local and foreign workforce;
- Regulation of transfer-pricing issues;
- Identification of the terms and conditions governing the commercialisation of mining products, so as to ensure that mining companies can obtain the best prices;
- Adoption of dispositions concerning the importation and exportation by mining companies of materials, for research and mining purposes;
- Adoption of dispositions concerning the storage and transport of materials on Central African territory;
- Identification and elaboration of local communities development issues;
- Clarification on obligations linked to environmental rehabilitation, and to the associated financial guaranty.

²⁹ This section has been written by Jean Carrier, Legal Specialist (Mining Sector, Environment and Energy) of Stikeman Elliott LLP.

Sommaire exécutif

Ce rapport porte sur l'analyse du *Code Minier* et de son Décret d'application dans le contexte d'activités minières de grande envergure et par conséquent sur les dispositions ayant un impact sur les titres miniers.

Certains aspects du *Code Minier* sont d'actualité et reflètent la pratique internationale. Par exemple, les personnes et sociétés étrangères peuvent entreprendre et conduire des activités minières, la procédure d'attribution des titres miniers est clairement établie, les délais d'attribution sont raisonnables et le territoire d'un permis d'exploration est accordé en fonction du gisement.

Toutefois, le *Code Minier* et son Décret d'application comportent d'importantes lacunes au niveau de la forme, du contenu et de l'organisation. De telles lacunes minent la compétitivité de la RCA vis-à-vis d'autres États comparables. Il y aurait lieu de revoir dans son ensemble le *Code Minier* et son Décret afin d'établir, de renforcer et de préciser divers éléments, notamment les éléments suivants : renforcer le droit de maintien dans les lieux; prioriser l'accès au territoire pour développer les ressources minérales; prévoir une procédure d'appel qui encadrerait l'attribution et le renouvellement des titres miniers; prévoir une procédure de règlement des différends; mieux définir les droits conférés au titulaire de titre minier.

De manière plus spécifique, les éléments suivants devraient également faire l'objet d'une révision ou modification selon le cas : identifier clairement les autorités responsables de l'analyse, de la réception et de l'approbation d'un titre minier; identifier les critères ayant trait à la compétence, la capacité technique et les ressources financières nécessaires à l'obtention d'un titre minier; identifier et préciser le pouvoir discrétionnaire du Ministre en charge des Mines ainsi que son étendue quant à l'attribution des titres miniers; dans le cadre de l'attribution d'un titre minier, revoir la notion de caution qui doit être versée; établir des normes quant à la confidentialité de toute documentation transmise à l'État; identifier quels types de conditions peuvent être incluses dans les permis d'exploitation; clarifier les pratiques liées à l'établissement de zones protégées; établir les conditions relatives aux relations entre un titulaire de titre minier et un propriétaire foncier; identifier les délais prévus dans le traitement d'une demande d'approbation d'une transaction sur un titre minier; identifier les droits et obligations liés aux comptes en fiducie et aux comptes «off-shore»; élaborer des dispositions claires quant à l'emploi de la main d'œuvre locale et étrangère; prévoir une réglementation sur la question de transfert de prix; identifier les termes et conditions de vente du produit minier afin d'assurer aux sociétés minières les meilleurs prix possibles pour la vente; élaborer des dispositions quant à l'importation et l'exportation de matériaux dans le cadre de la recherche et de l'exploitation par les sociétés minières; élaborer des dispositions quant à l'entreposage et au transport des matériaux sur le territoire de la RCA; identifier et élaborer la question de développement des communautés locales; et

clarifier les obligations liées à la réhabilitation environnementale et la garantie financière associée.

Introduction

Toute législation minière résulte nécessairement d'un compromis entre divers intérêts divergents. Ainsi, une législation minière typique est le résultat d'un équilibre entre les intérêts d'au moins quatre groupes dont les objectifs sont souvent conflictuels; les mineurs, ceux qui cherchent à explorer et développer les ressources minérales; les propriétaires des ressources minérales; le propriétaire du terrain sous lequel se trouvent les substances; et l'État qui représente les intérêts publics. On ne peut aussi ignorer les intérêts des communautés locales et ceux de la communauté internationale.

De plus, il arrive souvent qu'au sein d'un même groupe, on trouve des objectifs conflictuels. Par exemple, les ministères chargés des mines, de l'environnement et des revenus ont des objectifs réglementaires très différents. Aussi, les priorités de ces groupes aux intérêts divergents sont susceptibles d'évoluer avec le temps. C'est pourquoi la direction que prendra un État quant à l'évolution réglementaire de son secteur minier lui est propre et demeure susceptible de changer avec ses besoins.

Le préalable à toute bonne législation minière est une Politique Minière Nationale. Idéalement, cette Politique aura été le résultat d'un consensus au sein de divers ministères ayant un intérêt lié au développement des ressources minérales de l'État. La législation minière sera par la suite l'outil principal qui aura transformé cette Politique Minière en application réglementaire.

L'analyse qui suit porte sur l'Ordonnance No 04-001 Portant *Code Minier* de la République Centrafricaine (ci-après « *Code Minier* ») et sur le Décret No 04-183 Fixant les Conditions d'Application de l'Ordonnance No 04-001 Portant *Code Minier* de la République Centrafricaine (ci-après « Décret ») dans le contexte d'activités minières de grande envergure. L'objectif de ce rapport étant de poser un diagnostic sur le *Code Minier* et son Décret en ce qui a trait aux activités minières de grande envergure, notre analyse portera sur les dispositions de cette Ordonnance et de son Décret ayant un impact sur les titres miniers seulement.

Commentaires Généraux

Le *Code Minier* et son Décret datent de 2004 et sont donc relativement récents. Sur certains aspects, notamment sur certains points touchant les titres miniers, le *Code Minier* reflète la pratique internationale. Ainsi, le *Code Minier* permet aux personnes et sociétés étrangères

d'entreprendre ou de conduire des activités minières en République Centrafricaine (« RCA ») sans obliger une association ou incorporation locale. Les délais d'attribution d'un titre minier sont clairement établis et paraissent raisonnables. Point important pour tout investisseur, le territoire d'un permis d'exploration est accordé en fonction du gisement.

En général, les lois minières incluant les Codes Miniers établissent les pouvoirs, les types de permis ainsi que les droits et obligations; leur réglementation quant à elle, adresse les questions de procédures, de divulgation et de rapport, et de mise en application.

Même si certains aspects du *Code Minier* sont d'actualité et reflètent la pratique internationale, ce dernier comporte d'importantes lacunes tant au niveau de sa forme et son contenu que dans son organisation. Il en est de même de son Décret d'application.

À titre d'exemple, les droits conférés aux permis de recherche et au permis d'exploitation ne sont pas regroupés sous un même chapitre du *Code Minier* mais se retrouvent à divers articles du *Code Minier*. Dans certains cas, le *Code Minier* réfère au texte d'application pour connaître les modalités sans que de telles modalités n'aient été élaborées au Décret. En voici quelques exemples :

- Article 10 sur la caution;
- Article 13 sur les fonctions, devoirs et obligations du conservateur;
- Article 19 sur les modalités des délais pour les demandes d'attribution d'un titre minier;
- Article 30 sur les sanctions en cas de violation du *Code Minier* ou de manquement grave aux conditions d'un titre minier;
- Article 72 sur l'indemnisation ou paiement des taxes ou redevances.

D'autres dispositions incorporent de nouvelles notions sans préciser davantage les modalités d'application ou renvoient sans plus à la législation en vigueur. En voici quelques exemples :

- Article 56 sur la procédure d'enquête publique dans le cadre d'un permis d'exploitation;
- Article 70 sur la juste indemnité à payer en cas de classement en zone protégée;
- Article 71 sur le règlement d'un litige opposant le titulaire d'un titre minier au propriétaire du sol;
- Article 78 sur les règles de sécurité et de santé publique;
- Article 93 sur les exonérations des droits de douane.

Par ailleurs, tout ce qui touche au développement/exploitation/commercialisation par une société minière semble vouloir faire l'objet d'une convention minière entre l'État et la société minière. Les dispositions prévues au *Code Minier* et au Décret concernent surtout l'exploitation artisanale et ne sont pas adaptées pour répondre aux besoins liés aux activités minières de grande envergure.

De façon générale, le *Code Minier* et son Décret ne démontrent pas la priorité conférée, le cas échéant, au développement des ressources minières de l'État. Les droits conférés au titulaire de titres miniers n'établissent pas clairement une application préférentielle au territoire concerné. Le *Code Minier* nous paraît non pas comme un outil de développement pour l'exploitation minière de grande envergure, mais comme un outil visant à régler l'exploitation artisanale des pierres, métaux précieux et semi-précieux. Les dispositions visant les bureaux et centres d'achat, atelier de transformation, tailleries, bijouteries et fonderies ne sauraient s'appliquer de façon viable à des opérations minières de grande envergure.

Dans son ensemble, le *Code Minier* contient certains éléments jugés importants par les sociétés minières pour attirer l'investissement. Des éléments tels le régime fiscal et douanier, la procédure d'octroi et la durée des titres miniers en sont des exemples. Toutefois, de tels éléments à eux seuls ne sont pas suffisants pour rendre le secteur minier de la RCA compétitif vis-à-vis d'autres États comparables. Il y aurait lieu d'établir, de renforcer et de préciser entre autres, les éléments suivants : le droit au maintien dans les lieux une fois le titre minier obtenu; prioriser l'accès au territoire pour le développement des ressources minérales; prévoir une procédure simple d'appel en cas de refus d'attribution ou de renouvellement d'un titre minier; prévoir une procédure simple de règlement des différends; préciser, clarifier et regrouper sous un même chapitre les droits conférés au titulaire de titre minier. Plusieurs autres éléments discutés dans les commentaires spécifiques ci-après devraient aussi être corrigés ou mis en place selon le cas. Ainsi, une révision complète du *Code Minier* et du Décret qui tiendrait compte de ces différents éléments serait souhaitable si la RCA désire accroître la compétitivité de son secteur minier. Il revient à l'État d'élaborer une Politique Minière Nationale claire qui établit la priorité à donner à l'exploitation de ses ressources minérales sur son territoire. Afin de mettre en œuvre une telle Politique, le *Code Minier* devrait être revu dans son ensemble pour y reprendre les objectifs recherchés et les priorités conférées au secteur minier dans le développement économique et social du pays. Actuellement, le Code Miner ne priorise aucunement les activités minières par rapport aux autres champs d'activités économiques. Par conséquent, le risque de conflit entre diverses législations applicables paraît évident pour tout investisseur qui désire entreprendre des activités minières. Ceci et certains autres facteurs liés notamment au régime fiscal et douanier discuté séparément, incitera donc tout investisseur à demander un régime particulier dérogatoire au droit commun qui lui sera applicable par convention.

Conditions d'accès aux titres miniers

En vertu du *Code Minier*, les titres miniers suivants sont accessibles aux investisseurs étrangers:

- Le permis de reconnaissance;
- Le permis de recherche; et
- Le permis d'exploitation.

Les autorisations et permis suivants ne sont accessibles qu'aux personnes de nationalité centrafricaine :

- L'autorisation de prospection;
- L'autorisation d'exploitation artisanale; et
- Le permis spécial d'exploration (accessible qu'aux coopératives minières agréées).

Le Décret (Articles 7 et 10) prévoit le type d'information à transmettre au Ministère chargé des mines pour toutes les demandes de titres miniers et réfère à la fiche annexée au Décret. Puisque cette fiche n'est pas jointe au Décret, nous ne pouvons nous prononcer sur son contenu. Les informations relatives à l'identité du destinataire de la demande de permis et l'endroit où doit être déposé la demande sont clairement établis au Décret (Article 7).

Commentaires : Ceci permet donc au demandeur de bien saisir la procédure à suivre et de connaître au préalable les informations qui seront requises pour l'obtention des permis. Toutefois, les sommes devant être versées à titre de droits requis pour l'obtention des permis ne sont pas identifiées. Il y aurait lieu de référer au texte de loi qui établit de tels droits.

Dans le cadre d'une demande d'attribution ou de renouvellement de permis de recherche, le demandeur doit entre autre fournir un programme d'échelonnement des travaux pendant la période de validité du permis et un engagement écrit d'exécuter les travaux prévus dans le programme (Article 25(2)(b) et (e) du Décret). Selon le *Code Minier* (Articles 38 et 39), la demande d'attribution ou de renouvellement du permis de recherche doit être adressée à l'Administration des Mines (ce terme n'est pas défini) et le permis de recherche est attribué par décret sur proposition du Ministre. Selon le Décret, la demande d'attribution ou de renouvellement de permis de recherche doit être déposée auprès du conservateur et adressée au Ministre en charge des Mines.

Commentaires : De façon générale, aux fins d'identifier clairement les autorités responsables de l'analyse, de la réception et de l'approbation d'un titre minier, les références dans le *Code Minier* aux autorités responsables devraient concorder avec celles retrouvées au Décret.

Quant à savoir qui peut demander un titre minier, le *Code Minier* (Article 5) précise que les personnes physiques ou morales de toute nationalité peuvent entreprendre ou conduire une activité minière après avoir obtenu un titre minier. Sont toutefois exclues les personnes physiques non solvables ainsi que les personnes morales en état de faillite, de liquidation ou de règlement judiciaire.

Commentaires : Il n'y a aucune restriction quant à la capacité ou la compétence d'une personne physique, ni quant aux compétences et capacités d'une personne morale. Il serait souhaitable que des critères ayant trait à la compétence, la capacité technique et les ressources financières adéquates soient prévus au *Code Minier* et précisés au Décret pour l'obtention de titres miniers. Le Décret (Article 25(2)) se contente d'indiquer que parmi les pièces requises, le demandeur d'un permis de recherche doit fournir une indication des ressources financières disponibles pour entreprendre les travaux. De plus, il devrait être clairement précisé que les personnes mineures ne peuvent détenir de titres miniers.

Le *Code Minier* (Articles 18 à 21) établit la procédure à suivre et énumère la documentation requise ainsi que l'information nécessaire pour l'attribution ou le renouvellement des titres miniers. Il réfère aussi aux modalités fixées par les textes d'application.

Commentaires : La procédure établie au *Code Minier* laisse peu de place à la discrétion de la part de l'Administration dans l'attribution des titres miniers. Cependant, le Décret (Article 41) permet au Ministre en charge des Mines de demander des informations complémentaires ou d'exiger des amendements, sans plus de précision. Il y aurait lieu de préciser ce pouvoir discrétionnaire, ainsi que son étendue de façon à restreindre son application.

Le *Code Minier* (Article 10) prévoit l'obligation de constituer une caution comme condition d'attribution d'un permis de recherche ou d'exploitation et réfère au Décret pour en connaître les modalités.

Commentaires : Le Décret ne prévoit aucune modalité de caution. Il y aurait lieu de préciser de quel type de caution il s'agit, le but recherché par cette caution, et le montant requis. Il est à noter que la plupart des États qui avaient introduit ces types de garantie de performance dans leur législation minière les ont maintenant éliminés. Il est en effet préférable pour l'État d'avoir recours à des dispositions pénales et à la menace d'une suspension des permis miniers pour assurer le respect des obligations qui incombent à une société minière. Les garanties financières peuvent être perçues comme un droit à payer à l'État par les sociétés minières pour ne pas respecter leurs obligations.

Le *Code Minier* (Article 21) prévoit les délais imposés à l'administration pour traiter les demandes de titres miniers. Il est aussi prévu que le titre minier est réputé accordé s'il n'est pas traité dans les délais fixés.

Commentaires : Ces délais sont raisonnables, d'autant plus que lors du dépôt de la demande, il est d'ores et déjà déterminé par le conservateur si le terrain visé est disponible. Toutefois, l'autorité qui approuve ou refuse la demande n'est pas toujours clairement

identifiée. Finalement, le droit d'appel en cas de refus d'émettre un titre minier n'est pas clairement énoncé. Une procédure administrative à cette fin devrait être prévue, notamment pour le permis de recherche et le permis d'exploitation.

Droits et obligations des titres miniers

En vertu de l'Article 39 du *Code Minier*, le permis de recherche confère à son titulaire le droit d'exercer les activités prévues au titre (minier). Pour connaître toutefois l'étendue de tels droits, il faut référer au Décret (Article 27), lequel confirme le droit d'entrer et d'occuper la superficie du permis; d'extraire, d'enlever et de disposer des rochers, de la terre, du sol ou substance minérale; de prendre et utiliser l'eau pour ses besoins sous réserve des lois en vigueur.

L'Article 72 du *Code Minier* quant à lui, précise que l'occupation du sol donne droit à l'indemnisation au propriétaire foncier et que cette occupation donne droit de couper le bois et d'utiliser les chutes d'eau à l'intérieur du périmètre du titre minier.

Commentaires : Il y aurait lieu de réconcilier ces différents articles de manière à ce que les droits conférés soient regroupés en un seul article et qu'on précise les restrictions applicables en vertu d'autres législations le cas échéant. Il est primordial pour le titulaire d'un titre minier que ses droits soient clairement établis et que l'exercice de tels droits ne dépende pas de l'application de d'autres législations

L'Article 59 du *Code Minier* prévoit que les droits et obligations du permis d'exploitation sont fixés par Décret. Le Décret (Article 40) prévoit le droit d'entrer et d'occuper le terrain, d'y extraire les minéraux et mener des opérations et entreprendre des travaux; construire une usine, traiter toutes les substances et ériger toutes autres structures nécessaires pour les halles et barrages de résidus; enlever et prendre les rochers, la terre et les minéraux; prendre et utiliser l'eau sous réserve des lois en vigueur; et mener toute autre action appropriée.

Commentaires : Il y aurait lieu de réconcilier les droit conférés à l'Article 40 du Décret avec ceux énumérés à l'Article 72 du *Code Minier* dans un seul article. Il est primordial pour le titulaire d'un titre minier que ses droits soient clairement établis et que l'exercice de tels droits ne dépende pas de l'application de d'autres législations.

Le titulaire du permis de recherche doit remettre différents rapports (rapport de travaux initial, rapports trimestriels et rapport annuel) au Ministre en charge des Mines et à la Direction générale des mines, afin de conserver son titre valide (*Code Minier* (Article 42) et Décret (Article 29)). Le *Code Minier* (Article 130) indique que les renseignements et

documents sur le sous-sol et les substances minérales communiqués à l'Administration des Mines peuvent, à la demande de leurs auteurs être déclarés confidentiels.

Commentaires : L'investisseur est préoccupé par la confidentialité attribuée aux rapports qu'il transmet à l'État tout au long de la période de recherche. La notion de confidentialité, telle qu'établie par le *Code Minier*, n'est pas automatique mais relève plutôt d'une demande spécifique faite par le titulaire du titre minier. Il y aurait lieu d'établir des normes quant à la confidentialité de toute documentation transmise à l'État dans le cadre du permis de reconnaissance, du permis de recherche et du permis d'exploitation afin de rassurer les investisseurs.

Le *Code Minier* ne prévoit aucune obligation pour le titulaire d'un permis d'exploitation de transmettre des rapports aux autorités chargées des mines. Par ailleurs, le *Code Minier* (Article 57) prévoit que le permis d'exploitation peut faire l'objet de conditions.

Commentaires : Il est dans l'intérêt de l'État que certaines informations telle que celles sur la production mensuelle et la valeur soient déclarées pour fins de détermination des taxes, redevances etc. Il en est de même en ce qui concerne le niveau d'emploi et les accidents. Néanmoins, l'État devrait pouvoir garantir la confidentialité des informations sensibles fournies par les sociétés minières. Finalement, le *Code Minier* devrait prévoir quels types de conditions peuvent être incluses dans le permis d'exploitation. Le pouvoir conféré à l'autorité d'imposer toute condition spéciale et unique à tout demandeur de permis d'exploitation est vu négativement par tout investisseur puisqu'il ne peut prévoir avec certitude les conditions d'application. De plus, l'utilité d'un tel pouvoir est remise en question.

Le *Code Minier* (Article 70) prévoit qu'une juste indemnité sera versée au titulaire d'un titre minier ayant subi un préjudice du fait de l'établissement d'une zone de protection.

Commentaires : Le Décret ne discute aucunement d'une telle indemnité. Il y aurait lieu de déterminer par qui et en vertu de quoi une telle indemnité est établie. Les pratiques liées à l'établissement de zones protégées laissent entendre que priorité n'est pas donnée à l'exploitation minière en RCA. Le *Code Minier* et le Décret sont très vagues quant au contexte entourant l'attribution de telles zones protégées. De telles mesures peuvent décourager un investisseur étranger.

Le *Code Minier* (Article 71) prévoit que tout litige opposant le titulaire d'un titre minier au propriétaire du sol sera réglé en vertu des lois en vigueur. De plus, le *Code Minier* (Article 72) indique que tout titulaire de titre minier ne peut accéder ou occuper la zone sur laquelle porte son titre minier que s'il a conclu un accord avec le propriétaire foncier quant aux modalités de l'indemnisation et que cet accord ait été enregistré.

Commentaires : Le *Code Minier* n'accorde pas clairement la priorité au titulaire d'un titre minier après avoir accordé une juste indemnité. Il n'y a aucune disposition prévue quant à la résolution de litige entre un titulaire de titre minier et un propriétaire foncier dans le Décret. Il y aurait lieu de déterminer en vertu de quelles lois, par qui et comment se déroulera la résolution d'un litige entre un titulaire de titre minier et un propriétaire foncier. De plus, il y aurait lieu de préciser à quel registre et par quelle autorité sera enregistré tout accord conclu entre un propriétaire foncier et un titulaire de titre minier.

En vertu du *Code Minier* (Articles 42 et 43) et du Décret (Article 28), des dépenses minimales sont exigées annuellement dans le cadre de la recherche de substances. Et dans le cadre d'un renouvellement de permis, le titulaire du permis de recherche doit renoncer à une superficie comprenant au moins la moitié du périmètre détenu pendant la durée antérieure. Lorsqu'un périmètre de recherche a été réduit à moins de 62km², le titulaire ne doit plus faire d'autres renonciations.

Commentaires : Les dépenses minimales correspondant aux activités indiquées dans le programme des travaux ne doivent pas être inférieures à 100,000 F CFA/km² par année. Pendant la validité du permis de recherche, ces dépenses approuvées augmentent de 50% chaque année. Cette mesure correspond aux pratiques internationales.

Les phases de développement et d'exploitation d'une mine sont très peu détaillées dans le *Code Minier* et dans le Décret. Il n'y a pas de disposition claire quant aux délais de construction, permis requis auprès de divers paliers du gouvernement, approvisionnement local, durée de la période de développement, production commerciale, rapports, construction d'infrastructures.

Commentaires : Les dispositions du *Code Minier* et du Décret visent surtout l'exploitation artisanale. Tout ce qui touche au développement/exploitation par une société minière semble vouloir faire l'objet d'une convention minière entre l'État et la société minière. Le *Code Minier* devrait être plus spécifique sur ces sujets.

Durée et stabilité du terme

En vertu du *Code Minier*

- Le permis de reconnaissance est valable pour 1 an, renouvelable une seule fois pour la même période de temps³⁰;

³⁰ À l'Article 86 du *Code Minier*, il est indiqué que le permis de reconnaissance est renouvelable deux fois contrairement à ce qui est indiqué à l'Article 37 du même *Code Minier*. Il y aurait lieu de déterminer si le permis de reconnaissance est effectivement renouvelable une seule fois ou deux fois.

- Le permis de recherche est valable pour 3 ans, renouvelable deux fois pour la même période de temps; et
- La validité du permis d'exploitation est pour une durée égale à la vie de la mine, mais ne peut dépasser 25 ans pour une première période, renouvelable sur demande du titulaire pour des périodes n'excédant pas 10 ans.

Commentaires : Ces délais sont raisonnables et correspondent à la pratique internationale. Tout titre minier peut être annulé en cas de violation au *Code Minier* ou de manquement grave aux conditions du titre minier (Article 30 *Code Minier*). Le Décret prévoit qu'avant l'annulation, le Directeur Général des Mines doit mettre en demeure le titulaire de remédier au manquement dans un délai de trente (30) jours.

Le Ministre peut procéder à l'annulation du titre si aucune raison valable n'est donnée par le titulaire justifiant son manquement. L'annulation entraîne la perte des droits conférés par le titre à compter de la date de l'enregistrement de la décision. Cependant, le titulaire du titre objet du retrait demeure tenu de tout engagement qui en résulte (tel que décrit à l'Article 17 du Décret).

Commentaires : Ce que peut constituer une raison valable n'est pas précisé au *Code Minier* ni au Décret. De plus, aucune procédure d'appel d'une décision entourant l'extinction d'un titre minier ou dans le cadre d'une violation d'une disposition ou d'un manquement aux conditions du titre minier n'est prévue au *Code Minier* ou au Décret. Il y aurait lieu d'élaborer une procédure d'appel d'une décision qui annule un titre minier.

Il n'y a pas de dispositions au *Code Minier* ni au Décret sur les modalités de règlement d'un différend entre demandeurs pour un même périmètre minier. Quel demandeur a priorité et quelle autorité est responsable de trancher lors d'une telle situation, n'est pas prévu. De plus, il n'y a aucune disposition portant sur la résolution de conflit pour l'usage d'un terrain visé par un titre minier.

Commentaires : Il y aurait lieu d'établir une procédure claire ainsi que de déterminer quelle est l'autorité responsable quant à la résolution de différends impliquant un permis de recherche ou un permis d'exploitation.

En vertu de l'Article 22 du *Code Minier*, tout droit portant sur le permis de recherche ou le permis d'exploitation peut donner lieu à toute forme de transaction, notamment, la cession, la transmission, le nantissement, l'hypothèque, etc. Les titres miniers peuvent également faire l'objet de saisie. En vertu de l'Article 15 du Décret, toute transaction doit être approuvée par le Ministre en charge des mines sur rapport du Directeur général des mines.

Commentaires : Le *Code Minier* (Article 23) prévoit que toute transaction sur un droit relatif à un titre minier ne peut prendre effet qu'après que les conditions d'admissibilité prévues aux textes d'application soient remplies. Le Décret énumère une série de quatre conditions qui semblent raisonnables. Cependant, l'approbation d'une transaction sur un titre minier est sujette à la préparation d'un rapport par le Directeur Général des Mines sur la base duquel sera approuvée la transaction par le Ministre en charge des Mines. La rapidité avec laquelle un transfert (transaction sur un titre minier) sera effectué dépend en grande partie du pouvoir discrétionnaire qu'exercera la personne en charge d'examiner le dossier (dans le cas présent, le Directeur Général des Mines). Il y aurait lieu de prévoir des délais dans le traitement d'une demande d'approbation d'une transaction sur un titre minier. Enfin, bien que le Code renvoie au Décret en ce qui concerne les conditions de saisie, le Décret reste muet sur ce point. Il y aurait lieu d'établir clairement dans quelles circonstances une saisie peut être effectuée sur un titre minier.

Taux de change

Le *Code Minier* (Article 95) confirme le droit pour toute personne physique ou morale non résidente de transférer librement les revenus de toute nature provenant des capitaux investis ou le montant des capitaux investis en cas de cessation d'activité. Sous réserve du respect des lois et règlements régissant les opérations bancaires de change en vigueur en RCA, ce droit inclut la liberté de transférer hors de la RCA les fonds relatifs aux paiements pour fournitures et prestations.

Commentaires : Cette garantie devrait aussi s'appliquer au personnel étranger, résidant en RCA, employé par les sociétés minières étrangères, sous réserve d'acquitter leurs impôts et autres taxes applicables.

Répartition des bénéfices et dividendes

Le *Code Minier* (Article 91) discute très sommairement du régime fiscal applicable aux bénéfices en phase de recherche.

Commentaires : Le *Code Minier* devrait contenir l'ensemble du régime fiscal et douanier applicable aux sociétés minières de grande envergure et éviter de référer à d'autres législations. Le contenu du régime fiscal et douanier applicable en vertu du *Code Minier* fera l'objet de discussions dans l'analyse de Monsieur James Otto. De façon générale, un régime fiscal minier reflétant une politique minière favorable au développement des ressources minières d'un État ne devrait pas taxer les bénéfices additionnels, devrait éviter les exonérations sur les bénéfices au stade de recherche (il est exceptionnel que des bénéfices

soient déclarés en phase de recherche), et devrait rester compétitif au niveau de l'impôt applicable aux bénéficiaires. La participation obligatoire de l'État au capital action d'une société minière devrait être évitée puisqu'il n'est pas du rôle de l'État d'exploiter des mines. Finalement, l'État devrait pouvoir garantir le rapatriement des bénéfices et dividendes des sociétés minières étrangères sans restriction, une fois les impôts acquittés.

Comptes en fiducie et comptes « off-shore »

Le *Code Minier* et son Décret sont muets quant aux droits et obligations liés aux comptes en fiducie et aux comptes « off-shore ».

Commentaires : Toute société minière étrangère doit pouvoir établir des comptes bancaires en RCA et à l'étranger et convertir librement des valeurs en devises étrangères. Ceci lui est nécessaire pour payer ses fournisseurs étrangers et pour le service de la dette. De telles dispositions devraient être précisées au *Code Minier*.

Normes comptables

Le *Code Minier* (Article 94) prévoit que la comptabilité des sociétés minières doit être conforme au plan comptable en vigueur en RCA.

Commentaires : En vertu du droit OHADA applicable à la RCA, le régime applicable serait celui établi en vertu de l'Acte uniforme relatif à l'organisation et l'harmonisation de la comptabilité des entreprises.

Main d'œuvre locale et étrangère

Le *Code Minier* reste silencieux quant à tout ce qui entoure l'embauche de main d'œuvre locale et la présence de main d'œuvre étrangère en zone minière. Le Décret (Article 90) prévoit que l'entrée et le séjour de ressortissants étrangers tels que des assistants techniques résidant dans la zone minière ou en mission est permis en RCA.

Commentaires : Il y aurait lieu d'élaborer des dispositions claires quant à l'emploi du personnel dans le cadre d'activités minières par des investisseurs étrangers. Par exemple, le *Code Minier* devrait prévoir les conditions liées à la préférence d'embauche de la main d'œuvre locale et de cadres centrafricains ainsi que l'emploi du personnel expatrié détenant une spécialité, des compétences ou des connaissances particulières. En ce qui a trait à l'emploi de personnel expatrié, le *Code Minier* devrait préciser le type d'emplois pouvant être

comblé par le personnel expatrié et élaborer quant à l'attribution des autorisations requises pour un séjour en RCA, incluant les visas d'entrée et de sortie, les permis de travail ou tout autre permis requis par la loi applicable ainsi que les mesures fiscales applicables au personnel expatrié. Il y aurait également lieu de spécifier à quelle loi la société minière doit se conformer à l'égard des normes de travail.

États financiers

Le *Code Minier* et son Décret sont muets en ce qui concerne les états financiers des entreprises minières.

Commentaires : Il est alors présumé que c'est le droit commun qui s'applique, en l'occurrence le droit OHADA.

Transfert de prix

Le *Code Minier* et son Décret sont muets sur la question du transfert de prix.

Commentaires : La fixation de prix préoccupe tous les gouvernements puisqu'une telle pratique est susceptible d'affecter les calculs fiscaux et réduire les revenus de l'État. Cette pratique peut affecter à la fois le paiement de redevances et les impôts sur le revenu. Les États se préoccupent particulièrement des prix rapportés comme étant payés aux sociétés minières pour la production vendue et plus particulièrement quand la production est vendue à une société affiliée à un prix inférieur au prix qui serait offert à une société ou à une partie non-affiliée.

Une réglementation fiscale devrait être rédigée et adoptée et devrait contenir entre autres, un langage général empêchant la fixation de prix; des exigences quant aux ventes et achats par le détenteur d'un permis d'exploitation pour que de telles ventes ou achats soient effectués de manière concurrentielle; une définition de ce qui constitue une présomption que de telles ventes, achats ou coûts n'ont pas été effectués de manière concurrentielle; la manière par laquelle le Ministre pourra ajuster ou rejeter certains coûts à des fins d'imposition; des amendes ou toute autre disposition nécessaire afin d'éviter cette pratique.

Garanties financières

Le *Code Minier* (Article 10) prévoit que toute attribution d'un permis de recherche ou d'exploitation est subordonnée à la constitution d'une caution dont le montant et les modalités sont fixés par les textes d'application du *Code Minier*. Le Décret est silencieux quant à la caution qui doit être versée par tout investisseur dans le cadre d'une attribution de

permis de recherche ou d'exploitation. Il y aurait lieu de préciser de quel type de caution il s'agit, le but recherché par cette caution, et le montant requis.

Commentaires : Il est important de noter qu'il n'est plus de pratique internationale d'exiger une garantie financière (incluant une caution) pour garantir l'exécution des obligations liées à un titre minier. Il est à noter que la plupart des États qui avaient introduit ces types de garantie de performance dans leur législation minière, les ont maintenant éliminés. L'État devrait plutôt avoir recours à des dispositions pénales qui devraient être prévues au *Code Minier* afin de s'assurer du respect des obligations liées aux titres miniers.

Commercialisation du produit

Le *Code Minier* (Article 37) prévoit l'établissement d'un plan relatif à la commercialisation des produits comprenant les points de vente, le prix et une indication quant à la faisabilité économique ainsi que le calendrier prévu.

Commentaires : Un des objectifs recherchés par l'État devrait être de maximiser l'exploitation de ses substances minérales par les sociétés minières. De plus, l'État devrait se préoccuper des termes et conditions des ventes du produit minier afin de s'assurer que les sociétés minières obtiennent les meilleurs prix possibles pour la vente de tel produit et ce, de manière à maximiser les bénéfices de ces sociétés. C'est en effet en maximisant les bénéfices des sociétés minières que les recettes de l'État vont s'accroître. En conséquence, les éléments suivants quant à la vente du produit minier et aux conditions de transfert de prix entre sociétés affiliées devraient être prévus au *Code Minier* : prévoir un engagement des sociétés minières à se départir du produit minier au prix du marché le plus élevé commercialement atteignable et de négocier des termes et conditions de vente comparables à ceux du marché international; prévoir que toute vente de produit minier à une société affiliée devrait être conclue à des prix basés sur des ventes similaires conclues entre parties non affiliées et aux mêmes conditions d'escompte et de commission prévalant sur les marchés internationaux; prévoir l'obligation de notifier préalablement l'État de toute vente de produits miniers d'une société minière à une société affiliée; prévoir un mécanisme de vérification des ventes du produit minier, un mécanisme d'ajustement, ainsi qu'une procédure de contestation, ceci afin d'éviter une réduction des revenus des sociétés minières et par conséquent les revenus potentiels pour l'État.

Importation et exportation

À l'exception des dispositions fiscales et douanières (Article 90 du *Code Minier* pour le permis de recherche et Article 92 du *Code Minier* pour le permis d'exploitation) le *Code Minier* et son Décret sont silencieux sur la question d'importation et d'exportation.

Commentaires : Pour les fins de recherche et d'exploitation, les sociétés minières requièrent divers matériaux, équipements et services qui ne devraient pas faire l'objet de restrictions d'importation et d'exportation, plus particulièrement si de tels matériaux, équipements et services ne sont pas disponibles en RCA. De plus, ces sociétés devraient aussi pouvoir exporter des spécimens ou échantillons dans le cadre du permis de recherche.

Quant aux dispositions fiscales et douanières du *Code Minier*, elles devraient permettre une plus grande flexibilité dans la détermination de matériaux, équipements et services requis en phase de recherche, de développement et d'exploitation reliée aux opérations minières de grande envergure. Afin de faciliter l'importation et l'exportation de matériaux et équipements, les parties devraient avoir recours à une liste minière détaillée qui deviendrait ainsi assujettie au régime d'allègement fiscal et douanier applicable.

Entreposage et transport des matériaux (bruts/traités/finis)

Les seules références faites à l'égard de transport ou d'entreposage de matériaux se trouvent à l'Article 45 du Décret sur les titres de carrières et à l'Article 79 du *Code Minier* concernant les règles de sécurité et de santé publique applicables au transport et à l'entreposage de substances minérales et dangereuses. Pour ces dernières, le texte réfère sans plus à la réglementation en vigueur.

Commentaires : Le *Code Minier* devrait prévoir le droit de tout détenteur d'un titre minier d'entreposer et de transporter sur le territoire de la RCA tous les matériaux nécessaires à ses activités minières sans autorisation particulière. De plus, le détenteur d'un permis d'exploitation devrait posséder le droit d'entreposer et de transporter tout produit minier sans autorisation particulière.

Développement des communautés locales

Le *Code Minier* et son Décret sont muets sur la question de développement des communautés locales, à l'exception de l'Article 87 du *Code Minier* qui prévoit qu'un pourcentage des redevances superficielles doit être versé à la collectivité locale.

Commentaires : La plupart des nouvelles législations minières visent à promouvoir le développement régional et requièrent des sociétés minières qu'elles négocient directement avec les communautés locales concernées une convention de développement des communautés locales. Aux fins de l'élaboration d'une convention de développement des communautés locales ou de dispositions au *Code Minier*, il est important d'identifier clairement les communautés locales visées (proximité immédiate du périmètre défini au permis d'exploitation) et les obligations de la société minière à l'égard de ces dernières.

De telles obligations peuvent comprendre par exemple, des engagements de nature économique ou sociale ou l'implantation d'activités ou de ressources (médicales, scolaires, etc.). Dans le cas où, la société est incapable de déterminer quelle communauté répond au critère de communauté locale, il y aurait lieu de prévoir un mécanisme permettant de la déterminer.

Protection de l'environnement et garanties financières

La demande d'application pour l'obtention d'un permis d'exploitation prévoit la préparation d'une étude de faisabilité comprenant la réalisation d'une étude d'impact sur l'environnement et d'un programme de protection et de gestion de l'environnement, incluant un schéma de réhabilitation des sites exploités (Article 83 du *Code Minier* et Articles 37, 52 et 54 du Décret). La demande de permis d'exploitation et les études y afférent doivent être soumises au Ministre en charge des mines et déposées auprès du conservateur. En vertu de l'Article 41(3) du Décret, les propositions de l'étude de faisabilité acceptées et approuvées par le Ministre en charge des mines deviennent définitives.

Commentaires : De façon générale, tout ce qui concerne la protection de l'environnement dans le *Code Minier* et dans le Décret semble être adapté à ce que l'on observe présentement dans la pratique internationale.

Le Décret (Article 52) indique que la forme et le contenu de l'étude d'impact environnemental sont réglés par le Ministère en charge de l'environnement en commun accord avec le Ministère en charge des mines. En vertu du Décret (Article 54), un plan de gestion de l'environnement pour la période de construction, de développement, d'exploitation et de fermeture du site devra être approuvé par l'Administration de l'environnement. Une fois approuvé, le plan de gestion environnementale deviendra une condition d'attribution d'un permis d'exploitation.

En vertu du Décret (Article 58), la société minière a l'obligation d'ouvrir un compte à terme de réhabilitation de l'environnement dans une banque reconnue par l'Administration (le Décret ne spécifie pas quelle autorité est concernée, i.e. Administration de l'Environnement ou Administration des Mines).

Commentaires : Il y a nécessité pour la société minière de conclure une convention dans le cadre des obligations liées à la réhabilitation environnementale, notamment, l'obligation d'ouvrir un compte à terme de réhabilitation dont les modalités doivent être détaillées dans ladite convention. Les dispositions du *Code Minier* et du Décret ne sont pas assez détaillées pour que la société minière soit au fait de ses droits et obligations sur la question de réhabilitation environnementale. Le *Code Minier* devrait être plus flexible quant aux types de garantie financière acceptable pour assurer la réhabilitation de l'environnement. Par exemple, la garantie financière pourrait prendre l'une ou plusieurs des formes suivantes : compte de mise en main tierce, certificat de dépôt, lettre de crédit irrévocable, garantie de bonne exécution, assurances, compte en fiducie, garantie offerte par un tiers ayant les actifs nécessaires ou tout autre moyen similaire autre qu'une provision comptable.

4.2 Legal framework of artisanal and small-scale mining activities³¹

After CAR became independent in 1960, a new set of legislation was adopted, including a *Code Minier*, strongly inspired by the French *Code Minier* (*Code Minier*, Law N°. 61/208, April 11, 1961). A further new *Code Minier*, adopted in 1979 under the rule of the then-emperor former President Bokassa (Imperial Ordinance N°. 79/016, February 6, 1979), was short-lived, and the 1961 *Code Minier* remained applicable until 2004. During the 90s, the GoCAR identified the need to adopt a new *Code Minier*, in order to better regulate and monitor mining activities on its territory, especially diamond mining, and to promote transparency. With the technical and financial support of the World Bank the latest *Code Minier* was published in 2004 (Ordinance N°. 04/001, February 1, 2004), and shortly afterwards it's Application Text (Decree N°. 04/183, June 15, 2004)³². These two texts constitute the basis of CAR's legal framework of ASM. However, it is unclear whether specific regulations such as the 1983 Ordinance regulating gold and diamonds exploitation are still relevant.³³

The GoCAR must try to develop strong incentives for these miners and labourers to participate in the formal ASM sector and answer the fundamental question "What's in it for me...?"

It is evident that the largely informal nature of ASM has kept it apart from the mainstream of economic development, and has to this date prevented it from becoming a recognised economic activity. The inability to effectively monitor and control the ASM sector has further been detrimental to the national economy and mineral resources of CAR. The ASM sector has particularly not been able to fully contribute to government revenue, nor has it been able to attract investment.

Notwithstanding the need to improve revenue transparency and governance, it is imperative that the focus of any ASM legal reform should be to alleviate poverty by providing financial betterment and empowerment to artisanal miners, labourers and their communities, and thereby fostering the full integration of ASM into the formal rural economy. The artisanal miners and labourers must also act within a conducive legal and regulatory framework, with due regard to health, safety and the environment. It would be a considerable incentive for artisanal miners and labourers to see others who have benefited financially from working within the legislation, and who have been aided by the GoCAR to do so. Such obvious and

³¹ This section has been written by Wardell Armstrong.

³² The Code and its Application Text are the Civil Law equivalent of the Common Law Act and its Regulations. The CAR *Code Minier* has been published by "Ordonnance No. 04/2001 du 1er février 2004, portant Code Minier de la République Centrafricaine" and the Application Text by "Décret No. 04/183 du 15 juin 2004, fixant les conditions d'application de l'ordonnance No. 04/2001 du 1er février 2004, portant Code Minier de la République Centrafricaine".

³³ Ordonnance No. 83.024 du 15 mars 1983 fixant les conditions de possession et de détention et réglementant l'exploitation et le commerce de l'or et des diamants bruts.

visible improvements should then act as a catalyst to other miners and labourers who will also wish to improve their financial position.

Artisanal mining: any mining activity consisting in the extraction and concentration of mineral substances through the use of manual and slightly mechanised methods and processes.

Artisanal miner: person of Central African nationality conducting mining operations on his own behalf using manual or slightly mechanised methods and processes.

Article 1, v and xix of CAR Code Minier

For many artisanal miners and labourers registering simply to obtain a piece of paper is a bureaucratic and expensive process, costly in both time and money and offering limited if any advantages. This attitude implies that they see more disadvantages (including increased taxation) from working within the formal sector, or see little difference between being legal or illegal. Indeed many miners and labourers may

prefer to remain informal, as this gives them access to the most convenient buying agents and maintains flexibility in shifting from one mining site to another. The Minister of Mines, Energy and Hydraulics (*Ministère des Mines, de l'Énergie et de l'Hydraulique*), hereafter referred to as Ministry of Mines, must convince them otherwise, and interventions may need to adopt a deliberate emphasis on pragmatic and enforceable guidelines that consider the multitude of cross-sectoral issues rather than pure mining legalisation and its dogmatic enforced control. Incidentally, there is also an urgent need to use the Ministry of Mines as a vehicle to convince the GoCAR to commit to assisting with other problems like access to water on mining sites, or facilitate linkages with mineral buyers and private sector mining companies in order to encourage the sector to formalise.

Based on an assessment of the *CAR Code Minier* and its Application Text some of the positive aspects of the current CAR Mining legislation with respect to ASM include:

- The limitation of artisanal mining activities to CAR nationals³⁴, which helps support the development of the local industry and poverty alleviation.
- ASM exploration and exploitation activities are separated and registered through the issuing of a reconnaissance authorisation (*autorisation de prospection*)³⁵ and of an artisanal mining authorisation (*autorisation d'exploitation artisanale*)³⁶ respectively and there is a clear statement entitling the holder to convert from exploration to exploitation.³⁷
- ASM authorisation can undergo any type of transaction (inter alia cession, transfer, security, hypothecation, pledge and farm out/in) pursuant to the terms and conditions

³⁴Article 1 v of the *Code Minier*, and Article 31 of the Application Text.

³⁵Article 35 of the *Code Minier*.

³⁶Articles 47 to 51 of the *Code Minier*.

³⁷Article 47 al. 1 and al. 2 of the *Code Minier*.

in the Application Text.³⁸ Reconnaissance authorisation cannot.³⁹ The ability to transfer and mortgage mineral rights is significant because it increases liquidity and provides a virtual financial backup for artisanal miners to fund project development. However, this could as well encourage speculation on mineral titles.

- ASM authorisations shall be recorded in a Register of mineral titles⁴⁰, although the format and location of this Register needs to be clearly stated.
- Article 12 of the *Code Minier* reaffirms the need to comply with international treaties on child labour, and Article 153 provides for severe sanctions (fine and imprisonment).
- There is a clear time-bound statement (30 days) to register for a demarcated ASM authorisation within a reconnaissance authorisation, after an artisanal exploitation perimeter has been marked off⁴¹.
- The clause allowing only one renewal for a reconnaissance authorisation⁴² is ideal and should deter unnecessary retention, although the tenure validity should possibly be increased to two years.

Registered mining cooperative: authorised group of at least ten registered artisanal miners forming an association so as to enable them to benefit from mineral permits named special mining permits.

Article 1, xv of CAR Code Minier

The *Code Minier* introduces the concept of special mining permit⁴³ (*permis spécial d'exploitation*) to encourage the formation of cooperatives within rural communities, and the exclusions of buyers-collectors, public sector employees and mining company employees/shareholders is commendable.

However, the Code does not offer many details on this new permit. Ten or more registered artisanal miners gather to establish a cooperative. Such cooperative benefits from an exploitation permit valid for two years, renewable as long as mining activities are being pursued⁴⁴. The special mining permit is very similar to the artisanal promotion permit which pre-existed the new *Code Minier*⁴⁵. It is however very unclear whether the special mining permit replaces the artisanal promotion permit. The *Code Minier* does not provide for any information on this point. The main difference between them is that the special mining permit

³⁸Article 22 of the *Code Minier*, and articles 15 and 16 of the Application Text.

³⁹Article 20 of the Application Text.

⁴⁰Article 13 al. 1 of the *Code Minier*.

⁴¹Article 47 al. 2 of the *Code Minier*

⁴²Article 35, al. 6 of the *Code Minier*

⁴³Article 52 to 54 of the *Code Minier*

⁴⁴Article 54 of the *Code Minier*

⁴⁵Ordonnance n°83.024 du 15 mars 1983 fixant les conditions de possession et de détention et réglementant l'exploitation et le commerce de l'or et des diamants bruts, Article 12 s.

authorises the artisanal miners to directly export their production⁴⁶ and at a lower tax-rate than the mining companies, which is meant to be the major incentive for artisanal miners to organise cooperatives. The *Code Minier* and its Application Text do not provide for many details on the special mining permit. The surface of the exploitation area, for example, is not specified. As a reminder, and in the absence of detailed provisions in the *Code Minier*, the artisanal promotion permit is granted for an area of 25 hectares (250,000 m²) and a single cooperative cannot own more than five permits at a time (for a total surface of 125 hectares).

The attribution of a special mining permit for cooperatives appears to be an innovative idea. However, in reality, the situation is more complex. A cooperative – as set up according to the provisions of the *Code Minier* – is more similar to a small company than to a real cooperative. This is due to the fact that the actual mining job is done by the ‘labourers’⁴⁷ who are mine workers, and not registered artisanal miners. The registered artisanal miners who constituted the cooperative have a role similar to the one of financiers, or heads of business/concession who supervise the work.

This difference in status and allocated tasks translates into a difference in remuneration. A mine manager makes on average US\$ 280 per month compared to US\$ 50 per month given to labourers. Women and labourers are irregularly paid allowances for their work⁴⁸. Another drawback is the fact that the cooperative can export its production only when it reaches the value of 40 million F CFA (~US\$ 90,000)⁴⁹. This threshold is too high. This may cause security issues on the mining sites, when a lot of minerals (gold and diamonds) are been kept to accumulate.

This can place the cooperatives in a difficult dilemma, and has already caused one of them to knowingly overestimate the value of the minerals (diamonds) they wanted to offer for exportation, so as to reach the 40 million F CFA threshold. Since the Tax Administration taxes the highest figure (between the estimation of value before export, and the actual revenue of the exportation) as a basis for taxation, the cooperatives gains little benefit for such an operation, and could even lose money. Also, people – and especially foreign dealers – hoping to be able to export minerals from CAR could take advantage of this system and help finance the creation of cooperatives to fraudulently benefit from the cheaper exportation tax rate.

⁴⁶Article 126 of the *Code Minier*.

⁴⁷Those mine workers, or “diggers”, who are not “artisanal miners” as defined by CAR legislation, are known in CAR as “Nagbata”.

⁴⁸Source: Communities and Small-Scale Mining: an Integrated review for development planning, CASM/Jenniger J. Hinton, citing R. Pelon *The PASAD Experience, Projet d'appui au secteur artisanal du diamant en RCA 1996-1998*, Presentation at the 3rd CASM Annual General Meeting, Colombo, Sri-Lanka, Oct. 2004.

⁴⁹Article 83 of the Application text

As previously described, although the *CAR Code Minier* includes some clear statements on ASM there is limited substantive provision for community led ASM development. In addition, the *Code Minier* makes constant references to complementary regulations (*textes d'application*) that seek to further regulate the sector. However, examination of the Code and the available accompanying regulations reveals that many references in the *Code Minier* point to regulations which have not yet been adopted, and the existing regulations, despite being well meaning, are largely unworkable and unenforceable.

The legal framework appears to focus on reactive and punitive measures and fails to identify the real needs of artisanal miners and to recognise the socio-economic importance of the ASM sector in CAR. Despite the best intentions of the GoCAR, it is estimated that about 85% to 90% of the artisanal miners and labourers operate illegally. This stance must be changed and ASM development encouraged to generate rural employment and reduce poverty, whilst protecting the rights of indigenous peoples and other vulnerable groups like women and children. The enactment of a rational, workable, comprehensive, gender sensitive, appropriate and enforceable legal framework should be the first step to formalising the sector in the CAR into a more sustainable activity.

Recommendations

Future legislative revisions must be designed to regulate the ASM sector in a manner that ensures transparency, open competition, and continuity of service. The objective of the new legislation should be to provide a fast and streamlined process for the acquisition of ASM Authorisations and Permits, improve security of tenure, provide reasonable tenure periods and ensure mineral rights are transferable and renewable.

It is imperative that the legislation is truly sympathetic to the realities, constraints and challenges of the ASM sector in the CAR and such issues are clearly enunciated. Inappropriate and unenforceable control measures will only translate into temporary and superficial solution. It would be prudent to ensure that any new ASM specific legislation or regulations adopts provisions that are in accordance with the currently accepted 'best practice' for ASM development that should hopefully contribute to formalising and empowering the ASM sector in CAR.

In addition, any new legislation should be developed and fully reviewed through a participatory and consultative approach. Lastly, the controversial issue of whether to adopt such excessive sanctions (detailed in Title IX Chapter 2 of the *Code Minier*) against ASM infractions needs to be carefully considered and the disadvantages and advantages need to be carefully judged.

Based on the current global consensus for the need for more sympathetic pro-poor ASM legislation, there are numerous provisions that should be considered within any new or amended *Code Minier* and associated regulations. Inaccessible and stringent legislation without empathy for the reality of ASM livelihoods in CAR will be counterproductive. Therefore, any proposed legal framework and its enforcement must be appropriate to the realities and specifics of the CAR ASM sector and the capacity of the staff to manage and physically enforce such legislation.

In accordance with current ASM 'best practice', key issues that should be considered to help formulate a conducive and workable legal and regulatory framework include:

- Artisanal or subsistence mining and small-scale (semi-mechanised) mining must be clearly defined and differentiated. Definition of artisanal mining may vary, but it is imperative to have a clear understanding of what one refers to as 'artisanal mining'. In CAR, this distinction is particularly relevant, due to the fact that the GoCAR is trying to organise artisanal miners into cooperatives, which appear to be more built on the model of a small company than a real cooperative.
- Authorisation process of artisanal mining must be transparent and non-discretionary. The non-requirement for ASM authorisation licensees to prove possession of financial resources, technical competence, professional skills or experience is fundamental⁵⁰.
- The right to exploit a particular deposit through ASM must be provided for, with clear rules as to the access and use of mineral and land ownership rights (especially with respect to women).
- The 'first come-first served' principle must be adopted through a transparent and rapid process.
- ASM concession size and tenure period must be sufficient to facilitate finance raising.
 - The concession size for artisanal mining authorisation was set in the *Code Minier* as no larger than 500m x 500m (25 ha)⁵¹, but this has been diminished in the application text, which provides for a concession size no larger than 100m x 100m (1 ha)⁵². While the first number is within the range set as 'best practice', and would allow artisanal miners to develop efficient mining projects, the second one is definitively not. Moreover, the shape of the

⁵⁰See Article 31 of the Application Text, which does not comply with best practices on this point.

⁵¹Article 47 of the *Code Minier*.

⁵²Article 12 (2) and article 32 of the Application Text.

concession is defined on the basis of surface features (a square or a rectangle) without regard to the configuration of the mineral deposit underground.

- The duration of tenure for artisanal mining rights in CAR is of three years, renewable twice for a period of two years⁵³. This is longer than in most other African countries, but still too short to ensure attraction of prospective investors and developers. A positive change in the legislation would therefore be to authorise perpetual renewals as long as artisanal mining activities are being pursued on the site.

- The necessary elements for a modern mining cadastral system suitable for ASM must be codified.

- The registry office must be reinforced so as to ensure it is independent and fully decentralised (ensure that licenses are issued in timely, transparent, non-discretionary and non-discriminatory manner). Though geographical and administrative data must be centrally directed so as to ensure that no two perimeters are overlapping, the access and modifications made to the Registry must be able to be made regionally, in every prefecture. This requires good and fluid communication between the regional offices and the central office, through computer based-management and the internet.

- Full gender equality should be ensured and child labour on minesites eliminated. Child labour is prohibited by Article 12 of the *Code Minier*, but there no provision in the mining legislation for any measures to be taken in favour of gender equality and women empowerment.

- The formation of voluntary and truly democratic ASM association and cooperatives (family or community based) should be encouraged.

- Severe environmental and health and safety effects of uncontrolled ASM should be mitigated through the adoption of an appropriate and realistic level of environmental management and workplace health and safety.

- Designate specific areas for ASM that facilitates easier management and enforcement of regulations. The practice of setting aside areas to be used specifically for artisanal mining purposes and using artisanal methods of prospecting and mining can enhance the development of the sector. The designated area can be divided into numbered blocks, and a map published for public information. A local administrative authority should be in charge of allocating the blocks to eligible persons and ensure

⁵³Article 49 of the *Code Minier*

that a reasonable part of the land is allocated to people belonging to the local communities. The mining legislation currently indicates that special mining permits (for cooperatives) can be attributed on “rural community’s areas”⁵⁴. However, no legal provision is given to neither define nor locate such areas.

- The rights of indigenous peoples and communities should be protected by the law. In CAR, some communities are indigenous, such as the Batwa or the Ba’Aka.⁵⁵ This must be taken into account while updating the legal framework of ASM. ‘Best practices’ have identified the possibility of informal legal licensing, allowing the exploitation of certain mineral by specific groups of the population (generally indigenous people and local landowners), so long as they exploit those minerals for their own direct use and not for commercial purposes. This informal licensing is done through provisions in the legislation, and does not entail issuing written documents.

⁵⁴Article 52 of the *Code Minier*

⁵⁵Often referred to as Pygmies

4.3 Competitive position and recommendations for reform of the mining sector fiscal system

This section, written by Professor James Otto, has been prepared as an independent report, and is presented under Annex N°1

4.4 Mining conventions and bonuses⁵⁶

4.4.1 Mining conventions

The provisions governing the right to mine the ores present in the Central African soil are contained in the Mining Code and its Application Text. Large scale mining activities benefit the State's Treasury through the payment by the mining company of various rights, taxes and royalties, according to fiscal provisions found in the Mining Law and in the Finance Bill (*Loi de Finances*). This constitutes a traditional approach to taxation of mining activities. However, the mining legislation contains loopholes and the Finance Bill is amended and adopted annually. Therefore, fiscal provisions applying to mining activities cannot be perceived as ensuring stability for mining companies wishing to invest in the CAR.

After the 2004 revision of the Mining Code, several mining companies came forward and applied for research permits in order to mine Central African ores (mostly diamonds and gold, but also uranium and copper). The GoCAR subsequently sought to further organise the management of mining permits by entering into bilateral agreements with mining companies. These bilateral agreements, known as 'mining conventions' ("*convention de développement minier*" or "*convention minière*"), are allowed in the CAR under article 9 of the Mining Code.

The GoCAR insists on these bilateral agreements being kept confidential, though no legal provision formally prohibits the communication of their content. Only a 'convention framework' ("*modèle de convention minière*") was made available for this study.

The mining convention seems to offer a comprehensive set of provisions organising all aspects of the mining company's activities in the CAR, as well as the systematic management of mining permits and titles. Such provisions are consistently made with reference to the various applicable legal texts (specifically, or generically as an *ensemble*). Despite this, the practice of systematically using individual mining conventions to regulate individual situations has the effect of creating many parallel legal corpus potentially derogatory to the generally applicable legal framework organised by the various Codes, Laws, and regulations.

The additional circumstance that such agreements are being kept confidential at the GoCAR's request renders this practice subject to suspicion, and is not well received by the mining companies and the various international stakeholders. Under these circumstances, the practice of regulating LSM with a bilateral agreement indicates a certain lack of transparency and its continuing use is therefore not desirable.

⁵⁶ This section has been written by Wardell Armstrong.

Moreover, it is doubtful whether the Ministry of Mines has the capacity to effectively withstand the strain on its resources (financial, personnel and material) caused by this practice. Mining conventions require negotiations (during which the State is to be represented by qualified and experienced individuals – especially mining, legal, fiscal, and financial experts) and management (the Ministry of Mines should provide for numerous adequate and qualified personnel able to serve as focal point, to accurately and efficiently monitor the application of the convention throughout its duration).

4.4.2 Bonuses

In addition to the traditional fiscal levies, the GoCAR sought to further benefit from large scale mining activities led on its territory by introducing, through a specific provision in the mining convention, the requirement of ‘engagement bonus’. These bonuses are being set up as a type of royalty paid to the State through the Minister of Mines. Overleaf is the list of the bonuses paid by the various companies applying for a mining permit since 2005.

Table 2- Bonuses – State of play as of December 2007, Report n°039/MFB/DIR-CAB/IGF/C 31 December 2007⁵⁷

Company	Ore	Overall amount		Amount paid		Remains to be paid	
		F CFA	US \$	F CFA	US \$	F CFA	US \$
De Beers	Diamonds	1,500,000,000	3,591,775	754,694,972	1,807,130	745,305,028	1,788,293
Uramin	Uranium	1,000,000,000	2,394,517	1,000,000,000	2,394,517	0	0
Pangea	Diamonds	375,000,000	897,944	321,317,883	769,401	53,682,117	128,805
Pan Africa	Diamonds	350,000,000	838,081	93,098,457	222,926	256,901,543	616,412
Étoile diamant	Diamonds	500,000,000	1,197,258	146,845,115	352,342	353,124,885	847,291
CAD LTD	Diamonds	625,000,000	1,496,573	75,000,000	179,956	550,000,000	1,319,676
Nobles Minerals		350,000,000	838,081	50,000,000	119,971	300,000,000	719,823
Int. Mining Group	Diamonds			75,000,000	179,956		
K-Mines		40,000,000	95,780.7	40,000,000	95,976.4	0	0
Good Speed		30,000,000	71,835.5	30,000,000	71,982.3	0	0
Sodamines	Diamonds	800,000,000	1,915,613	0	0	800,000,000	1,919,528
Groupe Perrière Tamija		300,000,000	718,355	0	0	300,000,000	719,823
(trans. to Carmines)	Diamonds	250,000,000	598,629	0	0	250,000,000	599,853
Total		6,120,000,000	14,654,442	2,585,986,427	6,204,843	3,534,013,573	8,479,549

⁵⁷ Rapport d'audit des bonus de signatures des conventions minières, des transferts de parts de capitaux propres et leur utilisation pour la période 2004 à 2006, Rapport n°039/MFB/DIR-CAB/IGF/C 31 Décembre 2007, Auteurs MM. Mahamat Kamoun and Dominique Youane, Ministère des Finances et du Budget, Direction de Cabinet, Inspection Générale des Finances, République Centrafricaine.

Between 2006 and 2007, 19 companies have obtained a mining permit, 13 of which have signed a mining convention including provisions for a bonus. These bonuses amount to more than 6.1 billion F CFA (~ US\$ 14.6 million). However, a moratorium on the payment (full or partial) was awarded in 9 cases out of 13. Seven of these 9 mining companies still have to pay more than 50% of the overall total due.

It seems that there is no objective basis nor scale for the determination of the sums being required as bonuses. About 2.6 billion have been recovered so far (~ US\$ 6.3 million), most of which have been spent through unbudgeted expenses.

The expenses made directly towards the support of the ASM and funded by bonuses represent at best 6.41% of all expenses funded by bonuses (see table below). Most of these expenses were made towards the administrative running of the National Union of Central African Mining Cooperatives (*Union Nationale des Coopératives Minières Centrafricaines*), and not the direct support of artisanal mining communities or extension services.

Table 3 - Expenses made towards ASM, funded by bonuses as reported in the audit report from the CAR General Inspectorate of Finance report n°039/MFB/DIR-CAB/CAB/IGF/C 31 December 2007

Expenses	F CFA	US \$
Direct		
Construction of the National Union of Central African Mining Cooperatives (UNCMCA) building	25,261,105	60,404
Mission in support to mining cooperatives	4,055,000	9,696
56 motopumps for mining cooperatives	28,000,000	66,953
Support to the UNCMCA	100,000,000	239,120
Contribution to the General Assembly of the UNCMCA	8,271,865	19,779
Total Direct	165,587,970	395,954
% of cumulative bonuses	2.70%	
% of received bonuses	6.40%	
% of all expenses	6.41%	
Indirect		
Construction of the Jewellers Association building	40,000,000	95,648
Machines and materials for the Jewellers Association	20,000,000	47,824
Grand total	225,587,970	539,426
% of cumulative bonuses	3.68%	
% of received bonuses	8.72%	
% of all expenses	8.73%	

4.4.3 Recommendations

- To establish and publish the rules governing the determination of the amount of bonuses, so as to ensure transparency;

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- To establish and publish the rules governing the determination of the expenses funded by bonuses, so as to ensure that all expenses are budgeted;
 - To stop managing the revenues issued from bonuses through a different channel than other revenues (*i.e.* transferring the management to the *Régie des avances et recettes* within the Ministry of Mines).

5 Diamond marketing chain governance

5.1 Analysis of the marketing chain of diamonds⁵⁸

Diamonds were discovered in the CAR in 1914, but it was not until 1927 that many mining companies became actively interested in these diamond deposits. Central African diamond production was first recorded in 1931 in Carnot and Bria, yielding 500 and 1,000 carats respectively that year.

Due to the nature of Central African diamond deposits, artisanal exploitation has spread throughout the country and since independence has become a vital source of revenue for the country and specifically rural regions. The production of diamonds, mostly carried out by artisanal miners and labourers, is estimated as providing employment to between 300,000 and 400,000 individuals, mostly in the informal sector⁵⁹. Over the last few years controlled production has turned over around 500,000 carats per year. Almost all of the official production is exported by the Buying Offices and the cooperatives. There have been some attempts at modern industrial production but it has not yielded the results expected. The most significant reasons for this appear to be a perceived lack of security, the geological nature of the deposits, the lack of transport infrastructure, the conditions for obtaining a research permit and the constraints associated with these contracts.

The formal Central African diamond industry is comprised of Buying Offices, the collectors, artisanal miners and diamond labourers. However another formal channel for the industry exists in the form of artisanal miner cooperatives. In this system, a cooperative accumulates diamonds from its mining operations and sells them to collectors, the Buying Offices, or even exports them directly if the value of their diamonds exceeds 40 million F CFA (~ 90,000 US\$).

At first glance, the Central African diamond marketing industry seems relatively simple, and appears to generate large sums for operators; however on closer examination it becomes apparent that the majority of operators, especially at the level of the artisanal miners, do not make financial gains proportionate to the risk and efforts that they clearly subject themselves to.

⁵⁸ This section has been written by Léon Boksenbojm; and edited by Wardell Armstrong.

⁵⁹ For a discussion on the number of artisanal miners and mine labourers, see section 3.

5.1.1 *The actors of the diamond marketing chain*

*The artisanal miners and the mining concessions*⁶⁰

Generally, the artisanal miners consider that they own the small plots of land which they work, but this is not always the case. Regardless of formal ownership rights, they require some form of financial backing to hire labourers. Once these elements are in place, the management of the extraction and washing operations brings a higher share of any money generated from the sale of the diamonds. If the artisanal miner is the mine owner, they may share the profits equally between their labourers. If the minesite is rented, 10% goes to the land-owner, 45% to the artisanal miner acting as *chef de chantier* and 45% to the labourers. It is common for the work agreements between the miner and their labourers to be concluded verbally, rather than any official or formal written documents bearing the signatures of the interested parties. As in most mining jurisdictions the current legislation does not mention such informal processes and fails to identify any minimum salary or the labour obligations towards the labourers. The agreements are rarely questioned as artisanal miners generally hire from a loyal pool of local labour, meaning their workforce is often made up of close relations, village neighbours, or local inhabitants of the sites being worked.

The mine owners, who are usually experienced semi-professionals, who are aware of the prices of rough diamonds, with the exception of the special or complicated stones; and if they do not get a fair price it is generally due to a previously agreed system of pre-payment. Transactions are not driven by common laws of supply and demand as generally the artisanal miners are pre-paid by the diamond collectors or the Buying Offices. This pre-payment scheme is not ideal for the artisanal miners, and sometimes they do not recognise it as a loan they will have to pay back. Yet they do recognise that they have a 'contractual' obligation to sell all their merchandise to one specific financier who has already explicitly deducted all or part of his stake when he originally negotiated the price of the diamonds. Despite these drawbacks mine owners and artisanal miners seem entrenched in this cycle of financial dependence. If an artisanal miner or mine owner happens to strike upon a diamondiferous pocket or an extremely large stone generating large sums of money, the funds are often not managed responsibly. Earnings from diamond mining are often perceived as *'the money of the devil'* and must be spent quickly and often frivolously.

The Central African legislation requires the artisanal miners to record their production in production journals, sold for this purpose by the Administration. Within these journals the mine operator records the name of the artisanal miner, permit number, receipt of payment, the name of the mining site, date and weight of any finds, the number of diamonds extracted, to whom the diamonds were sold and at what prices, as well as the number of the purchase note issued by the buyer when acquiring the diamond or diamonds. This system, which is

⁶⁰ See also section 3.

required by the Kimberley Process (KP) regrettably, does exhibit several flaws. The first of these is due to the alleged (unverified) abusive practices of the *Brigade Minière*, whose agents sometimes claim ‘their share’ once they discover in the journals that an artisanal miner has extracted a large stone. In order to avoid paying this informal tax, the artisanal miners often fail to record such finds.

The artisanal mining cooperatives⁶¹

With a view to improving working conditions and obtaining better remuneration for the labour of artisanal miners, the Central African Government decided that the promotion of cooperatives, it could offer more technical assistance and economic advantages to the artisanal miners. Since 1961 a series of initiatives have been attempted to promote cooperatives:

- In 1984, financial and material aid was put at the disposal of cooperatives by the Buying Offices and the collectors.
- In 1994, the State made the decision to boost the cooperatives and provided them with means of production and financial aid to a total of 100 million F CFA (~ 200,000 US\$). Roughly half of this was levied from the mining promotion fund.
- Since 2004, the new mining code has allowed cooperatives to export their production directly, provided that their produce exceeds 40 million F CFA (~ 80,000 US\$).

Despite these interventions, none of the cooperatives can claim that it has succeeded in developing a sustainable and successful business, or that it can generate sustainable profits.

In the past, few artisanal miners organised themselves in line with this model, however more recently there appears to be an increasing interest in forming cooperatives. This previous lack of interest could perhaps be explained by the failures of the Administration and the National Union of Central African Mining Cooperatives to generate financial backing. Unfortunately, these new cooperatives do not seem to have learnt the lessons from the failures of their predecessors, and similar mistakes continue to be made:

- The lack of a preliminary study of the nature of the deposits;
- The lack of a common motivation. In order to establish a cooperative, a minimum of ten artisanal miners is needed with each artisan contributing at least 15 labourers, however the diverse set of interests and objectives means that a diffused focus hinders production;
- The lack of cohesion among the artisanal miners means it is more difficult for the cooperative to find funding;
- Poor management of profits generated;

⁶¹ See also section 3.

- Lack of knowledge of the foreign diamond markets.

Under certain conditions and within a well defined legal framework, these cooperatives could become long term drivers of development for artisanal miners and for the mining communities. The current legal framework allows the mining cooperatives to export their own diamonds. This places them in direct competition with the Buying Offices. However as opposed to the mining cooperatives the Buying Offices must obtain a permit, pay for an annual licence and pay a significant bond which is deducted annually until it is exhausted. In addition, the cooperatives pay (*de facto*) 3% less taxes than the Buying Offices, for the same value of diamonds exported.

At the moment, given the fairly limited number of cooperatives, they do not have a great deal of impact on the local diamond industry or on State revenue, but this could change if their numbers were to grow significantly.

From a commercial point of view, the cooperatives could present challenges for the overall formalised management of the Central African diamond market as their work is often unpredictable and difficult for the authorities to control, and in general their sources of finance are unknown. It should also be pointed out that in the past, the Buying Offices experienced many difficulties because of the system of pre-financing of these cooperatives and apparent 'loss' of significant sums of money.

The collecting agents

The collecting agents have become the key players in the formal Central African diamond industry. Their only annual fee paid to the State is in the form of a licence (1,009,500 F CFA ~ 2,000 US\$) that permits them to work throughout the country. In 2007 there were 316 collecting agents who fulfilled their obligation to pay this licence fee. In principle, as their name indicates, they are the intermediaries between the artisanal miners and the Buying Offices, but in practice they have created an internal commercial network. Often the small collector overseeing the mining site sells to another collector, who in turn sells to a bigger collector who 'prepares' a sizeable lot for sale to a Buying Office or to another collector. This proliferation of intermediaries in the value chain increases the price of the diamonds and sometimes renders them unsalable to the local Buying Offices. Generally, collectors 'insure' the artisanal miners through indebtedness by pre-financing and providing the food and tools necessary to accomplish the production work. Frequently the collecting agents will be present on the mining sites to follow the progress of the work or have an agent to represent them.

The majority of the profit margin of the diamond industry is captured at this intermediate collector level. Some of the bigger collectors are financially independent, with an allegedly larger turnover than the Buying Offices, and compete with them whilst paying the State the

marginal licence fee. Most of the national production passes through the hands of the collectors, and if a restructuring of the system is to be considered, it must be recognised that they form a central part of the artisanal diamond production marketing system. The frequent trips undertaken by collecting agents between the production zones and Bangui require precautionary measures to avoid road bandits which present a very real risk in certain parts of the country.

The prices of diamonds on the local market, quoted in the table below, were reported to the consultant during the interviews which took place with the industry operators. The indicative price presented in this table concerns 'select' quality.

Table 4 - Evolution of the price of diamonds from the artisan to the Buying Office

Weight (Cts)	Price at the site		Price in the cities near the site		Price at the Buying Office		Price on the world market	
	F CFA	US\$	F CFA	US\$	F CFA	US\$	F CFA	US\$
0,20	7,000	~14	10,000	~20	12,000	~24	15,000	~30
0,50	25-30,000	~50-60	35-40,000	~70-80	40-45,000	~80-89	50,000	~99
1,00	120,000	~237	150-160,000	~296-316	180,000	~356	220,000	~435

The Buying Offices

The role held by the Buying Office in the Central African diamond industry is multifaceted and includes obligations, constraints and prerogatives. They are considered by many to be the dominant players in the industry due to their financial 'clout' and professionalism (in the majority of cases); because of this they are required by the Authorities to comply with several legal and financial requirements.

The following is a non-exhaustive list of their obligations, some of which remain very difficult to fulfil:

- To have a minimum company capital of 50 million F CFA (~100,000 US\$) upon the establishment of an office;
- To deposit to the Public Revenue Department the sum of 50 million F CFA (~100,000 US\$) in the form of a bond (this sum is to be reduced by 10 million F CFA to the benefit of the State until it has been exhausted ~20,000 US\$);
- To have property investment to a value of at least 250 million F CFA (~500,000 US\$);
- To pay for the professional licence each year to the value of 18 million F CFA (~36,000 US\$);
- To pay per buying centre operating locally (branches operating near the productive areas) an annual licence of 3,540,000 F CFA (~ 7,000 US\$);

- To pay for the licences for each buyer of the office : 1 million F CFA for Central African citizens (~2,000 US\$) and 3 million for foreigners (~6,000 US\$);
- Contribute to professional training and retraining of the local management regarding sorting, grading and assessment and marketing of the diamonds;
- To achieve a monthly turnover of 1 million US\$ in the first two years of their business subsequently 2 million US\$ turnover;
- Export their diamond lots each month;
- Support the core of the tax system, collected by the State from the sale of diamonds;
- As with all the other levels of diamond marketing, the Buying Offices must record each diamond or lot of diamonds bought on a pre-sealed purchase note, numbered and registered in the books of the Mining Administration;
- 48 hours before each export, they must produce a summary of the purchase notes corresponding to the lots to be exported. Each quarter they must present a summary of the turnover and the production of the collectors and artisanal miners who sold products to them.

This list of obligations is relatively large and requires a high degree of professionalism from all the offices, and the ability to achieve a high enough turnover to absorb the various overheads, obligated investments and other costs. The prices set for the purchase of diamonds by the Buying Offices take into account all of the overhead expenses incurred. Consequently the subsequent demand for a price low enough to retain a level of profit means the main losers are the artisanal miners and the labourers at the bottom of the value chain. Any level of profit they do receive is further reduced as the majority of the goods bought by the offices are usually handled by at least one collector, further reducing the retained profit margin.

The Buying Offices have expanded strongly over the last 3 years and at the beginning of January 2008 there are 13 offices, of which one has obtained a permit for buying gold (the permit is concurrent for gold and diamonds). This increase in the number of Buying Offices cannot be justified economically, given that the production has not increased at the same rate. In fact certain offices have recently been struggling and are even considering closure. However, it must be emphasised that few of the new Buying Office owners have the personal expertise necessary to buy diamonds, and they do not have the necessary experience to sell their stones on the external markets. It would be appropriate for the Authorities to establish some basic criteria in this regard before allowing the parties concerned to indiscriminately open Offices and carry out this highly specialised activity.

Table 5 - CAR – Official diamond exports 2005-2007

Office	2005		2006		2007	
	Cts	Value US\$	Cts	Value US\$	Cts	Value US\$
DDC	83 896,62	8 857 194,81	114 885,14	12 709 895,57	141 542,46	17 618 282,44
SODIAM	94 590,65	17 956 410,33	195 490,80	24 866 050,65	152 430,97	19 889 732,18
BADICA	38 528,63	9 428 111,67	39 723,48	10 656 275,16	27 127,03	6 706 030,76
ADC	2 464,79	971 283,62	2 275,79	1 024 445,69	5 818,08	1 331 906,06
ORDICA	975,74	289 133,96	286,24	298 694,03	309,30	125 179,70
PRIMO	79 625,20	10 938 991,09	54 963,52	9 462 052,43	60 284,65	10 170 513,02
BELDIAM	313,51	261 686,91	4 678,66	881 015,38	6 668,23	1 450 837,33
MEX			267,15	104 605,93	0	0
CODIORCA					6 183,03	1 212 920,10
IAS					0	0
ADR					12 984,19	2 006 590,69
LIONS Investm.					328,02	117 936,94
KHORDIA						
UNCMCA Coop.	213,23	135 810,29	2 745,61	1 465 166,31	195,81	89 354,12
VALDIAM					43,70	16 495,31
PANGEA					3673,30	461 884,00
IMG					102,21	7 654,6
BELAFRIQUE	455,57	122 545,47				
SOCEMINE			213,03	36 739,20		
SOPICAD	60 896,95	9 167 248,35	0	0		
DIAMSTAR	14 381,33	2 541 994,11	0	0		
CONCEDIA	6 962,37	1 293 787,31				
Totals	383 304,59	61 964 197,52	415 529,42	61 504 940,35	413 675,96	60 789 431,90

O = Mining Companies O = No longer in business

Source : BECDOR

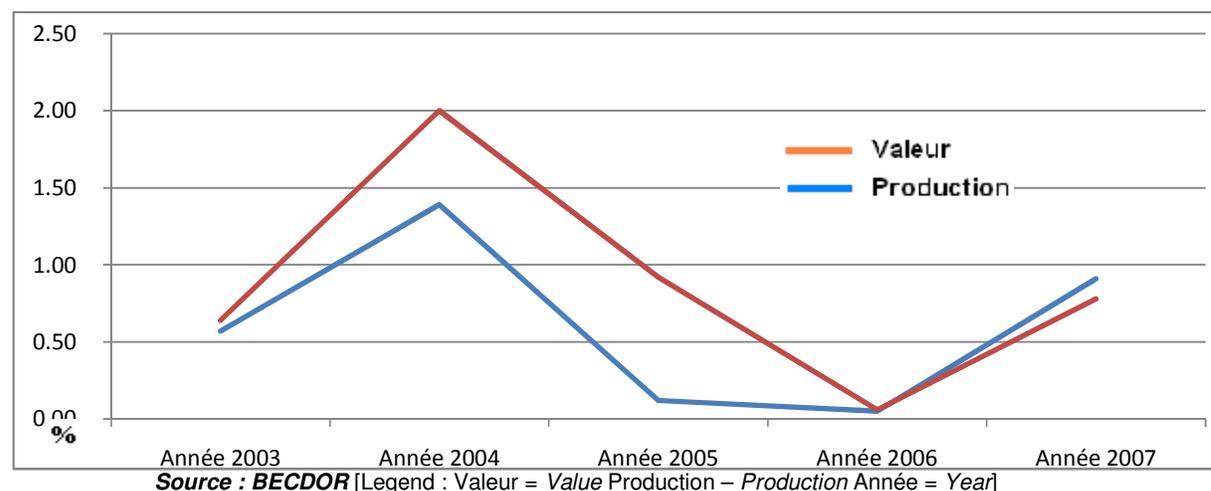
Supply of the Buying Offices varies from office to office, but in general, they buy through their local branches in the productive areas in the interior of the country, from their collectors, and to a lesser extent, direct from the artisanal miners.

Their representatives work in the interior of the country, buying at prices often lower than those available in Bangui. The price of these goods increases markedly due to both the management costs of the Buying Offices and also to the sizeable costs of transport. The nature of the remote mining areas often calls for air transport and any travel by road requires an escort, since any travel outside of Bangui is considered hazardous because of the presence of criminal bandits.

The mining companies

For some years now, the number of mining companies involved in the production and export of diamonds from the CAR has been minimal. There are many reasons for this, including lack of perceived security, political instability and sovereign risk, the lack of a comprehensive and modern geological database, the comparatively more difficult financial and legal conditions for obtaining exploration permits, the lack of a conducive incentive framework for external investors, etc.

Correspondingly the proportion of production from mining companies did not reach 1% in 2007 and was even lower in the two preceding years, as shown in the following table:



At the beginning of 2008, 12 mining companies were listed in the register of the Department General Mining Directorate with valid exploration permits, of which only one was not up to date with the payment of its fees.

Table 6- Identification sheet of authorised mining companies in CAR						
N°	NAMES	PROJECT	LOCATION	STATUS	MINERALS EXPLORED	PROVENANCE
01	AURAFRIQUE/AXMIN	Passendro	Bambari	Research	Gold, Base metals	Canada
02	PANAFRICAN	Dimbi	Dimbi	Exploration	Diamonds and gold	South Africa
03	PANGEA DIAMOND FIELDS	Bogoin	Bogoin	Exploration	Gold	South Africa
04	GEMDIAMOND	Bania	Berberati	Exploration	Diamonds	South Africa
05	IMG		Berberati	Exploration	Diamonds and gold	
06	CAD MINING		Berberati	Exploration	Diamonds and gold	
07	URAMIN CAR	Bakouma	Bakouma	Exploration	Uranium and related substances	South Africa
08	ETOILE DIAMANT		Bria	Exploration	Diamonds and gold	South Africa
09	NOBLES MINERALS		Boda	Exploration	Diamonds and gold	Italy
10	GROUPE PERRIERE		Boda	Exploration	Diamonds and gold	Central African
11	K – MINES		Berberati	Exploration	Diamonds and gold	Central African-Turkish
12	GOOD SPEED		Carnot	Exploration	Diamonds and gold	Central African- Japanese

Source : Department of Mines

The diamond-cutting workshops

The first diamond-cutting workshop in Africa, the National Diamonds Office, was created in 1964 in the CAR as a result of a partnership between the GoCAR and an American company, Diamond Distributors Inc. It operated for nearly twenty years without really demonstrating its profitability. Its supply was maintained by the Buying Offices and the mining companies, and was mandated by law. The National Diamonds Office chooses stones selectively and only pays what it considers 'reasonable' or discounted prices for its purchases. However, even with these advantages the Office has still failed to make headway in the diamond cutting market. This market is completely detached from the rough diamond market, and requires significant investment and marketing strategies. Sales are generally made to specialised jewellery organisations with long term credit.

Diamond-cutting is a highly technical profession, in which one only gains expertise after years of experience using specific, but fairly simple equipment. However, developments in technology have increased the use of highly sophisticated (and expensive) computerised equipment. The stone-cutting workshops which have opened in Bangui have all had difficulties in getting a regular supply of rough diamonds. Currently only one remains relatively active and supplies a few cut stones to the local jewellers.

The State should consider the establishment of a diamond cutting school to help train expert diamond merchants, expert valuers etc. In the long term, it could encourage young trainees to establish their own diamond studios with the appropriate equipment.

5.1.2 The financing of the actors of the diamond marketing chain

The financing chain of the formal industry operates at four different stages of the industry:

- The Buying Offices: financed usually by their parent companies (in the case of subsidiaries), by clients, buyers of their output, by opportune or occasionally foreign or local financiers and sometimes from their own funds;
- The Collectors: usually financed by the Buying Offices, by opportune or occasionally foreign or local financiers and sometimes from their own funds;
- The artisanal miners: financed by the Buying Offices, the Collectors and sometimes from their own funds;
- The labourers: financed by the artisanal miners

The financing of the Buying Offices

The Buying Offices need a very significant working capital, corresponding to their turnover plus a safety margin. The financial backer can easily monitor the progress of his investment, as in principle, the Buying Offices (and their branches in the interior of the country, where applicable) keep methodical, up to date accounts.

The financing of the collectors

A large amount of the collectors are permanently or occasionally pre-financed by the Buying Offices, to whom they sell their diamonds. The monitoring of the use of the monies allocated for the purchase of diamonds, or for the pre-financing of the artisanal miners, is complicated and often intentionally blurred by the beneficiaries in order to derive the maximum profit from them. The pre-financing of the collectors, given that it carries high risks, is generally agreed upon on the basis of trust.

Another group of collectors is pre-financed by other larger colleagues, who have become powerful direct competitors for the Buying Offices. They often establish local branches in all the diamond exploitation areas using capital from other business for their purchases, whether local or otherwise.

The financing of the artisanal miners

The pre-financing agreements between the artisanal miners and their financial backers (collectors, or in certain cases, the Buying Offices), are usually verbal. The sums which they obtain depend on the scope of the projected operation and on the level of confidence the financial backer has in the artisanal miner.

It should be pointed out that according to the law; representatives from the Buying Offices do not have the right to enter mining sites. This rule may be difficult to comprehend, in the sense that someone who finances a mining operation (which is always risky), should perhaps have the right to go and validate and check what has been done with their money, or to see how work is progressing.

There has been a marked reduction in the extension of finance to the artisanal miners by these two 'formal' groups, due to a growing number of bad experiences on site. As a result the artisanal miners accept money more readily from local merchants and other entrepreneurs.

The financing of the diggers and the mine labourers

The artisanal miners acting as *chefs de chantier* are usually required to provide their labourers with tools to work, and sometimes a daily wage. In some cases the managing artisanal miners is also expected to cover the cost of medical care in the event of accident or illness. Once the stones have been extracted, the labourers' share is calculated and paid according to the price of the diamonds as agreed by the financial backer and the diamond miners.

The banks and other money transfer systems

The banking system in Central Africa is comprised of the National Central Bank, the Bank of Central African States (*Banque des Etats de l'Afrique Centrale*), and several other commercial banks.

The security situation in the interior of the country has deterred private banks from establishing a systematic presence in all the areas favourable to business. However, such presence will be indispensable in the future for the desired development of the formal precious materials sector.

At this stage, apart from the Buying Offices, the use of banking services by the other operators of the industry is fairly limited. In order to remedy this situation, it would be beneficial if the representatives of the diamond industry and the bankers would consider creating some financial products specific to the sector. At the same time, it should be pointed out that many Buying Offices and collectors use other means of accessing large sums of money in Bangui; namely the local merchants, the importation of currency in cash etc.

5.1.3 The legal and institutional framework of the diamond marketing chain

Like in all African diamond-producing countries, the Central African diamond industry is governed by strict legislation. Thus the possession, holding, transfer, operations, transport, dispatch, export and conversion of the stones are subject to particular regulations and the obligations to obtain permits issued under the conditions stipulated by the Mining Code and its application texts.

The procedures for obtaining these permits range in complication and cost. Buying Offices and mining companies face a number of challenges and expenses compared to the relatively minimal requirements for collectors. The enforceability of these regulations is somewhat erratic, as many informal intermediaries can get involved in the sector for relatively short periods, destabilising the market. The procedures for obtaining a permit are

often lengthy and tortuous, and certainly discourage some investors. It has been alleged by some parties that those that do remain may make what is locally referred to as a 'generous gesture' to expedite the issuing of their permit.

The inventory of current producers and traders involved in the mining industry and figures regarding their production are kept by the General Mining Directorate, through the Directorate for Commercialisation, Industry and Mining Register and its bureau BECDOR, the Commercialisation and Mining Register Service, and the Industrial Techniques Service.

Monitoring of the mining industry as a whole is undertaken the *Brigades Minières* and the Directorate for Information and the Suppression of Fraud. As stated in previous sections the latter operates only in Bangui whilst the *Brigades Minières* are empowered to act throughout the CAR. As the key agency charged with managing the production and marketing of diamonds, the Ministry of Mines jurisdiction is stretched thinly across the entire country. In fact they are represented in only four large cities in the interior of the country, prompting the *Brigades Minière* to establish their own working system. Thus, it has been alleged that they often visit the mining sites to claim their 'share' of the profits. Despite this, members of the *Brigade Minière* claim that they maintain a good relationship with most of the collectors, as well as with the Buying Offices, and only expect to be paid for putting their stamp on the purchase notes, which are compulsory for travelling from the interior of the country to Bangui.

When a conflict arises between artisanal miners or between other operators in the industry, interviewed members of the *Brigade Minière* say that they are acting in accordance with the *Code Minier*. However, some artisanal miners and collectors claim that, on such occasions, the subjective interpretation made of the *Code Minier* varies with the individuals involved. In addition, the many operators in the industry make accusatory complaints that when the *Brigades Minières* seize diamonds or gold, they allow the accused trafficker to go free and keep the precious metals for themselves.

The system of traceability from the mines to the point of export, established in the CAR at the beginning of the 1980s, for all kinds of diamond exploitation (industrial, semi-industrial but also artisanal), has inspired those in charge of the Kimberley Process to formulate their own recommendations for the self regulation of the diamond industry in each of the participating countries. The system in the CAR is quite comprehensive, seeing that it allows the government to know when the diamonds were extracted, on which site, by which group, and to follow their route to the exporting companies. Unfortunately, due to a lack of staff at the level of the mining areas, the production journals stay with the artisanal miners and are rarely collected by the administration to reconcile the production with the purchase notes used for the marketing.

The monitoring of the marketing of diamonds in Bangui and their exportation is carried out mainly by BECDOR, which in principle receives all the purchase notes from the collectors and the Buying Offices. It checks whether or not the log books have been stamped upon departure from the production site, and it grants an entry permit to Bangui and a departure/export permit if necessary. BECDOR is in permanent contact with all the Buying Offices and plays a double role with regard to the operators:

- Educational: to give information about and explain the procedures in force;
- Punitive: to prompt action in the event of failure to respect the law.

The *Principal* (the person in charge of the management of BECDOR) reports regularly to the Marketing Director, his superior in the hierarchy.

In the past, the Administration undertook many initiatives to enable the local producers to obtain the best prices possible and to promote Central African diamonds. Thus, they created the *Bourse* (currently closed, but there are apparently plans to reactivate it), special permits allowing non-resident diamond merchants to occasionally come and buy goods, and a permit granted to artisanal cooperatives to export their production directly. The reasons motivating these solutions were more or less liberal but they were regarded as unfair competition by the Buying Offices. They did not have the impact expected by the State and were all abandoned, except for the permit given to the cooperatives to export their production.

5.1.4 BECDOR

The Bureau for the Evaluation and Control of Diamonds and Gold, in its current form, was created in 1993 to monitor the internal diamond market and to evaluate official exports. Its responsibilities include:

- Valuing rough and cut diamonds, gold and other precious stones and metals destined for export;
- Assessing, valuing and selling precious metals;
- Preparing orders fixing the market price for the export of stones and precious metals;
- Preparing documentation and regulations relating to the marketing and the export of stones and precious metals;
- Processing purchase notes from the Buying Offices and from the Collectors with a view to monitoring them better;
- Stamping the purchase notes of the Buying Offices and the Collectors and monitoring the activities of the production and the marketing of the Mining Companies;
- Checking the rough diamonds and stamping the log books of Collectors on their arrival in, and departure from, Bangui;
- Issuing notification of receipt of payment of taxes and export duties and to ensure the collection thereof;

- Overseeing the placement into boxes of the products intended for exportation after assessment and valuation and the affixing of seals;
- Escorting the boxes from the valuation office to the airport and the final control of the seals;
- Establishing and issuing of statistics on rough diamonds and gold.

BECDOR has a dominant position in the relationship between the operators in the precious minerals industry and the Central African government. Its knowhow, efficacy and integrity are crucial, to ensure that the Central African State receives a proper return on its mineral resources and to satisfy the operators.

The diamond exportation process carried out by BECDOR starts in principle 48 hours before the expert assessment, when the representative of the Buying Office sends a summary of the purchase notes corresponding to the diamond lots which it wants to export, and makes an appointment for the assessment and valuation. At the appropriate time, the representative from the Office presents himself with the lots separated into plastic bags pre-sifted according to size and pre-sorted according to characteristics. The lots are weighed and assessed by the BECDOR valuers, in the presence of representatives of the *Brigade Minière*, the Customs and the Secretariat of the Kimberley Process. After the verification of the classification, prepared beforehand by the Buying Office, and the adjustment of the stones, if necessary, with regard to their quality, the expert assessors calculate the taxable values by relating each sorting (size/purity/colour/shape) to the BECDOR market rates.

Table 7- BECDOR market price list for rough diamonds						
WEIGHT QUALITY (cts)	SELECT US\$	ZA US\$	OFF CL SPOT US\$	BLOCK US\$		PRICE in Antwerp US\$
30	6,100	5,400	<p>The classification of stones of less than 4.85 cts is done by lots and diamonds of more than 4.85 cts are analysed stone by stone. This classification is done in many categories.</p> <p>The largest disparity between the market values applied by BECDOR and the market prices (<i>ad valorem</i>) of Anvers and Tel Aviv applies to the SELECT quality.</p>			18,000
25	5,700	4,600				17,000
20	5,200	3,700				15,000
15	4,600	3,300				12,000
10	3,300	2,900				9,000
9	3,000	2,600				7,000
8	2,700	2,400				6,500
7	2,600	2,100				5,000
6	2,300	1,800				4,500
5	1,900	1,500				3,500
4	1,300	1,000	600	450		3,000
3	1,150	1,000	600	450	Smalls,70	2,000
2,5	950	800	400	350	Clivage70	1,400
2	800	650	350	250	Industry,45	1,100
1,5 ct	600	500	250	200	Boart,2	700
1 ct	450	380	200	150	Carbone,1	550
0,75 ct	300	230	110	80		400
Mixed	180	150	110	80		220

Source : BECDOR-Market prices/ Ad valorem – several diamond bureaux at the Anvers and Tel Aviv stock exchanges

The BECDOR *Principal* then calculates the various taxes due to the State on the basis of the found market value by adding together the value of all the assortments of diamonds and recovers these sums on behalf of the various Administrations.

Table 8 - Structure of the taxes on diamond exports		
Tax	Payee	Rate
Exit Fee	Tax department	4 %
Mining Promotion Fund	Ministry of Mines	1 %
Tax for Computer Equipment and Finance Equipment	Tax department	0.5 %
SPPK Permanent Secretariat of the Kimberley Process	Ministry of Mines	0.5 %
Special Diamond Tax (TSD)	Tax department	3 %
Fivex minimum Tax (IMF)	Tax department	3 %
Total		12 %

The last task carried out by the expert assessors in this export operation in the offices of BECDOR is the sealing of the diamonds in a box which is then sent back to the exporter to keep until its departure to the airport, where the representatives of BECDOR, the *Brigade Minière* and the Customs will proceed with the checking of the box. Transfer of the (sealed) box containing the diamonds to be exported to the airport, which is usually carried out late in the evening, depending on the commercial airline, is performed by the exporter accompanied by a representative of BECDOR and the officers of the *Brigade Minière*.

One of the BECDOR's strongest assets is its database of statistics concerning the production and trade of diamonds and gold. These figures are carefully kept by the organisation's analyst and are very useful for an analysis of the development of the diamond and gold industries⁶². These records are indispensable in order to understand the strengths and weaknesses of the system currently in place.

As already stated BECDOR is led by the *Principal*, who is himself a diamond valuer, who uses the services of six expert assessors for the valuation of precious substances. The gathering of data and the processing of the statistics is carried out by the analyst and his assistant. In addition, they are assisted by a secretary, a trainee secretary and a temporary assistant. The assessment carried out by the valuers determines the amount of taxes recovered by the State and is therefore a heavy responsibility. For this reason, they receive, in addition to their salary as civil servants, bonuses which, for all expert assessors, are at the level of 0.0016% of the market value of the exports.

The diamond market has evolved and the prices of certain goods have changed significantly; unfortunately, the expert assessors at BECDOR have not had any retraining for years. This training was funded by the World Bank, and the last training dates back to 1996. Moreover,

⁶² See Annex N°6 (i), "Situation des recettes générées dans le secteur minier (diamante et or) et leur orientation, 2004-2008).

new techniques now allow diamonds to be 'treated' to change their natural colour or to remove surface staining and impurities; structures like BECDOR should be able to detect these processes and mark them on the 'pass' and on the Kimberly Process certificate. The processes of valuing diamonds, assaying gold, collection of taxes and capture of all these data, requires a good working organisation and the appropriate equipment, but also the space to accommodate all the participants in these export activities. This is not the case at the moment, especially with regard to the last two points. Thus, taking into account the important assets which pass through the offices of BECDOR, a vigorous security system must be put in place and insurance cover for risk of theft, workplace accidents, civil responsibility etc, must be contracted.

5.1.5 *Fraud*

Countries with alluvial diamonds in their subsoil generally experience difficulties in managing and regulating this resource. Due to their high value/weight ratio and the relative ease with which they can be extracted, alluvial diamonds have become a target for illegal traffickers. The fraudulent operators have used diamonds for a vast range of illegal purposes, including money laundering, to conceal and export profits and capital, and as hard currency, an alternative way to finance imports into weak economies.

Diamond fraud in the CAR has many origins, numerous forms, occurs at all levels of the value chain, and in all areas of the sector. The local population, aware of these fraudulent schemes, is largely apathetic, seeing that it has nothing to lose nor to gain in denouncing them. The widespread lack of security in the interior of the country and the absence of State authority in many areas of the north and the north-east favour the smuggling of goods into the neighbouring countries. In addition, the political development in these countries has a decisive importance on the way in which the traffickers sell their diamonds.

The 'delivery' of diamonds from the proximal Congolese Equateur Province to the CAR, which spread during the civil instability and civil war in DR Congo, has allegedly almost disappeared as a result of the regulation of the purchase networks in Kinshasha, the near stabilisation of the region, and also due to a more favourable tax on the exportation on diamonds; 3.75% in DRC as opposed to 12% in CAR. In the central-eastern part of the country, the lack of any actual control on the part of national and regional authorities has facilitated the introduction of significant illegal mining operations in northern prefectures of Vakanga and Haute-Kotto.

Mining villages, and sometimes even towns have been created. These towns, sometimes quite consequent, do not appear on the official administrative maps. However, they are well known by the inhabitants of the region. Ouandja, Ouanda-Djallé, Sam-Ouandja and in particular Yangou-Pendéré are the largest of these new regional diamond centres. Unlike

the deposits of Carnot and Bria, which have been exploited for more than 70 years and which are only occasionally 'resupplied' by annual flood cycles, the deposits in the north eastern prefecture of Haute-Kotto are almost virgin sites and apparently very productive.

The lack of security affecting the roads linking this region to Bangui, as well as the national developments in the local commercial networks allowing for alternative routes for their supplies, means many new operators in the diamond industry transport their goods, in absolute secrecy, especially to Sudan. In the more remote areas of the northern prefectures of CAR (Vakanga and Haute-Kotto) bordering the Janub-Dafur and Ghab Bhar al-Ghazal Sudanese states the mayor of Samoundga has reportedly enormous difficulty in controlling the Sudanese refugees who started digging over entire areas in search of diamonds. It has been stated that many criminal groups, and also rebel militias take advantage of this persistent lack of security to attack the operators and the mineral produce

Another diamond and gold trade network has developed in Cameroon. This neighbouring country, which is not yet a participant in the Kimberley Process, has several diamond Buying Offices. The national production of this country alone does not justify the presence of so many Buying Offices. Unsurprisingly some of these offices have established purchase centres in the East and Adamawa provinces, not far from the border with the CAR (Nana-Mambéré, Mambéré-Kadéï, and Sangha-Mbaéré prefectures) and organise regular purchasing expeditions as needed.

Actual contraband networks have reportedly been created and they exist thanks to the benevolence of certain countries in the Persian Gulf, the Far East and even China, India and Russia, which are all participants in the Kimberley Process. This confirms the concerns expressed by some elements of civil society and advocacy non-governmental organisations in their report for the plenary session of 2007 of the Kimberly Process (held in Brussels) which stated that it is clear that there is a vast trade in rough diamonds parallel to that of the Kimberley Process. It also said that it may occur partly between non-member countries of the Kimberly Process, but that it is becoming increasingly clear that certain member countries of the Kimberly Process take part in this trade.

In order to better understand to extent of the fraud, its nature and its mechanisms, an analysis of the different levels of the diamond industry is required.

The artisanal miners

As stated in section 3, the artisanal miners and their labourers live and work in extremely difficult conditions and earn very little money. Most are not registered and their arduous labour does always enable them to meet even their basic subsistence needs. In these destitute conditions they are constantly tempted to accept any 'business' proposition, provided that it brings them enough financial gain satisfy their most pressing needs. The majority of them work illegally, and those who have paid for their licence do not always record their finds in the production journals. This is likely done for several reasons: to avoid showing all their output to the financial backer so that they can sell it for a better price elsewhere; out of fear of the *Brigade Minière* who may demand a 'payoff'; to avoid letting others know about a monetary gain, and also to avoid being asked for help by everyone, etc.

The Administration's control at these levels of the industry is very limited, given the lack of institutional capacity and the lack of resources for the officials appointed to monitor it. Thus a large part of the production enters the informal network and evades GoCAR control at this initial stage of the mineral value chain.

The artisanal cooperatives

The problem of fraud at the level of the artisanal cooperatives is the same as for the artisanal miners, only more likely, given that it is extremely difficult for ten owners who contribute unequally to the execution of the works to get along and to share the profits from the sale of the diamonds produced equitably without respecting or forgetting the numerous "people on the side" that require some form of payment. Therefore the financing of the cooperatives must be monitored closely, but diplomatically, by the authorities, for many obvious reasons.

The collectors

The collectors have become an inescapable power in the diamond sector. They have a greater economic influence than all the other operators in the precious minerals industry. The Mining Code authorises foreigners to perform the task of a collector, under certain conditions. Moreover, the great majority of the collectors are of foreign origin, and have usually branches in adjoining diamond producing countries. The context in which the collectors work leaves them a lot of scope to act and commercially manoeuvre as they see fit. Any effective control of their dealings is difficult, because of their migratory nature and constant movement. In addition, due the financial means at their disposal, they can travel if necessary, in order to sell their diamonds externally.

It is worth noting that it is easy, due to the internal sales among the collectors, to direct the diamond lots towards the regular network or to the contraband network, according to the need of the moment.

The Buying Offices

At this level of the value chain, the overall control and monitoring by the Administration are more marked, which leaves less room for fraudulent behaviour. In order to carry out these 'advantageous operations', it would be necessary to have the help of some unscrupulous members of the Administration, or a fairly sophisticated system of fraud. All Buying Offices have a main office in Bangui, and the large organisations have purchased branches in the interior of the country. The restocking with money and the removal of the diamonds from these places tends to occur by airplane.

The purchase prices, as well as the prices at evaluation, are often adjusted to the level of the market prices of BECDOR, which again avoids more taxes being paid to the State. The rate of taxation on the exportation of diamonds is already very high, which in part motivates the fraud.

The Brigade Minière

The *Brigade Minière* acts on behalf of the State to sanction all offences associated with the exploitation and marketing of diamonds and gold. It has ten offices in the interior of the country, in the main mining zones. It is obliged to report all these operations to the Ministry of Mines. Unfortunately, the behaviour of the staff of the *Brigade Minière* is often criticised by many operators in the industry. Lack of professionalism, widespread ineffectiveness, abuses of power and corruption are some of the serious reported accusations.

Not meaning to condone such unprofessional behaviour, it must be recognised that the *Brigade Minière* does operate with many constraints and is short staffed. Such dishonest practices, though reprehensible in themselves, are unfortunately considered common and wide spread in the country.

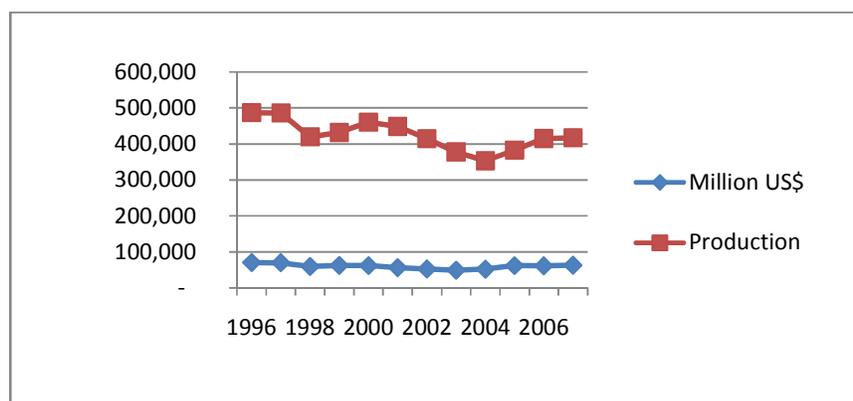
BECDOR

The high tax rate to be paid at the time of exportation of the diamonds from CAR is inevitably an indicative factor with regard to undervaluation and other forms of fraud. The valuation made on the base of market values (lower than the world market prices) reduces the level of the amounts that the Offices have to pay at this stage.

It would be natural to consider that the expert assessors of BECDOR, during their valuation work, could be subjected to the temptation of collaborating with the exporters, but it would appear that the working environment of BECDOR is relatively impervious to such practices. It is rather the lack of high-tech equipment, retraining and of course, the method of calculation (market related rather than *ad valorem*) which are implicated.

Evaluation of the fraud

It is naturally very difficult to establish the figures for fraud in a sector in which even the legal transactions are confidential and poorly defined. Reports from the last ten years indicate national exports of around 400,000 carats/year for an average value of 60 million US\$. Professional opinion is strongly divided; the most optimistic speak of 5% fraud although this is more likely to be 30%, and the most pessimistic mention a figure of upwards of 50% and some even 100%. It seems however reasonable to believe that the real value of diamonds produced in the CAR must be between 80 and 100 million US\$, and that therefore the level of fraud is situated between 25% and 40%.



5.1.6 The Kimberley Process

During the 90s, the exploitation and marketing of natural resources in general, and diamonds in particular, was the object and the means of financing rebellions which destabilised certain countries such as Angola, Sierra Leone, Liberia and the Democratic Republic of Congo. The horrors caused by these rebellions alerted and moved international opinion.

The situation was complex, given that the world supply of rough diamonds had been carried out for decades through various routes which are not easily controlled, and that urgent action was necessary to safeguard the diamond industry, which employed a very large number of professionals throughout the world. In May 2000, the South African Government invited various operators in the diamond industry, and some non-governmental organisations to

Kimberley to reflect on the means to respond to the problems of conflict diamonds. It was decided that it was imperative to find mechanisms for controlling the export and import of diamonds in order to prevent conflict diamonds from infecting the trade in 'clean' diamonds. In July of the same year, at the World Congress of Diamond Merchants, the participants founded the World Diamond Council, to represent the entire community of diamond merchants at the negotiations and at the establishment of a new system, which they called the Kimberley Process. As the negotiations continued, the results of the research of non-governmental organisations and the reports from expert groups from the United Nations came to corroborate the first observations. The Kimberley Process Certification Scheme (KPCS) was launched in February 2003.

Taking into account the important role played by diamonds in the economies of certain producing countries in Africa and elsewhere, it is imperative to optimise the revenue and the socioeconomic benefits for these Governments and for the communities in the exploitation zones. If applied to the letter, the system of certification of origin today enables the producing countries and the communities to know what their actual production is, and also to be able to receive the exact taxes which are due to them.

Obviously, like any new process, the Kimberly Process encountered initial teething troubles. The diamond industry, composed of several sub-sectors (extraction, trade, cutters, jewellery manufacturers and retailers) is so fragmented that it will be difficult to adopt a system of control for the industry as a whole, let alone impose it effectively. The solution for achieving functional mechanisms for the diamond industry is to establish a system of regulation which is universally applicable for all member countries, but ratified for each of the national legislations.

The implementation of the Kimberley Process Certification Scheme is an opportunity for the producing countries to bring their laws and control procedures into line within geographic regions, particularly where they share the same resources and operators. The Kimberley Process Certification Scheme has defined a certain number of regulations controlling the trade of rough diamonds, as well as the minimum conditions which must be satisfied by each participant. The Kimberley Process relies on the contribution of its participants, according the principle of 'distribution of charges' supported by the diamond sector and observers from non-trading companies.

In the CAR, the Permanent Secretariat of the Kimberly Process is comprised of six people: the Permanent Secretary, his assistant, an accountant, a secretary, a driver and a courier. Its task is to ensure the origin of the lots of diamonds exported, to issue a Kimberly Process Certificate of Central African Origin, and to manage the statistics of rough diamond exports and imports in CAR. The Permanent Secretary (PS) or the assistant undertakes monitoring tasks of the Kimberly Process in other member countries and takes an active role in the yearly Plenary Session of the Kimberly Process.

The PS is in regular contact with the focal areas of the Kimberly Process in other member countries in order to provide them with national statistics on production and exports. In return, it receives from the statistics centre of the Kimberly Process in Canada a list of the shipments of lots originating from the CAR, which have arrived in other member countries, to enable it to make comparisons so that it can verify if there are any discrepancies with the shipments registered at its level. If there are any anomalies, it must carry out an investigation to identify the source of the problem. The operation of this collaboration undergoes delays and difficulties from time to time; this is why an analysis of the statistics for 2006 (the 2007 statistics will not be ready until the beginning of April) carried out by the Working Group for Kimberly Process statistics, showed some discrepancies between the diamond exports for the last four years in the CAR and imports in the destination countries. This disparity in the figures varies from one year to another, as can be seen from the table overleaf:

Table 9 - Gaps between the exports declared by the Secretariat of the KP in CAR and the destination country countries						
Year	Operation	7102.10	7102.21	7102.31	Total HS Code	Net gap
2003	Export CAR cts	143 686,82	53 551,94	133 288,37	330 527,13	28 139,28
	Import destination country cts	129 128,51	41 628,64	131 630,70	302 387,85	
	Export CAR US\$	23 835 462,85	1 876 035,83	22 483 900,96	48 186 399,64	3 867 361,73
	Import destination country US\$	21 044 837,16	2 190 347,68	21 083 853,07	44 319 017,91	
2004	Export CAR cts	325 717,60	2 395,00	21 338,00	349 450,60	4 003,32
	Import destination country cts	303 522,61	5 992,92	35 931,75	345 447,28	
	Export CAR US\$	46 579 647,78	97 450,00	4 915 261,02	51 592 358,80	843 155,73
	Import destination country US\$	43 890 553,21	103 716,59	6 754 933,27	50 749 203,07	
2005	Export CAR cts	382 126,26	0,00	630,06	382 756,32	-9 709,37
	Import destination country cts	384 095,33	0,00	8 370,36	392 465,69	
	Export CAR US\$	60 133 559,48	0,00	438 843,79	60 572 403,27	-1 185 529,19
	Import destination country US\$	60 175 946,34	0,00	1 581 986,12	61 757 932,46	
2006	Export CAR cts	415 226,46	0,00	300,00	415 526,46	-5150,30
	Import destination country cts	403 226,02	131,56	17 219,18	420 676,76	
	Export CAR US\$	58 792 575,33	0,00	274 291,00	59 066 866,33	929 142,01
	Import destination country US\$	56 111 768,38	61 480,70	1 964 475,23	58 137 724,32	

Source : Kimberly Process Statistics

The main destinations for Central African diamonds are Belgium, Israel and Switzerland. Other destinations such as Armenia, Canada, India, China, Japan, South Africa, the United Arab Emirates and Saudi Arabia received a small share of these exports.

The major disparities recorded on this table must be examined more closely, as follows:

- In 2003, CAR declared exports of 330,372 carats to the EU, but the authorities in the EU recorded only 302,372 carats of imports from CAR, a difference of 27,745 carats, which is a difference of almost 10%.
- In 2004, the largest discrepancies were with Canada, Israel and Switzerland. Canada even recorded the receipt of four certificates that did not record their weight or value. The CAR also reported exports to Switzerland of 1,930 carats to a value of 460,458 US\$ for four certificates, and Switzerland recorded 5,623 carats. The situation with the exports to Israel was similar; the CAR exported, with four Kimberly Process certificates for 122 carats and in Israel, they only registered two certificates for weights of 6,510 carats.
- In 2005, the differences were much slighter; for the whole year, they were 9,709 carats for a value of 1,190,000 US\$.
- In 2006, these disparities came to 5,150 carats, to a value of 929,142 US\$.

As well as from these disparities in volume and weight, the classification with regard to the nomenclature of the Customs code are different as shown in the following table:

Table 10 – Disparities in the nomenclature of the Customs codes				
HS Classification	Average price (US\$/ct.)			
	2003	2004	2005	2006
HS Code 7102.10	US\$ 165.88/ct	US\$ 143.01/ct	US\$ 157.37/ct	US\$ 141.60/ct
HS Code 7102.21	US\$ 34.86/ct	US\$ 40.69/ct	0.00	0.00
HS Code 7102.31	US\$ 165.88/ct	US\$ 230.35/ct	US\$ 696.51/ct	US\$ 914.40/ct
HS Classification	Average price (US\$/ct)			
	2003	2004	2005	2006
HS Code 7102.10	US\$ 162.98/ct	US\$ 144.60/ct	US\$ 156.67/ct	US\$ 139.10/ct
HS Code 7102.21	US\$ 52.62/ct	US\$ 17.31/ct	0.00	US\$ 467.30/ct
HS Code 7102.31	US\$ 160.17/ct	US\$ 187.99/ct	US\$ 189.00/ct	US\$ 114.10/ct

The development of the industry over the last four years has shown constant progress, as confirmed by the following figures:

Export					
Period	Volume cts.	Value US\$	Difference %		
2003	330,527.13	48,186,399.64		In cts.	In value
2004	349,450.60	51,592,358.80	2003-2004	+ 5,7 %	+ 7,0 %
2005	382,756.32	60,572,403.27	2004-2005	+ 9,5 %	+ 17,4 %
2006	415,526.46	59,066,866.33	2005-2006	+ 8,5 %	- 2,5 %
2003-2005	1,062,734.05	160,351,161.71	2003-2005	+ 15,8 %	+ 25,7 %
2003-2006	1,478,260.51	219,418,028.04	2003-2006	+ 25,7 %	+22,6 %

Source: Kimberley Process Statistics

The reconciliation of the number of certificates issued by the relevant authorities of the CAR and the number of certificates received by the destination countries demonstrates some gaps, which perhaps should be rechecked by the authorities concerned.

Participating Destination country		Total KP certificates	Difference in number of certificates	Not received on arrival	Received in error on arrival
European Union	Export	92	-44		-44
	Import	136			
Saudi Arabia	Export	1	1	1	
	Import				
Slovakia	Export	5	5	5	
	Import				
South Africa	Export	2	1	1	
	Import	1			
United States of America	Export	4	4	4	
	Import				
Total	Export	104	-33	11	-44
	Import	137			

Participating Destination country		Total KP certificates	Difference in number of certificates	Not received on arrival	Received in error on arrival
Canada	Export	6	2	2	
	Import	4			
European Union	Export	104	-4		-4
	Import	108			
Israel	Export	4	2	2	
	Import	2			
Switzerland	Export	4	0	0	
	Import	4			
United Arab Emirates	Export	2	0	0	
	Import	2			
United States of America	Export	1	1	1	
	Import				
Total	Export	121	1	5	-4
	Import	120			

Participating Destination Country		Total KP certificates	Difference in number of certificates	Not received on arrival	Received in error on arrival
Armenia	Export	2	0		
	Import	2			
Canada	Export	1	1	1	
	Import				
People's Republic of China	Export		0		
	Import				
European Union	Export	56	-2		-2
	Import	58			
India	Export	1	0		
	Import	1			
Israel	Export	24	0		
	Import	24			
Switzerland	Export	15	-5		-5
	Import	20			
United Arab Emirates	Export	1	1	1	
	Import				
United States of America	Export	9	9	9	
	Import				
Total	Export	109	4	11	-7
	Import	105			

Participating Destination Country		Total KP certificates	Difference in number of certificates	Not received on arrival	Received in error on arrival
European Union	Export	46	5	5	
	Import	41			
Israel	Export	17	2	2	
	Import	15			
Japan	Export	2	0		
	Import	2			
Switzerland	Export	15	1	1	
	Import	14			
United Arab Emirates		1	1	1	
United States of America	Export	3	2	2	
	Import	1			
Total	Export	84	11	11	
	Import	73			

Conversely, the average export prices of exports from the CAR and imports into the countries of destination are fairly similar.

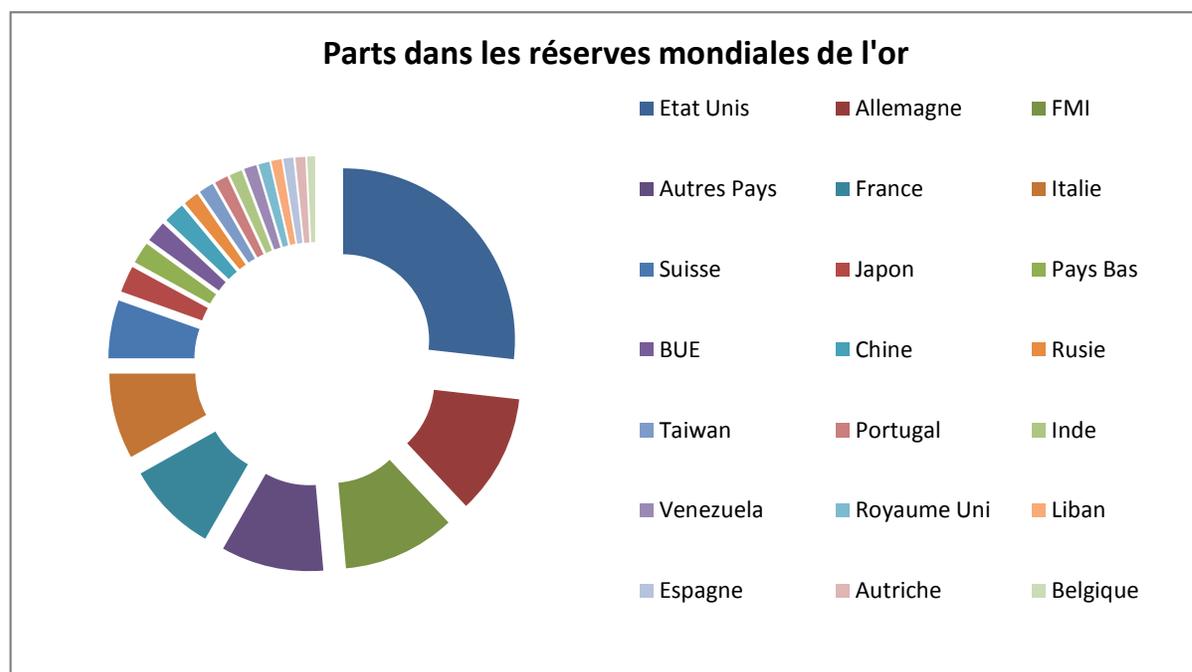
Year	Average price recorded by the CAR	Average price recorded by the destination country
2003	US\$ 145,79	US\$ 146,56
2004	US\$ 147,64	US\$ 146,91
2005	US\$ 158,25	US\$ 157,36
2006	US\$ 142,15	US\$ 138,20

Currently, the CAR Secretariat of the KP uses data supplied by BECDOR to undertake the reconciliation between the official diamond export figures and the national production. It would be much more suitable to establish a census unit within the Secretariat for the production data (artisanal production logs), the purchase notes from the collectors/ Buying Offices and the exports carried out by BECDOR (and for which the Secretariat issues certificates from the KP). These data could be captured by the computerised system, which would then enable reconciliation, at any time, of the production and the exports, which is one of the recommendations of the KP. The Secretariat functions with an appropriate budget, in view of the tasks that it has to accomplish. The salaries of the staff, the travel which is imperative within the framework of the international collaboration of the KP, promotions and general expenses are among the expenses which must be borne by the Secretariat. The Secretariat's budget is derived from a tax which is levied on all diamond exports, at the level

of 0.50%. Thus the Secretariat of the KP had a budget of 163,333,014 F CFA (~326,000 US\$) at its disposal in 2006, and of 148,773,913 F CFA (~297,000 US\$) in 2007. The Secretariat is not autonomous in the management of its budget, and each expenditure must be personally authorised by the Minister in charge of Mines in person. Moreover, it would appear that the budget of the Secretariat is occasionally used for the needs of other organisations which have little or no connection with the KP. Any non-specified or uncertain use of these funds must be reviewed and the responsibility for the management of it must be referred to the Permanent Secretary, who must periodically justify all his expenditure to his superiors in the hierarchy.

5.1.7 Gold

The demand for gold is widespread throughout the world. East Asia, the Indian sub-continent and the Middle East represent around 70% of the world demand. More than 50% of the demand is attributable to only five countries: India, Italy, Turkey, the United States and China. Jewellery regularly represents around three-quarters of the demand for gold. During 2006, the turnover of the jewellery trade stood at 44 billion US\$, making jewellery one of the largest categories of consumer goods in the world.



Source : World Gold Council [Legend: Shares in the World Gold Reserves. Etats Unis = United States; Allemagne = Germany; Autres Pays = Other Countries; Italie = Italy; Suisse = Switzerland; Japon = Japan; Pays Bas = The Netherlands; Chine = China; Rusie = Russia; Inde = India; Royaume Uni = United Kingdom; Liban = Lebanon; Espagne = Spain; Autriche = Austria; Belgique = Belgium]

The Central African gold industry

Gold does not receive as much attention from the CAR Authorities as diamonds. Since its discovery in CAR territory in 1912, in the centre of the country, successive Governments have not deployed the means necessary to control and promote it, which has resulted in an astonishing discrepancy in the export results. The State could however draw considerable revenue by putting in a greater effort to promote, formalise and better regulate this important sub-sector.

There are indications of gold in many areas of the country and many promising auriferous deposits have been identified. Currently the company "AURAFRIQUE/AXMIN" is in the advanced exploration stage and if the final feasibility is still strong, could possibly start construction soon; another, "K-MINES" is at a also at an advanced stage in its exploration.

The system of pre-financing of the artisanal gold miners is quite similar to that of the diamond industry, with the difference that for gold, the buying price per gram at which it will be sold is often known in advance. The marketing is also informal, and is generally controlled by foreigners who use the gold as hard currency for their own needs. Thus, by pre-financing the artisanal miners, who are generally from their family, ethnicity or country of origin, they retain a high degree of control of "their market". Many Buying Offices have tried to extend their buying activities to the purchase of gold but they have all failed due to this established competition; the merchant-buyers of the gold do not pay for a precious minerals trading licence, nor do they pay the export taxes.

The jewellers

The 14 jewellers authorised by the Ministry of Mining are all located in Bangui, and work under the systematic control of BECDOR. The assaying and hallmarking of their production is undertaken by the Industrial Techniques Service. The weak buying power of the CAR nationals has prevented the emergence of a large local market for jewellery. The jewellers operating locally have been forced to adapt to a largely foreign expatriate clientele. In 1993, the State created an organisation called the National Jewellery (*Bijouterie Nationale*) to help the Central African jewellers to establish themselves and gain experience. The Administration provided the National Jewellery with the appropriate financial means and working equipment.

The National Jewellery, already very involved in the development of the jewellery sector in CAR, should have a more active role in the development of the gold industry of the country. The promotion and practical training of student jewellers should be part of its function.

The BECDOR procedures for exporting gold

The procedures for exporting gold are almost identical to those for exporting diamonds, except regarding the assessment of the value of the product and the amount of export taxes to be paid to the State.

The value to BECDOR of gold is 5,000 F CFA per gram (~10 US\$); and recently the price of gold on the international markets has exceeded 13,000 F CFA per gram (~26 US\$). It is fortunate that to calculate the taxes to be paid by the exporter, the purchase price must be stated, and the highest value among the two is taken to calculate these taxes; it is systematically the value of the exporter which is used as the basis for the calculations. Using the stated value, rather than market prices as a basis for payment of the taxes for the gold must cause the State to lose significant amounts of tax revenue. In the majority of countries exporting precious substances, the taxes are calculated *ad valorem*.

The lack of professional equipment and know-how for carrying out a reliable assay has led the directors of BECDOR in certain cases to call on the experience of the Industrial Techniques Service, which is in charge of the hallmarking of all the jewellery manufactured in CAR.

Tax	Destination	Rate
Exit Fee	Taxation department	1 %
Mining Promotion Fund	Ministry of Mining	0.75%
Tax for Computer Equipment and Finance	Taxation department	0.50%
Fixed minimum Tax	Taxation department	3 %
TOTAL		5.25%

Industrial Techniques Services

The responsibilities of the Directorate for Commercialisation, Industry and Mining Register (*Direction de la Commercialisation, de l'Industrie et du Fichier Minier*) and of the Industrial Techniques Service (*Service des Techniques Industrielles*) include the hallmarking of all jewellery manufactured in CAR. The hallmark issued by this department has a dual purpose: it certifies that the taxes due to the State have been paid, and provides a guarantee to the customer of the purity (carat) of the gold in the item of jewellery, which is declared by the jeweller. The method used by this department to assay the gold is not precise. There are currently much better processes which could be used by the authorities to give more credibility to this certification.

5.1.8 The organisational and structural constraints

The Administration

- Lack of contacts in the Administration with the international professional structures (public and private);
- Lack of dialogue between the Administration and the professionals operating legally in CAR;
- Administrative weakness with regard to enforcing the law;
- Lack of sufficient monitoring staff, especially in the mining zones (production statistics, inventory of the purchase notes of the diamonds/gold, verification of tax declarations);
- Lack of professional courses on diamonds valuation for the BECDOR staff and trainings of gold assaying techniques;
- Lack of a international markets' prices updating system for diamonds/gold;
- Lack of cohesion between the various Administrations.

The private sector

- Lack of transparency in commercial transactions;
- Lack of transparency in the financing of the gold and diamond industries;
- The existence of a conflict of interest between different operators in the industry;
- A lack of dialogue among the formal operators of the industry to reach a common vision on ways to improve the working environment.

Structural constraints

- A framework and set-up which is too rudimentary to undertaken competently the exports and the quality control of precious substances (BECDOR and the Industrial Techniques Service);
- Scattering of the Buying Offices in different districts of Bangui.

The legal constraints

- The taxation rate of 12%, which is calculated and partially recovered by BECDOR at the time of export, encourages clandestine exports;
- Not using the gold market value to calculate the export taxes thereby reducing the State's potential revenue;
- Lack of a designated Central African institution for the promotion of mining;

- A lack of legal proceeding following seizure for fraud carried out by the *Brigade Minière* squads or others;
- The lack of legal authority on the part of the mining officers to seize precious minerals and draft statements to the Public Prosecutor (an authority granting the authority to mining engineers the power of judiciary police for application of the Mining Code).

The institutional constraints

- The lack of a Chamber of Mines or a representative structure for all operators in the mining sector;
- The lack of a national institution for the ethics of the industry and the prevention of corruption;
- The concentration of decision powers into the Minister's Cabinet.

The security constraints

- The widespread lack of security throughout the Central African territory, even in the areas controlled by the Government;
- The militarisation of the sector (military presence in most of the Buying Offices in Bangui and in the exploitation zones);
- The lack of a system of foolproof and safe transfer of the sealed parcels by BECDOR to the airport.

5.1.9 Conclusions

The potentialities of precious mineral exploitation in the CAR are enormous, but their economic and social benefits are slight. Identification of all the shortcomings and difficulties in the mining sector of the CAR, studying them in detail and finding specific solutions for them can be done in a more exhaustive manner. It was done in the past and this study endeavours to consolidate their recommendations, brings them up to date and adds some reforms which are crucial in our point of view. However, it is doubtful whether these efforts will change the situation of this industry in CAR, if a new work spirit is not established by all the participants (the operators and the Administration), where they decide to work together for each other's interest.

An analysis of the marketing system of precious minerals in other countries where the diamond trade has developed in a rational and durable manner, indicates that:

- The procedures and regulations of the trade are administered by those in charge of the industry, chosen by all the participants;

- The operations of the sector are restricted to a defined framework;
- This system has enabled them to better control the commercial transactions and to work within well-secured frameworks where they have been able to establish specific services for the operators and where the States can more easily carry out controls.

Therefore:

- Giving more decisional power to the representative designated by the industry would create a new synergy and will give more credit to entire system;
- Reshaping the commercial landscape in Bangui and then gradually in the rest of the country would maintain the existence and development of the industry;
- Giving more consistency to the trade regulations would enable more transparency and improve the regulations of competition.

It is believed that the one of best ways to improve the current work structure and achieve the above mentioned conditions could be to centralise all the commercial transactions of precious minerals, the associated services and the export formalities, into one, appropriately equipped, complex. All the activities of the Buying Offices, the mining companies and all the Administrations Departments and services associated with mining activities would be housed in this building – a notion currently advocated by some parties in countries like Sierra Leone

Recommendations regarding the control of the mining sector

- Consider disbanding the *Brigade Minière* in its current form and create of a new structure combining the officers of the Gendarmerie and of the Police with appropriately trained geoscientists, placed under the authority of the Ministry of Mines, with judicial police powers under oath;
- Train and manage the officers of the organisation by national and foreign professionals;
- Endow the new control structure with the logistical and financial means to competently carry out their remit;
- Create a multidisciplinary commission to investigate breaches committed by the mining Administration officials;
- Reinforce the existing regional monitoring staff, appoint new regional representatives; assigning them operational tasks (verification of the mining and commercial activities on the sites, recording of the data obtained and collection of the production logs) and provide them with the means to carry out their mission;

Recommendations regarding the structure

- Encourage the local banks through appropriate awareness campaigns to open branches in the centres of production, offer facilities for the professionals and provide specific products for the precious substances industry.

Recommendations regarding the training of staff

- Organise training courses for the BECDOR valuers and train new diamond valuers and gold assayers;
- Research the appropriateness of a long term concept to create technical schools and training centres for the various careers associated with the mining sector.

Recommendations regarding the institutions

- Expand, refurbish and appropriately equip the national public institutions in charge of evaluation and quality control and exports (BECDOR, Permanent Secretariat of the Kimberley Process, Industrial Technology Service);
- Establish a designated marketing centre for precious minerals in Bangui.

Recommendations regarding the legal aspects

- Revise the export procedures for diamonds and gold;
- Consider splitting the current purchasing permit (Buying Offices and collectors) which allows transactions in all precious minerals, into two separate permits : a diamond buying permit and another permit limited to the purchase of gold;
- Review the structure of the gold marketing industry;
 - o Review the current system of tax collection for diamond and gold exports for example Special Diamond Tax, which represents the tax payable by the collectors to the Government, should be paid directly by these collectors to the State, for example in the form of annual taxes;
 - o The Fixed Minimum Tax is a tax on profits, payable by each taxpayer operating in the territory of the CAR subject to the declaration of industrial and commercial profit, from which it is deductible.
 - o The contributions of the Buying Offices, except the export taxes, can be collected annually thus not cumulatively to the taxes recovered at the export procedures.

5.2 The impact of the mining sector on the public finances of the Central African Republic (data collection and reconciliation of revenues)⁶³

5.2.1 Generalities

The CAR bases its mining policy around a single mechanism, namely adjustments to the fiscal conditions it can apply to the sector. As a result, mining derived income plays a significant role as regards to overall fiscal income, and consequently to national public finances. Management of fiscal income derived from mining is therefore a critical objective for good governance.

Structure of the State budget

The State's income mainly originate from:

- Taxes and duties paid on commodities that are exported. Given the almost total lack of manufactured products that are exported, and the collapse of the production of exportable cash-crops that provide income (cotton, coffee, and tobacco) the only realistic commodity remaining are minerals (diamonds and gold) and forestry products (logs and lumber) to generate much needed foreign export earnings. The future industrial production of gold, in the central eastern part of the country, cannot yet be taken into consideration. Diamonds generated approximately 2 billion F CFA (~4,000,000 US\$) in export duties, while the forestry sector contributed 7.4 billion F CFA (~14,700,000 US\$) to the State's coffers, in the benchmark 2006 year.
- Import and excise duties paid on imported products. In this respect the under-performance of customs authorities significantly reduces the expectations which could legitimately be placed on this State agency. Furthermore, in 2006 the sovereign and traditional role of collecting customs duties was outsourced to a private foreign company. However, this attempted privatisation did not enable the chronic inadequacies that had been noted to be corrected. The GoCAR has subsequently complained regarding the agreement with the company Unitec Bénin, although concretisation of the end of the contract is still slow, as Unitec is putting up resistance.

There are almost no exportable Central African services being sold abroad. Secondly, the State generates little revenue from direct and indirect taxes on the operations of manufacturing companies (breweries, tobacco manufacturers, general trade, etc.) and service companies (telephones especially in 2006-2007, transport, general trade, etc.). In

⁶³ This section has been written by Jean-Eudes Teya, Mining Sector Specialist, of Xiane Consult International, Central African Republic; and edited by Wardell Armstrong.

addition, the number of manufacturing companies and service companies has dramatically dropped over the last ten years, but mobile telecommunications operators have been spared; the turnover of the latter has increased significantly since last year.

Regional and local authorities' revenues

Poll tax had previously been collected by traditional chiefs of villages and the constitutional heads of districts. They retained part of the tax as a collection fee, a form of remuneration, and for the needs of local administration. Since it was abolished in 1994, no other new revenue sources have been formulated to replace it as regards to regional and local authorities' income.

Routine market taxes, which are collected from traders who depend upon the daily, weekly and periodical markets throughout the country, do not generate sufficient funds to meet the significant needs of the populations in terms of local social investments, and even basic road, health, and educational infrastructure, leisure facilities, etc.

It may be considered rather illusionary to hope that a substantial share of revenues derived from mineral resources could be devoted to regions remote from urban areas, since such resources currently barely cover the salaries of centralised civil service. Civil servants are typically concentrated in Bangui, and, due to their central position at the heart of the Central African administration, may be considered critical in attracting all external aid, but they place enormous pressure on the limited government resources, to the detriment of disadvantaged rural populations. This distortion compromises balanced development of the different regions of the country (urban vs. rural), and constitutes a roadblock to the development of regions remote from urban areas.

The construction and the periodic maintenance of the nation's road network which opens up, and provides greater access to isolated rural areas (the Bangui to Garoua-Boulaï road, the 4th parallel road, the Bangui-Birao road, etc.), the improvement of communication routes (main roads, secondary roads and rural tracks), the construction of a small number of schools and health centres, and the supervision and organisation of rural communities with regards to livelihood and production activities, are all supported at arm's length by Official Development Assistance funding from the international community, or are financed to a large extent by resources provided by international non-governmental organisations.

5.2.2 *Financing the rural authorities through taxes on natural resources*

The centralisation of the collection of taxes on natural resources (the remains of the Treasury's 'single fund' principle) combined with the inadequacy of tax receipts which are mostly allocated to paying the salaries of civil servants and by the activities of the central administration (which constitute priority areas for these funds among the State's sovereignty expenditure) prevent the construction of economic infrastructure in rural areas. Although there are some promising perspectives in relation to the proposed commencement of the construction of development clusters using initial funding from the European Union, a possible internal solution could involve the transfer of part of these mineral derived tax receipts to the budgets of rural district administrations. This is already the case in the forestry sector and this precedence could be potentially extended to the mining sector.

Forestry sector

Since the end of the 1990s, all rural districts receive a discount on forestry taxes. However, the application of this fiscal procedure demonstrated that discounts were adopted without any controls, and in some cases were allegedly embezzled by certain local authorities, instead of being used to build rural economic infrastructure.

Hence in 2007, the GoCAR established a 'special district receipts account' at the Central Bank, and put in place mechanisms to enable the public management of the funds for the benefit of the beneficiary districts.⁶⁴ Two structures were established:

- An inter-ministerial committee to approve fund usage programmes;
- A committee to oversee and monitor forest districts' investment projects.

Fiscal discount mechanism: the rural districts in which forestry activities occur is mandated to draw up an annual investment budget which must subsequently be approved by a tripartite inter-ministerial committee (composed of the Regional Government Agency, Water and Forests, and Finance). Civil society does participate in the decision-making process through the involvement of local non-governmental organisations which sit on Municipal Councils. Detailed budgets elaborate the specifics of development projects planned on behalf of local people (i.e. roads, health centres, educational establishments, the development of markets, etc.).

⁶⁴ Presidential Instructions N° 001/PR of 16 May 2007 on forest districts' tax management methods [a bank account was opened for each forest district], with additions provided for in the Presidential Instructions N° 011/PR of 3 September 2007 [Set-up of a Districts' Receipts Special Account in the accounts of the Central Bank.]. Order n° 008 of 3 October 2007 creating a committee to approve uses of forestry taxes assigned to districts, amended by and with additions provided for in order n° 009 of 26 December 2007.

The forestry companies are obliged to pay a predetermined share of their income which is payable to districts via the special account held at the Central Bank on behalf of each beneficiary district.

After the budget has been approved by the committee, Ministers authorise payment of funds into the districts' accounts, in three instalments. An evaluation committee verifies the justification of the use of each instalment before any more funds are disbursed.

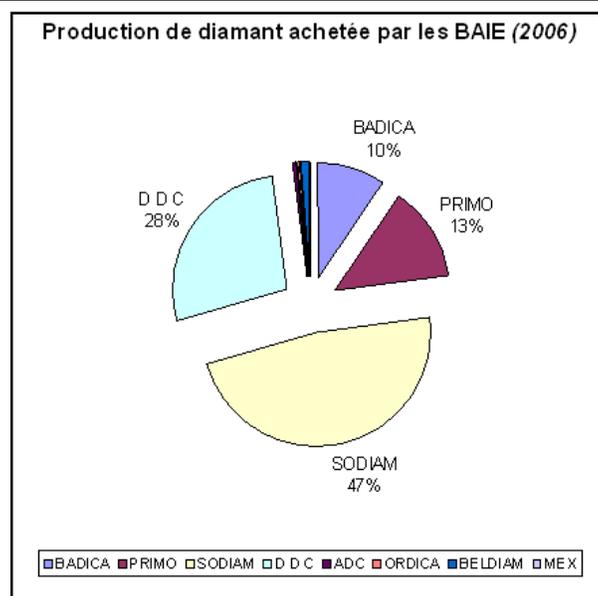
Mining sector

It has been reported that the districts that currently accommodate mining activities are insisting that a mechanism to that adopted in the forestry sector, be applied to mining. However, certain districts in the south-west of the country would obtain a double advantage if this was to happen, since they possess both forest and mineral resources (namely Lobaye, Sangha Mbaéré, Mambéré Kadéï, etc.). The extension of this mechanism would however be highly beneficial to districts in the centre and the north of the country which are currently deprived of this type of vital revenue.

5.2.3 Diamonds produced by ASM operators

Almost all diamonds in the CAR are produced by the ASM sector (in excess of 99% in weight and approximately 97.55% in value in 2006). In 2006, four Buying Offices handled 98% of flows from ASM operators. Four other Buying Offices had to settle for a share of sales of the remaining 2%. Diamonds from ASM operations amounted to a value of 59.57 million US\$ (excluding export taxes), and the average price per carat was 144.38 US\$. Receipts for the State were 1.9 billion F CFA (~3.57 million US\$).

Share of diamond production bought by the various Buying Offices (2006)

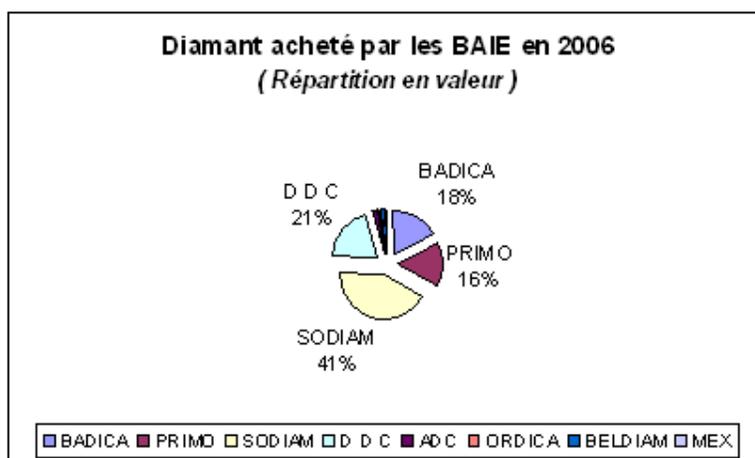


The eight purchasing offices, depending on their positioning and their sources, have very differentiated procurement policies. In 2006, ORDICA did not purchase industrial diamonds, or carbon or boarts; the average price per carat paid was as a result quite high; 1,043 US\$ per carat. At the other end of the scale, the company SODIAM appears to have systematically purchased boarts and carbon (27.86% in weight of its sales; no other office exceeded 5%). Its average price per carat was thus 127 US\$ per carat above the average value of across-the-board prices. In 2006 there were ten diamond and gold purchasing offices, of which only eight were operating.

Table 18 – List of Buying Offices		
Buying Office	Production in F CFA	Production in US\$
Sodiam	13.203.872.897	26,378,633
DDC	6.736.244.651	13,457,637
Badica	5.658.482.112	11,304,488
Primo	5.033.811.893	10,056,525
ADC	546.029.551	1,090,855
Ordica	160.100.000	319,847
Mex	57.637.866	115,149
Beldiam	41.343.229	82,595.3
Sopicad	0	0
DiamStar	0	0

However, a series of Decrees⁶⁵ adopted on October 3, 2008, have revoked the authorisation of seven of the eight operating Buying Offices, on the basis that they did not respect articles 70 and 103 of the *Code Minier*, which create the obligation for Buying Offices to export their production monthly, and to invest 250 million F CFA (~500,000 US\$) in real estate within three years.

Diamonds bought by the Buying Offices in 2006 (ad valorem)



5.2.4 Diamonds mined by industrial operators

The production of diamonds by mining companies has always been minimal (see Annex N°3, History of the production of diamonds since the origin). In 2006, the production of diamonds in official mining statistics originating from the operations of mining companies only accounted for 0.71% of total production, and 2.45% of the total value of national production. However, the cooperative UNCMCA (*Union Nationale de Coopératives Minières Centrafricaines*, the national union of CAR mining cooperatives) was responsible for almost the entire share of production. However, the equipment and the working methods of the UNCMCA are actually more akin to those of ASM producers than of typical industrialised mining operations.

The difficulty of deploying heavy mining plant and equipment (bulldozers, backhoes, excavators, motorised jigs, etc.) appears to be related to the alluvial nature of deposits in the CAR which have relatively low grades. Currently twelve or so mining companies are operating in the gold and diamond areas; they are domiciled in Canada, South Africa, Japan, Italy and Turkey. They currently operate using more mechanised methods; and this may mean that production could possibly increase in the future, especially the production of gold.

⁶⁵ Decrees n°08.348 to 354, retrieving the authorisation of ORDICA, ADC, CENTRAFRIQUE DIAMANT CAD, BELLO DIAMANT BELDIAM, DIAMSTAR, DIAMOND DISTRIBUTORS CENTRAFRIQUE DDC, GEMME CENTRAFRIQUE GEMCA.

Table 19 - Statistics of Production of Mining Companies, and Total Production

STATISTIQUE DE PRODUCTION DES SOCIÉTÉS MINIÈRES & TOTALE

PERIODE DE PRODUCTION : ANNEE 2006

	(Société) SOCEMINE	COOPERATIVE UNCMCA	TOTAL SOCIÉTÉS MINIÈRES	TOTAL BUREAUX D'ACHAT	TOTAL GENERAL
Carats	213,03	2.745,61	2.958,64	412.570,78	415.529,42
Valeur	19.619.024	779.461.668	799.080.692	31.867.522.199	32.666.602.891
Prix unit. CFA	92.095	283.894	270.084	77.241	78.614
Prix unit. \$	172,46	533,64	504,84	144,38	146,95
% Poids	7,20%	92,80%	0,71%	99,29%	100,0%
% Valeur	2,46%	97,54%	2,45%	97,55%	100,0%
Taxes perçues	1.177.141	46.767.700	47.944.841	1.912.051.333	1.959.996.174
Taux effectifs	6,00%	6,00%	6,00%	6,00%	6,00%
Valeur en dollar	36.672 \$	1.456.981 \$	1.493.653 \$	59.567.236 \$	61.060.889 \$

Translation: Vertically, Carats, Value, Price per unit in F CFA, Price per unit in US\$, % Weight, % Value, Taxes levied, Tax rate, Value in US\$; Horizontally, Company SOCEMINE, Cooperative UNCMCA, Total Mining Companies, Total Buying Offices, Grand Total.

5.2.5 Evaluation of mining derived income – 2006

All export-related duties and taxes

All of the duties and taxes received in relation to the diamond sector are detailed in the following table⁶⁶. However, the monetary figure of 3,429,993,304 F CFA (~6,800,000 US\$) listed for “*fiscal and customs export duties and taxes*” is different to the amount detailed in the mining statistics as it sourced from a different document⁶⁷.

The latter, which is a working document drawn up for the Fixed Minimum Tax (*Impôt Minimum Forfaitaire*) at the time of the review which took place in February and March of 2007, states that the export tax changed to 6% in 2006.

To be exhaustive in the analysis of taxation relating to diamond purchasing offices, it is important to include the Fixed Minimum Tax and the tax on collectors; these two forms of taxation taken together generate the same amount of revenue as the 6% export tax; which results in a total of 3,872,047,507 F CFA (~7,700,000 US\$) with respect to the various “duties and taxes” levied on the sector.

⁶⁶ Source: Audit report on the sources of the Ministry of Mines, Energy and Hydraulics’ revenue – first half-year of 2007.

⁶⁷ Working document of the International Monetary Fund’s mission, dated 24th February to 3rd March 2007 – CTP/PAS (page 40).

It is this overall fiscal pressure, amounting to nearly 12%, which influences investors, when assessing the comparative advantages and fiscal terms of operating in diamond-producing countries in Africa.

By only placing emphasis on the export tax, the monetary figures set out in the various official documents, do not therefore present the full picture as regards to all of the contributions from the diamond purchasing offices sub-sector.

The collection of data, the recording of data and follow-up work on data, as well as the publication of data, should be better understood by the departments responsible for mining statistics. This would undoubtedly justify the implementation of more effective procedures, coupled with efficient computerisation of the data.

Market entry taxes

The category includes the guarantee fund, which is the 'key money' that the diamond purchasing offices pay before setting up, and also trading dues, which are paid both by the offices and the collectors who work for them.

For the period under review, market entry taxes contributed a sum of 556,126,750 F CFA (~1,100,000 US\$).

Taxes on ASM production operations

These record the trading dues of ASM operators and the mining cooperatives' registration fees. However, revenue from artisanal miner cards and mine labourers cards, which are paid to local government agencies, and actually produce minimal revenues, have not been included.

Operating licences / land area taxes

These include, duties levied on new mining licences (and on renewals of mining licences), which are paid on a predetermined periodical basis, and also land area taxes, which are payable annually.

For operating licences registration fees amounted to 58 million F CFA (~115,000 US\$) in 2006, for the various types of permits. Whereas, land area taxes in 2006 generated a total of 73 million F CFA (~ 143,000 US\$).

Thus the various duties, taxes and fees levied on the diamond sector in 2006 amounted to almost 4.5 billion F CFA (4,480,070,727 F CFA (~ 8,900,000 US\$). Regrettably, the variability of the methods used to group together duties and taxes combined with the fluctuation of the rates of taxes make comparisons between different years difficult.

Cumulated fees accruing from the attribution of mining titles

Permit	F CFA	US\$
Reconnaissance permit	19,500,000	~39,000
Special exploitation permit (for cooperatives)	1,500,000	~3,000
Research permit	27,000,000	~54,000
Exploitation permit	10,000,000	~20,000
Total	58,000,000	~116,000

Cumulated surface taxes

Permit	F CFA	US\$
Exploitation permit	49,000,000	~98,000
Research permit	24,076,770	~48,000
Total	73,076,770	~146,000

Total (mining sector)	131,076,770	~262,000
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**Cumulated fees accruing from the creation and operation of Buying Offices
(commercial sector)**

Authorisation	F CFA	US\$
Guarantee Fund (3 Buying Offices)	150,000,000	~300,000
Licence for Buying Offices (7)	112,660,000	~225,000
Licence for Collectors	293,466,750	~586,000
Total (commercial sector)	556,126,750	~1,111,000

Cumulated fees accruing from the artisanal sector

Authorisation	F CFA	US\$
Licence for Artisanal Miners (244)	8,552,200	~17,000
Agreement of Cooperatives (35)	12,267,500	~24,500
Total (artisanal sector)	20,819,700	~41,500

Cumulated taxes levied on diamond export

Tax	F CFA	US\$
Diamond export tax (buying offices)	1,912,051,333	~3,800,000
Diamond export tax (mining companies)	47,944,841	~100,000
Fixed minimum tax and tax levied on the collectors	1,912,051,333	~3,800,000
Total (diamond export tax)	3,872,047,507	~7,700,000

Grand total of revenues accruing from the diamond mining sector	4,580,070,727	~9,150,000
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Table 20 - Statistics of Production of Buying Offices (2006)

STATISTIQUE DE PRODUCTION DES BUREAUX D'ACHAT
PERIODE DE PRODUCTION : ANNEE 2006

	BADICA	PRIMO	SODIAM	SOPICAD	D D C	ADC	DIAMSTAR	ORDICA	BELDIAM	MEX	TOTAL BUREAUX
Carats	39.723,48	54.963,52	195.490,80	0,00	114.885,14	2.275,79	0,00	286,24	4.678,66	267,15	412.570,78
Valeur	5.658.482.112	5.033.811.893	13.203.872.897	0	6.736.244.651	546.029.551	0	160.100.000	471.343.229	57.637.866	31.867.522.199
Prix unit CFA	142.447	91.585	67.542		58.635	239.930		559.321	100.743	215.751	77.241
Prix unit \$	268,26	172,15	127,20		110,63	450,15		1043,51	188,30	391,56	144,38
Cours du \$	531,00	532,00	530,99		530,01	533,00		536,00	535,01	551,00	534,98

Valeur de la production en US dollar

59.567.236 \$

Distribution

5 Cts +	1.815,84	2.162,62	3.317,47	0,00	1.346,07	165,41	0,00	106,28	180,13	5,27	9.099,09
Valeur	1.201.698.675	1.262.269.384	1.989.976.388	0	636.549.378	113.484.158	0	82.069.379	80.948.718	2.028.950	5.369.025.030
Prix unit CFA	661.787	583.676	599.848		472.895	686.078		772.200	449.391	385.000	590.062
Prix unit \$	1.246,30	1.102,35	1.129,66		892,25	1.287,20		1.440,67	839,98	698,73	1.104,15
% Poids	4,57%	3,93%	1,70%		1,17%	7,27%		37,13%	3,85%	1,97%	2,21%
% Valeur	21,24%	25,08%	15,07%		9,45%	20,78%		51,26%	17,17%	3,52%	16,85%

Taillables	31.389,95	36.960,06	110.894,83	0,00	82.646,92	1.931,95	0,00	179,90	3.267,20	240,46	267.511,27
Valeur	4.274.490.102	3.312.793.864	10.363.239.636	0	5.323.872.929	397.522.272	0	78.030.621	353.256.408	54.930.030	24.158.135.862
Prix unit CFA	136.174	89.632	93.451		64.417	205.762		433.744	108.122	228.437	90.307
Prix unit \$	256,45	168,48	176,00		121,54	386,05		809,22	202,10	414,59	168,80
% Poids	79,02%	67,24%	56,73%		71,94%	84,89%		62,85%	69,83%	90,01%	64,84%
% Valeur	75,54%	65,81%	78,49%		79,03%	72,80%		48,74%	74,95%	95,30%	75,81%

Industriels	6.133,51	13.249,58	26.814,50	0,00	26.237,86	161,16	0,00	0,00	1.127,90	21,42	73.745,93
Valeur	181.882.636	450.019.822	818.313.368	0	772.037.429	35.010.531	0	0	37.029.554	678.886	2.294.972.226
Prix unit CFA	29.654	33.965	30.518		29.425	217.241			32.831	31.694	31.120
Prix unit \$	55,85	63,84	57,47	0	55,52	407,58	0	0	61,37	57,52	58,17
% Poids	15,44%	24,11%	13,72%		22,84%	7,08%		0,00%	24,11%	8,02%	17,87%
% Valeur	3,21%	8,94%	6,20%		11,46%	6,41%		0,00%	7,86%	1,18%	7,20%

Carbone & Boart	384,18	2.591,26	54.464,00	0,00	4.654,29	17,27	0,00	0,00	103,43	0,00	62.214,43
Valeur	410.699	2.728.823	32.343.505	0	3.784.915	12.590	0	0	108.549	0	39.389.081
Prix unit CFA	1.069	1.053	594		813	729			1.049		633
Prix unit \$	2,01	1,98	1,12		1,53	1,37			1,96		1,18
% Poids	0,97%	4,71%	27,86%		4,05%	0,76%		0,00%	2,21%	0,00%	15,08%
% Valeur	0,01%	0,05%	0,24%		0,06%	0,00%		0,00%	0,02%	0,00%	0,12%

*Translation vertically: Carat, Value, Price per Unit in F CFA, Price per Unit in US\$, % Weight, % Value
Per Buying Office and per quality (>5cts, gem quality, industrial quality, Carbon and Boart)*

Table 21- Statistics of Exportation of Buying Offices (2006)

**STATISTIQUE DES EXPORTATIONS DES BUREAUX D'ACHAT
EXPORTATIONS DE L'ANNEE 2006**

	BADICA	PRIMO	SODIAM	SOPICAD	D D C	ADC	DIAMSTAR	ORDICA	BELDIAM	MEX	TOTAL BUREAUX
Carats	39.723,48	54.963,52	195.490,80	0,00	114.885,14	2.275,79	0,00	286,24	4.678,66	267,15	412.570,78
Valeur	5.658.482.112	5.033.811.893	13.203.872.897	0	6.736.244.651	546.029.551	0	160.100.000	471.343.229	57.637.866	31.867.522.199
Prix unit CFA	142.447	91.585	67.542		58.635	239.930		559.321	100.743	215.751	77.241
Prix unit \$	268,26	172,15	127,20		110,63	450,15		1.043,51	188,30	391,56	144,38
Caractéristiques											
+ 5 cts	1.815,84	2.162,62	3.317,47	0,00	1.346,07	165,41	0,00	106,28	180,13	5,27	9.099,09
Valeur	1.201.698.675	1.262.269.384	1.989.976.388	0	636.549.378	113.484.158	0	82.069.379	80.948.718	2.028.950	5.369.025.030
Prix unit CFA	661.787	583.676	599.848		472.895	686.078		772.200	449.391	385.000	590.062
Prix unit \$	1.246,30	1.102,35	1.129,66		892,25	1.287,20		1.440,67	839,98	698,73	1.104,15
% Poids	4,57%	3,93%	1,70%		1,17%	7,27%		37,13%	3,85%	1,97%	2,21%
% Valeur	21,24%	25,08%	15,07%		9,45%	20,78%		51,26%	17,17%	3,52%	16,85%
Taillables	31.389,95	36.960,06	110.894,83	0,00	82.646,92	1.931,95	0,00	179,90	3.267,20	240,46	267.511,27
Valeur	4.274.490.102	3.312.793.864	10.363.239.636	0	5.323.872.929	397.522.272	0	78.030.621	353.256.408	54.930.030	24.158.135.862
Prix unit CFA	136.174	89.632	93.451		64.417	205.762		433.744	108.122	228.437	90.307
Prix unit \$	256,45	168,48	176,00		121,54	386,05		809,22	202,10	414,59	168,80
% Poids	79,02%	67,24%	56,73%		71,94%	84,89%		62,85%	69,83%	90,01%	64,84%
% Valeur	75,54%	65,81%	78,49%		79,03%	72,80%		48,74%	74,95%	95,30%	75,81%
Industriels	6.133,51	13.249,58	26.814,50	0,00	26.237,86	161,16	0,00	0,00	1.127,90	21,42	73.745,93
Valeur	181.882.636	450.019.822	818.313.368	0	772.037.429	35.010.531	0	0	37.029.554	678.886	2.294.972.226
Prix unit CFA	29.654	33.965	30.518		29.425	217.241			32.831	31.694	31.120
Prix unit \$	55,85	63,84	57,47		55,52	407,58			61,37	57,52	58,17
% Poids	15,44%	24,11%	13,72%		22,84%	7,08%			24,11%	8,02%	17,87%
% Valeur	3,21%	8,94%	6,20%		11,46%	6,41%			7,86%	1,18%	7,20%
Carbones & Boart	384,18	2.591,26	54.464,00	0,00	4.654,29	17,27	0,00	0,00	103,43	0,00	62.214,43
Valeur	410.699	2.728.823	32.343.505	0	3.784.915	12.590	0	0	108.549	0	39.389.081
Prix unit CFA	1.069	1.053	594		813	729			1.049		633
Prix unit \$	2,01	1,98	1,12		1,53	1,37			1,96		1,18
% Poids	0,97%	4,71%	27,86%		4,05%	0,76%			2,21%		15,08%
% Valeur	0,01%	0,05%	0,24%		0,06%	0,00%			0,02%		0,12%
Taxe perçue / Export	339.508.927	302.028.714	792.232.374		404.174.679	32.761.773		9.606.000	28.280.594	3.458.272	1.912.051.333
Taux effectif	6,00%	6,00%	6,00%		6,00%	6,00%		6,00%	6,00%	6,00%	6,00%
Valeur en dollar	10.656.220,74	9.461.969,97	24.866.429,76		12.709.743,04	1.024.446,87		298.694,30	880.991,68	104.605,25	59.567.235,73

*Translation vertically: Carat, Value, Price per Unit in F CFA, Price per Unit in US\$, % Weight, % Value
Per Buying Office and per quality (>5cts, gem quality, industrial quality, Carbon and Boart)
And levied export tax (tax rate and value in US\$)*

5.2.6 Categorisation of State revenues

Table 22 – Categorisation of State revenues		
Revenue	Government body by which tax is deducted	Remarks
<p><u>Export Duties</u> Export Duty - 4 % Mining Promotion Fund - 1 % SPP Kimberley - 0,5 % Computer Processing Fee - 0,5 % <i>As well as the export tax, the State collects : :</i> IMF - 3 % Special purchase tax - 3 %</p>	Central (Public Treasury)	
Licences from the main Buying Offices (18.5 Million F CFA, ~37,000 US\$)	Central	Each Buying Office has a single main <i>central office</i>
Licences from the secondary Buying Offices (3.5 Million F CFA, ~7,000 US\$)	Central	
Property taxes from the mining companies	Central	The rates are indicated in point 10 of the questionnaire, but we were not able to obtain details of the activities of the Mining Registry in 2006
Mining cooperatives' licences		The rates are indicated in point 10 of the questionnaire, but we were not able to obtain details of the activities of the Mining Registry in 2006
Collectors' licences	Central	
Artisanal miner's cards	Central	
Mine labourers' cards	Provincial / Local	
Various fines imposed on offenders	Treasury of Bangui	Yield unknown in the absence of regulatory laws.
Fees to the tax officers and customs officers who assist in the exportation	Designated tax officers	These fees constitute a payment received in addition to the export taxes. They benefit only the officers mentioned.
Accompaniment of parcels for export by units from the police force	Officers from the Mining Brigade	At the time when this practice was introduced, there were no security companies in the CAR. It is likely that the 'security function' will evolve as the private sector becomes more established.
Accompaniment through bush terrain by units from the police force	Officers from the Mining Brigade or from the Central African Armed Forces	The current security situation imposes the use of armed escorts on all missions 'outside the capital'. This does not apply to the mining sector.
Guarantee fund (<i>for the record</i>) 50 Million F CFA (~100,000 US\$)		This sum is only paid by the Buying Office at the start of the activity. It is collected by the State through a system of depreciation/transfer at a rate of 10% per annum.

5.2.7 Categorisation of State expenses

In the CAR, it would appear that only the expenditure specifically linked to the chain of exportation is documented, to the exclusion of any other usual expenses such as salaries of GoCAR officials, or the ongoing operating costs of the administration

Table 23 - Categorisation of State expenses	
Expenses	Remarks
Mining Promotion Fund [1% of the export value] <i>(managed by the Ministry of Mines with the approval of the Ministry of Finances)</i>	Distribution of the Mining Promotion Fund : 20 % is used for the valuers' bonuses 20 % goes to the Ministry of Mines administration 60 % is used for various expenses (mission costs, furniture, fuel, etc.)
Kimberley Process <i>(managed by the Ministry of Mines)</i>	Subsidies and running costs for the entire Ministry of Mines including expenses for overseas missions

5.2.8 Data reconciliation (public and private sources)

After considerable dialogue, unfortunately only two of the Buying Offices agreed to make all their 2006 financial records available in order to enable a reconciliation of their data with that of the official statistics. Notwithstanding this seemingly negative response, the sample does constitute a representative one, because the two willing Buying Offices together actually represent more than half of the diamond exports, both in weight and in value.

Structure of taxes and duties

The first obvious difference is that the official statistics show only the following as 'export taxes': 'export duties', 'computer processing fee', 'Mining Promotion Fund', which became the 'PDSM'⁶⁸ in 2000 and 'Kimberley Process Tax'.

The Fixed Minimum Tax/IMF and the 'special purchase tax' do not appear in the monthly or annual mining statistics, and yet their figure equates to that of the export taxes (see Table overleaf)

⁶⁸ PDSM : Projet de Développement du Secteur Minier [Mining Sector Development Project]

Table 24 - Comparison of the information given by the public sector - Administration in charge of Mines, and Fiscal Administration - with the information from the fiscal archives of the Buying Offices (N°1 and N°2)

	Value in Cts	Value in F CFA	Exit Fees and Taxes	Fixed Minimum Tax, Special Taxes and Miscellaneous
Buying Office N° 1	39 724,36	5 658 482 112	339 508 927	343 743 415
Statistics	39 723,48	5 658 482 112	339 508 927	- VOID -
Differences	0,0022%	0,0000%	0,0000%	
	Value in Cts	Value in F CFA	Exit Fees and Taxes	Fixed Minimum Tax, Special Taxes and Miscellaneous
Buying Office N° 2	195 489,75	13 184 374 091	791 062 445	802 953 864
Statistics	195 490,80	13 203 872 897	792 232 374	- VOID -
Differences	-0,0005%	-0,1479%	-0,1479%	
	Value in Cts	Value in F CFA	Exit Fees and Taxes	Fixed Minimum Tax, Special Taxes and Miscellaneous
Total Of N°1 and N°2	235 214,11	18 842 856 203	1 130 571 372	1 146 697 279
Statistics	235 214,28	18 862 355 009	1 131 741 301	- VOID -
Differences	-0,0001%	-0,1035%	-0,1035%	

For many diamond merchants, this issue is a significant one: in all the countries in which they operate, they consider the taxation which affects their sector of activity to be composed of all the payments that they make to the State and these are usually designated (duties, taxes, fees (export) taxes etc). This is one of the fiscal parameters which allows investors to classify and compare countries and to gain an initial understanding with respect to the business climate and fiscal stability of the diamond sector.⁶⁹

⁶⁹ N.B.: January 2006 was the last month in which the 'IDV tax'⁶⁹ was collected.

External cohesion

This facilitates a comparison of the data supplied by each Buying Office with its performance as shown in the official statistics of the Ministry of Mines. The results are shown in the table overleaf and appear satisfactory on the whole.

The variation in caratage is considered normal, as it can vary from one stage to the other of the evaluation/export process: discovery and withdrawal of non-diamonds, precision and conditions of the weighing, etc. This is commonplace and in the same bundle of export documents, different forms sometimes record different weights.⁷⁰

⁷⁰ N.B.: The Buying Offices have stated that there may be some small material errors and discrepancies, in the data they provided due to the fact that they processed their raw data quickly in order to dispatch it urgently to our team.

Table 25 - Data supplied by Buying Office N°1

Date	Kimberley N°	Exit Permit N°	Weight (Cts)	Taxable Value (F CFA)	Exit Fee (4%)	Fixed Minimum Tax (3%)	Independent Diamond Valuator (1%)	Tax for Computer Equipment and Finance (0,5%)	Mining Promotion Fund (1%)	Permanent Secretariat of the Kimberley Process	Special buying tax (3%)	TOTAL
14/01	A001	351	2 885,37	423 448 838	16 937 953,52	12 703 465,14	4 234 488,38	2117244,19	4 234 488,38	2 117 244,19	12 703 465,14	55 048 348,94
21/02	F007	359	3 605,34	543 335 303	21 733 412,12	16 300 059,09		2 716 676,52	5 433 353,03	2 716 676,52	16 300 059,09	65 200 236,36
30/03	D017	370	7 124,61	960 479 700	38 419 188,00	28 814 391,00		4 802 398,50	9 604 797,00	4 802 398,50	28 814 391,00	115 257 564,00
30/04	X028	384	4 090,96	593 678 160	23 747 126,40	17 810 344,80		2 968 390,80	5 936 781,60	2 968 390,80	17 810 344,80	71 241 379,20
19/05	C034	390	2 885,14	393 777 952	15 751 118,08	11 813 338,56		1 968 889,76	3 937 779,52	1 968 889,76	11 813 338,56	47 253 354,24
09/06	F039	396	2 455,39	331 535 417	13 261 416,68	9 946 062,51		1 657 677,09	3 315 354,17	1 657 677,09	9 946 062,51	39 784 250,04
30/06	G043	251	1 398,10	197 556 772	7 902 270,88	5 926 703,16		987 783,86	1 975 567,72	987 783,86	5 926 703,16	23 706 812,64
12/07	I045	253	2 629,54	350 239 880	14 009 595,20	10 507 196,40		1 751 199,40	3 502 398,80	1 751 199,40	10 507 196,40	42 028 785,60
31/07	M050	258	1 439,83	231 749 746	9 269 989,84	6 952 492,38		1 158 748,73	2 317 497,46	1 158 748,73	6 952 492,38	27 809 969,52
14/08	O052	260	1 177,02	228 694 430	9 147 777,20	6 860 832,90		1 143 472,15	2 286 944,30	1 143 472,15	6 860 832,90	27 443 331,60
29/09	T062	274	3 494,12	548 561 738	21 942 469,52	16 456 852,14		2 742 808,69	5 485 617,38	2 742 808,69	16 456 852,14	65 827 408,56
02/10	U063	275	1 553,33	172 377 057	6 895 082,28	5 171 311,71		861 885,29	1 723 770,57	861 885,29	5 171 311,71	20 685 246,84
31/10	Y069	282	2 191,56	316 606 854	12 664 274,16	9 498 205,62		1 583 034,27	3 166 068,54	1 583 034,27	9 498 205,62	37 992 822,48
30/11	A077	291	1 154,17	131 752 280	5 270 091,20	3 952 568,40		658 761,40	1 317 522,80	658 761,40	3 952 568,40	15 810 273,60
21/12	E082	296	1 639,88	234 687 985	9 387 519,40	7 040 639,55		1 173 439,93	2 346 879,85	1 173 439,93	7 040 639,55	28 162 558,20
TOTAL			39 724,36	5 658 482 112	226 339 284,48	169 754 463,36	4 234 488,38	28 292 410,56	56 584 821,12	28 292 410,56	169 754 463,36	683 252 341,82
											Tax rate	12,07%
											Found in official statistics	: 339 508 927
											Not found in official statistics	: 343 743 415

Internal cohesion

Buying Office N°2 recorded the same purchase value for the batch of 30/11 and that of 22/12. This is a material error which we have corrected. Similarly, the caratages entered for the first and fifth exports are incorrect. The values shown are the correct values from the export documents. The other remarks are directly recorded in the table on the following table.

Table 26- Data supplied by Buying Office N°2

Date	Kimberley N°	Exit Permit N°	Weight (Cts)	Taxable Value (FCFA)	Exit Fee (4%)	Fixed Minimum Tax (3%)	Independent Diamond Valuator (1%)	Tax for Computer Equipment and Finance (0,5%)	Mining Promotion Fund (1%)	Permanent Secretariat of the Kimberley Process		Special buying tax (3%)	TOTAL	
31/01	D005	356	17 606,75	1 466 294 572	58 651 782,88	43 988 837,16	14 662 945,72	7331472,86	14 662 945,72	7 331 472,86	If the Special Buying Tax had been calculated on the basis of the Taxable Value as evaluated by BECDOR, the following column (in blue) shows which amounts would have been levied./.	43 988 837,16	190 618 294,36	
04/03	I010	363	30 698,10	1 235 484 000	49 419 360,00	37 064 520,00		6 177 420,00	12 354 840,00	6 177 420,00		37 064 520,00	148 258 080,00	
24/03	M014	367	16 808,37	1 276 488 180	51 059 527,20	38 294 645,40		6 382 440,90	12 764 881,80	6 382 440,90		38 294 645,40	153 178 581,60	
07/04	R021	375	15 792,59	859 266 000	34 370 640,00	25 777 980,00		4 296 330,00	8 592 660,00	4 296 330,00		25 777 980,00	103 111 920,00	
06/05	Z031	387	12 786,29	1 175 672 000	47 026 880,00	35 270 160,00		5 878 360,00	11 756 720,00	5 878 360,00		35 270 160,00	141 080 640,00	
09/06	F038	395	11 841,72	1 147 685 500	45 907 420,00	34 430 565,00		5 738 427,50	11 476 855,00	5 738 427,50		34 430 565,00	137 722 260,00	
07/07	H044	252	12 103,06	1 290 028 000	51 601 120,00	38 700 840,00		6 450 140,00	12 900 280,00	6 450 140,00		38 700 840,00	154 803 360,00	
18/08	P054	263	34 568,71	1 075 307 050	43 012 282,00	32 259 211,50		5 376 535,25	10 753 070,50	5 376 535,25		32 259 211,50	129 036 846,00	
29/09	T061	273	14 262,39	1 077 211 000	43 088 440,00	32 316 330,00		5 386 055,00	10 772 110,00	5 386 055,00		32 316 330,00	129 265 320,00	
31/10	Y068	281	12 162,39	1 097 889 000	43 915 560,00	32 936 670,00		5 489 445,00	10 978 890,00	5 489 445,00		32 936 670,00	131 746 680,00	
03/11	Z072	285	1 207,85	177 129 289	7 085 171,56	5 313 878,67		885 646,45	1 771 292,89	885 646,45		5 313 878,67	21 255 514,68	
30/11	A075	289	7 618,81	726 959 000	29 078 360,00	21 808 770,00		3 634 795,00	7 269 590,00	3 634 795,00		21 808 770,00	87 235 080,00	
22/12	C81	295	8 032,72	578 960 500	23 158 420,00	17 368 815,00		2 894 802,50	5 789 605,00	2 894 802,50		17 368 815,00	69 475 260,00	
TOTAL			195 489,75	13 184 374 091	527 374 963,64	395 531 222,73	14 662 945,72	65 921 870,46	131 843 740,91	65 921 870,46			395 531 222,73	1 596 787 836,64
													Tax Rate.	12,11%

Table 26- Data supplied by Buying Office N°2

Date	Kimberley N°	Exit Permit N°	Weight (Cts)	Taxable Value (F CFA)	Exit Fee (4%)	Fixed Minimum Tax (3%)	Independent Diamond Valuator (1%)	Tax for Computer Equipment and Finance (0,5%)	Mining Promotion Fund (1%)	Permanent Secretariat of the Kimberley Process	Value when bought	Special buying tax (3%)	TOTAL
31/01	D005	356	17 606,75	1 466 294 572	58 651 782,88	43 988 837,16	14 662 945,72	7331472,86	14 662 945,72	7 331 472,86	1 368 381 000	41 051 430	187 680 887,20
04/03	I010	363	30 698,10	1 235 484 000	49 419 360,00	37 064 520,00		6 177 420,00	12 354 840,00	6 177 420,00	1 235 484 000	37 064 520	148 258 080,00
24/03	M014	367	16 808,37	1 276 488 180	51 059 527,20	38 294 645,40		6 382 440,90	12 764 881,80	6 382 440,90	1 272 513 000	38 175 390	153 059 326,20
07/04	R021	375	15 792,59	859 266 000	34 370 640,00	25 777 980,00		4 296 330,00	8 592 660,00	4 296 330,00	859 266 000	25 777 980	103 111 920,00
06/05	Z031	387	12 786,29	1 175 672 000	47 026 880,00	35 270 160,00		5 878 360,00	11 756 720,00	5 878 360,00	1 175 672 000	35 270 160	141 080 640,00
09/06	F038	395	11 841,72	1 147 685 500	45 907 420,00	34 430 565,00		5 738 427,50	11 476 855,00	5 738 427,50	1 147 685 500	34 430 565	137 722 260,00
07/07	H044	252	12 103,06	1 290 028 000	51 601 120,00	38 700 840,00		6 450 140,00	12 900 280,00	6 450 140,00	1 290 028 000	38 700 840	154 803 360,00
18/08	P054	263	34 568,71	1 075 307 050	43 012 282,00	32 259 211,50		5 376 535,25	10 753 070,50	5 376 535,25	1 075 307 050	32 259 212	129 036 846,00
29/09	T061	273	14 262,39	1 077 211 000	43 088 440,00	32 316 330,00		5 386 055,00	10 772 110,00	5 386 055,00	1 077 211 000	32 316 330	129 265 320,00
31/10	Y068	281	12 162,39	1 097 889 000	43 915 560,00	32 936 670,00		5 489 445,00	10 978 890,00	5 489 445,00	1 097 889 000	32 936 670	131 746 680,00
03/11	Z072	285	1 207,85	177 129 289	7 085 171,56	5 313 878,67		885 646,45	1 771 292,89	885 646,45	167 135 000	5 014 050	20 955 686,01
30/11	A075	289	7 618,81	726 959 000	29 078 360,00	21 808 770,00		3 634 795,00	7 269 590,00	3 634 795,00	726 959 000	21 808 770	87 235 080,00
22/12	C81	295	8 032,72	578 960 500	23 158 420,00	17 368 815,00		2 894 802,50	5 789 605,00	2 894 802,50	598 459 306	17 953 779	70 060 224,18
TOTAL			195 489,75	13 184 374 091	527 374 963,64	395 531 222,73	14 662 945,72	65 921 870,46	131 843 740,91	65 921 870,46	13 091 989 856	392 759 696	1 594 016 309,59
											Tax Rate.		12,09%

1 – On its Synthesis Note, Buying Office N°2 announces a total of 179.838,27 carats bought in the year, despite the summation amounting to 195.489,80 cts. The 15.653, 53 carats difference corresponds roughly to the last two export operations (30/11 and 22/12). This is probably therefore a mere but significant calculation mistake.

2 –Buying Office N°2 calculates the Special buying Tax of 3% on the basis of the buying costs, and not on the basis of the taxable value evaluated by BECDOR, thus the difference of ~2,8 million F CFA (~5,600 US\$)

Found in official statistics

: 791 062 445

Not found in official statistics

: 802 953 864

Analysis

Complexity: The complex structure of the taxation on diamonds makes it somewhat difficult to comprehend, and does not offer a single 'characteristic' which would enable the departments responsible for the collection of the various taxes to make informed deductions at source under the various categories (*profit-sharing, shares etc.*). This is certainly not advantageous for the overall tax yield.

Procedure: It appears that the two Buying Offices under review have not calculated certain taxes in the same manner. The tax in question is the 'Special Purchase Tax'. One of the Buying Offices makes a deduction of 3% on the taxable basis, while the other makes it on its purchase value. One potential solution to this small predicament would be to standardise the procedures, as the market price list already does for the valuation of the parcels.

Stabilisation of the taxation structure: The structure of the taxation on diamonds is very unstable, and every two years, if not every year, a new tax is created or is revoked, is amended, or is transformed into another tax etc. Such a perplexing situation makes it difficult to predict the business environment, and is therefore encouraging clear disincentive for responsible investment in the diamond sector. It is questionable whether it is advantageous that the standardisation of marketing taxes is undertaken annually and linked to the Finance Laws, and is therefore based only on budgetary requirements, regardless of the constraints and parameters of the diamond market, the performance criteria or the development objectives of the sector. By way of an example, the list below shows the change in the structure of this tax⁷¹ between 1988 and 1995. It becomes practically impossible to ascertain whether the tax revenue is improving or deteriorating from one year to another, because there is no single taxation structure.

⁷¹ Source : J.E. Teya, "Revue du secteur Minier centrafricain", étude réalisée en mars 2004 pour la Mission de consultation multi-bailleurs conduite par la Banque Mondiale ["Review of the Central African Mining Sector", a study carried out in March 2004 for a multiple-sponsor consultation mission conducted by the World Bank]

-	<u>(Budgetary) Ordinance 82.006 of 20 Jan. 1982</u>	
	Mining tax (diamonds)	:10 %
	Export tax (diamonds)	:8 %
	Special tax for the Buying Offices (IMF)	:2 %
-	<u>(Budgetary) Ordinance 85.003 of 29 Jan. 1985</u>	
	Single tax (Mining tax + Export tax)	:10 %
	Fixed Minimum Tax	:2 %
-	<u>(Budgetary) Ordinance 88.009 of 24 Feb. 1988</u>	
	Tax on raw diamond exports	:10 %
	Tax on gold exports	:3 %
	Special tax (company tax instalment)	:2 %
-	<u>(Finance) Law N° 92.001 of 29 Feb. 1992</u>	
	Single tax (Mining tax + Export tax)	:8 %
	Fixed Minimum Tax	:2 %
-	<u>(Finance) Law N° 94.003 of 22 Mar. 1994</u>	
	Tax on export of raw diamonds	:8 %
-	<u>(Finance) Law N° 95.001 of 22 Feb. 1995</u>	
	Export tax on the export of diamonds	:6 %
	Tax on export turnover	:2 %

A memorandum from the General Directorate of Customs and Indirect Taxation indicated the break-up of these two taxes between the various tariff positions, as follows:

- Export Tax (*Taxe à l'Exportation*) : 3%
- Fixed Minimum Tax (*Impôt Minimum Forfaitaire - IMF*) : 2%
- Mining Promotion Fund (*Fond de Promotion Minière - FPM*): 1%
- Tax on Company Turnover (*Taxe sur le Chiffre d'Affaire des Entreprises - TCAE*) : 2%
- Tax for Computer Equipment and Finance (*Redevance Equipement Informatique et Finance - REIF*) : 0.08%
- Customs Computer Processing Fee (*Redevance Informatique Douane Trésor - RIDT*) : 0.17%

Errors due to manual processing: On the two permits from January 2006 (for the two Buying Offices examined) under column [5] Export tax collected by the State, the value of the Independent Valuator tax (1%) was entered for Buying Office N°2 and the value of the export tax (4%) was entered for Buying Office N°1. The last value is the standard practice.

Numbering of the permits: The numbers of the permits are not consecutive (or do not increase) in the chronological order of the exports. It appears that many different log books have been used. This makes it impossible to maintain strict control of the documents issued, as fraudulent documents may have been created with certain missing numbers.

Conclusions

The analysis conducted here for the purpose of reconciliation of the data arising from the official statistics and the financial archives of the Buying Offices has enabled certain conclusions to be deduced.

5.2.9 Distribution of mining revenue among the various operators in the industry

The revenues generated by mining activity (particularly diamond mining) support the national economy, as they are distributed between the various government departments and non-government operators. By making some assumptions and estimations regarding the organisation of the sector, the contractual relationships between the various operators, the rates of the various taxes, the cost of services etc., an assessment of the likely distribution of the cash between the various areas and stakeholders has been attempted.

Public operators

State (Public Treasury): The State essentially receives the export tax, the collectors' licences, the artisanal mining licences, and the revenue from the artisanal mining and labourers' cards. The VAT levied on the sale of small mining equipment has not been included.

Local communities: The local communities do not yet receive a share of the mining taxation. They only receive an indirect share originating from the artisanal miners who live in these communities and spend money within the local economy.

Private operators

Artisanal miners⁷² (~1,000 officially registered) and mine labourers: In the official terminology in the CAR, the artisanal miners are the team leaders and mine owners. They employ a workforce with high numbers of mining labourers. The former pay for an artisanal mining licence, whereas the latter buy a mining labourer's card from the local administration; the traceability of the revenue arising from the sale of the cards is poor. For the purpose of this particular study, the artisanal population (artisans, labourers and associated services) will be, as an assumption, conservatively estimated at 100,000 mine labourers and 1,000 artisanal miners⁷³. The ASM sector is completely dependent on the collectors, who provide them with equipment and food, and they are paid when the diamonds are traded. Only a small number of them have attempted to enfranchise themselves by forming mining cooperatives.

Collectors (293): These are the intermediaries between the Buying Offices, which finance them, and the artisanal miners, whom they supervise and manage. As they generally have greater revenue at their disposal, they are in a position to dictate the conditions of the contracts which bind the artisanal producers to them.

Buying Offices (7): Largely comprised of expatriates, the officers of the Buying Offices are intermediaries between the national market and the international markets, with considerable and valuable knowledge of the national diamond sector and market. This knowledge, long held exclusively by them, has largely protected them from competition from national operators, and given them sole mastery of the Central African diamond industry. However, over the last twenty years, certain national operators have been gradually starting to gain access to the international markets, either overtly (through creation of companies or acquisition of holdings) or by illegal, or indirect means (fraud, travel, etc).

Service providers

The service providers also share in the results of the mining and marketing of diamonds. Examples of these are transport services (domestic or international), the purchase of fuel for pumping operations on the mining sites, the distributors of small mining equipment, the insurance providers for the Buying Offices and for local and international transport, the

⁷² There is a great disparity in the official figures issued by the Ministry of Mines : thus the "Report of the Audit of Sources of Revenue" gives the number **244** as the population of artisans in 2006 [Page 12], whereas the "Report of the Activities of the Marketing Department and the Mining Sector " gives the figure of **938** when showing the regional distribution. For the purposes of this study, we will use the approximate figure of 1,000. The same documents also give different figures for the number of collectors (293 as opposed to 298 – 1.7%) and for the amounts received from licenses in 2006 (F CFA 293,466,750 as opposed to F CFA 297,298,500 – 1.3%).

⁷³ For a discussion on the number of artisanal miners and mine labourers in the CAR, see section 3.

telecommunications providers, the security companies, the banking services, etc. The diamond industry actually indirectly supports several other economic sectors.

5.2.10 Fraud

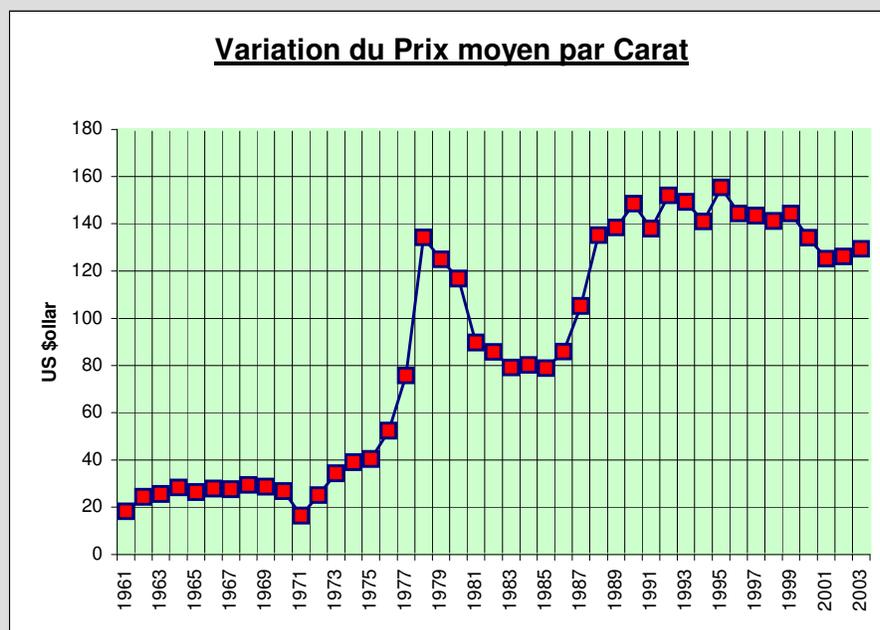
General nature and types of fraud

The level of fraud has been subject to many different evaluations, and has been considered as being between 25% and 40% in this report. A study of public finances should focus on the extent that the fraud disrupts the mining sector and depletes the financial resources of the State. The following types of fraud have been distinguished:

Occasional fraud, such as that undertaken by opportunist travellers who manage to buy a few diamonds and then try to make a quick profit by evading the scrutiny of the inspection services;

Organised fraud, which is carried out by specialised networks or corrupt economic operators, specialised in this type of criminal activity.

Box 12 - Variation of the average price per carat



There are several driving factors behind the fraudulent activity:

Firstly, the differing taxation systems *in the neighbouring countries*. As many of the neighbouring countries (Cameroon, DR Congo) have a more attractive taxation system, fraud networks smuggle the stones out of the CAR fraudulently in order to export them officially from these countries.

Secondly speculation with some fortunate collectors able to amass large batches of diamonds. With significant means at their disposal, and knowledge of the international markets, as well as the local socio-political and economic contacts, they take advantage of the GoCAR poor resources for policing in order to export fraudulently the diamonds.

Next there is fraud linked to trade between sectors. Customs fraud in the importation of 'fast moving' consumer goods is generally 'resolved' by the illegal exportation of diamonds. Thus the flow of goods coming and going escapes the vigilance of the customs services and the scrutiny of the GoCAR.

Lastly the 'flight' of large rough stones. The operators questioned were unanimous in declaring that large stones are rare in CAR. In fact, between 1999 and 2001, an underlying drop was observed in the average price per carat of raw diamonds, which went from \$US 144/Ct to \$US 125/Ct. It is highly unlikely that this trend can be attributed to geological reasons, but more probably to fraud which concentrates on large stones. In the same way, the significant drop of the price per carat between 1978 and 1983 may be linked to the extremely high rate of the export tax at that time [20%], which drove more exports towards illegal and fraudulent channels. Another explanation can be found in the reported financial harassment by the *Brigades Minières* of the artisanal miners who declare the large stones.

Estimation of the fraud

High: The high estimation of the fraud (50% and higher), arises from comparison of the number of official exports with that of the diamonds declared in Belgium with provenance from the CAR. But the declaration of origin carried out upon the entry of the diamonds into Belgian territory is purely nominal. Even though the Kimberley Process has strongly increased the traceability of the circulation of diamonds, a certain impenetrability and deliberate evasion still remains in the market.

The statistics recorded in Belgium which describe the origin of the diamonds must therefore be treated with caution when used for documenting the level of the fraud⁷⁴.

Low: The professionals of the sector, as well as the private companies and government bodies responsible for the investigation and suppression of fraud, believe that the incidence of fraud is probably in the region of 5%. However, it would be reasonable to assume that this is a very low and unrealistic underestimate and a more conservative low estimate would be in the order of 30%.

A third approach consists of regarding the figure of 635,935 carats achieved in 1968 as the annual potential which the level of technological development and other parameters associated with the mining conditions in the CAR enabled to be produced. It could therefore be said that from 1995 to 2002, the average incidence of fraud was around 28% of the weight of production. It is known that traffickers are usually only interested in large stones; that being the case, it is possible to estimate the average value of fraudulently exported goods.

Making the double hypothesis that fraud represents around 28% of the production, and that the average value of the fraudulent stones is around \$US 280/Ct, that is, double the average value, we can estimate that for the last twelve years the level of fraud totalled 7 million dollars per year. Whatever the origin or the level of the fraud, it places the GoCAR at a disadvantage due to loss of taxation revenue (customs, marketing tax, duty) and also reduced flow of moneys which are meant to pass through official routes (banks, insurance companies, etc.).

5.2.11 Conclusions and recommendations

The contribution of the mining sector to the public finances of the State is diminished by many aspects of the current taxation and by the obstacles which persist in the business environment. The structure of the taxes and duties is overly complex, even though all the revenue is generally destined for the Public Treasury. The concept of a 'single office' for the exportation of diamonds and gold and even for all the taxation to be levied (export tax, duties, etc) would be of enormous benefit to the current operators. This would enable the diamond export companies to draw a single cheque and deal with only one authority in a single location (resulting in a saving of time and a reduction of levies).

The absence of a regulatory law makes it impossible to determine the yield from certain taxes, for example: fines imposed on offenders, property taxes levied on the mining

⁷⁴ This prudent approach was also adopted by the Mission for Inspection of the Kimberley Process in the Central African Republic (8 to 15 June 2003), which moreover enumerated in its report at least five reasons which could lead certain importers to declare diamonds originating from other sources as Central African.

companies, and licences bought by the mining cooperatives. Increasing the scope of activities of the officers responsible for recording mining statistics, and providing effective, adapted computer software at their disposal and at the disposal of the private sector, would enable a better assessment of the levels of production, the flow of moneys and the levels of taxes.

In many diamond (and gold) exporting countries, the administration officials are skilled professionals who speak the same language as their subordinates and are experienced in the workings of the international market. A lack of knowledge of the intimate workings of the international diamond (and gold) market is often apparent in the management of the GoCAR administration and has proven to be the source of several failures of understanding. Central African officials must have more regular exposure to the realities of the international diamond and gold market.

An improvement of the organisation of the export process is necessary in order to evade flaws and to avoid creating opportunities for fraudulent behaviour (continuous numbering of the permits and the Kimberley certificates, for example, or standardisation of the methods of calculating the taxes in order to obtain 'tax justice').

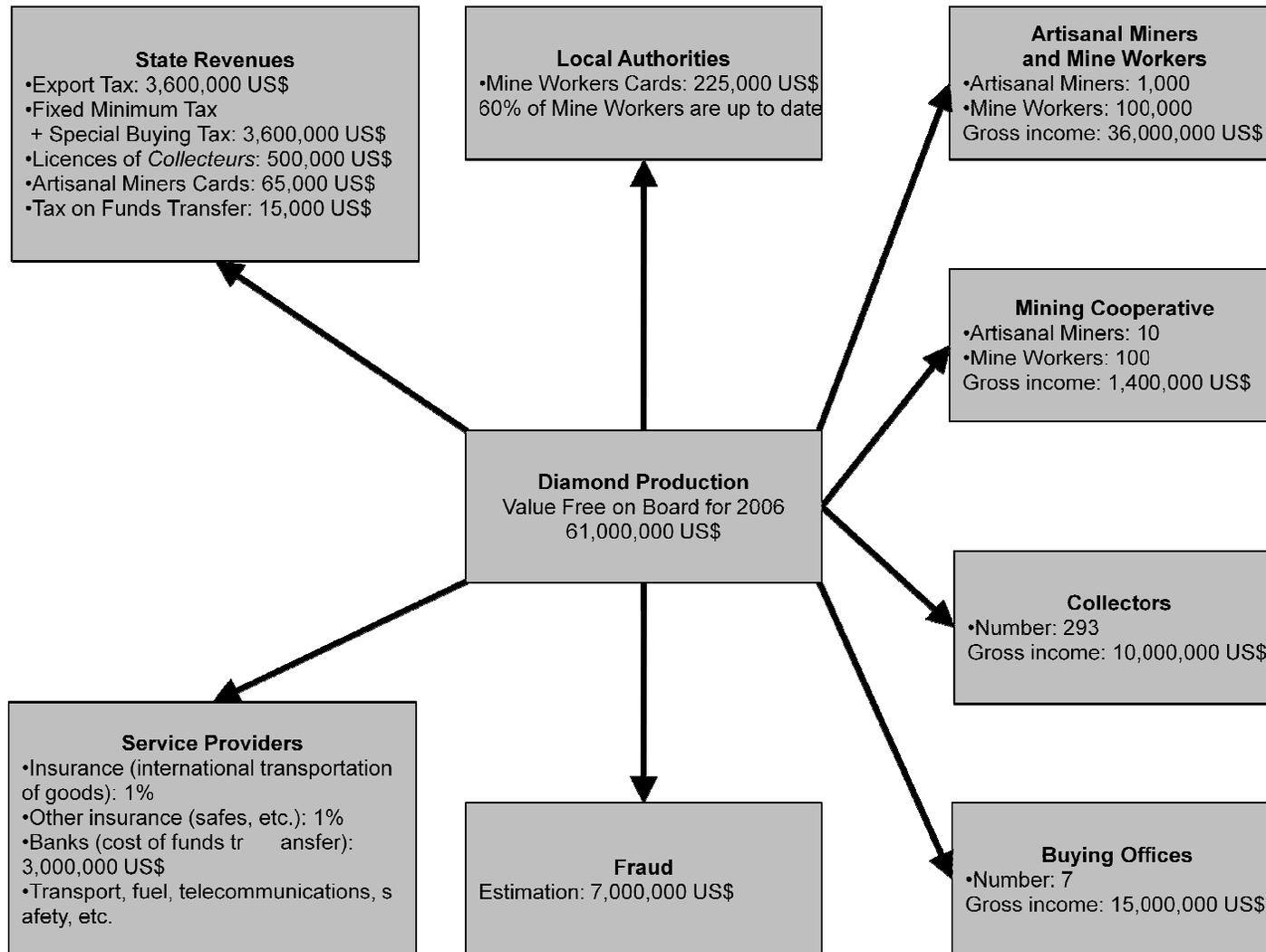
Interest by the local populations in deriving a share of the distribution of the mining revenue, following the example of the forestry sector, could also lead civil society to participate at the side of the GoCAR in the fight against fraud.

Finally, harmonisation of the rates of export taxes within the CEMAC⁷⁵ or the CEEAC⁷⁶, accompanied by standardisation of the valuation methods, even if that still seems like a remote or utopian aim, could be an advantageous progression for the mineral producing countries of central Africa.

⁷⁵ Translator's note: CEMAC = Communauté Économique et Monétaire de l'Afrique Centrale, or *Central African States Economic Community*

⁷⁶ Translator's note: CEEAC = Communauté économique des États de l'Afrique centrale, or *Economic Community of Central African States*

**Repatriation of mining
 income**



ANNEXES

Annex N° 1

Competitive Position and Recommendations for Reform of the CAR Mining Sector Fiscal System, by Professor James Otto

Annex N° 2

Environmentally Protected Areas and Gold and Diamond Deposits in the Central African Republic

Sources: Map compiled by Wardell-Armstrong using own data (mineral resources) and data collected from the Convention on Biological Diversity website <http://www.biodiv.be> (environmentally protected land).

Annex N° 3

Historic of diamond production since the origin

Annex N° 4

Audit Report on the sources of revenues of the Ministry of Mines, Energy and Hydraulics, first trimester 2007

Rapport d'audit des sources de recettes du ministère des mines, de l'énergie et de l'hydraulique, 1^{er} trimestre 2007

Annex N° 5

Rapport d'audit des bonus de signatures des conventions minières, des transferts de parts de capitaux propres et leur utilisation pour la période 2004 à 2006, 31 décembre 2007

Audit Report on the engagement bonuses of mining conventions, transfer of share of capital and their use for the 2004-2006 period, December 31, 2007

Annex N° 6

Documents collected

Annex N° 1

**Competitive Position and Recommendations for Reform
of the CAR Mining Sector Fiscal System**

Prepared by
Wardell Armstrong LLP
in association with James Otto

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Abbreviations

CSM	Colorado School of Mines
DETR	Effective Tax Rate (discounted at 12%)
ETR	Effective Tax Rate (undiscounted)
IRR	Internal Rate of Return
NPV	net present value
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollars
VAT	Value Added Tax

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Acknowledgements

Consultant James Otto, who prepared the large scale mine fiscal analysis, would like to acknowledge the valued assistance of Wardell Armstrong LLC and AFRIC AUDITEC (chartered accountants) who provided information on the Central African Republic mining fiscal system. In particular, Ms Emmanuelle de Pooter was instrumental in confirming data and obtaining information where gaps existed. Additionally, Mr Jacob-Désiré N'Gaya, Inspector Principal des Impôts, Directeur Général, and his staff provided verification of the fiscal system assumptions.

1. Executive Summary

This chapter investigates the Central African Republic's (CAR) mining fiscal regime taking into account major government taxes, fees, and duties. Recognizing that the CAR has both the potential for a significant large scale mining industry as well as an active small scale mining sector, it addresses both scales of operation. For large scale mines, it compares each major type of direct and indirect tax levied on the mining industry with similar types of taxes in other selected countries and uses a model mine to examine the competitiveness of the current fiscal system. Special issues associated with small scale mining are analyzed as well. Recommendations for reform are offered.

The chapter consists of two main conceptual parts. The first part is focused on the fiscal system applied to large scale mines and the second part examines special issues associated with small scale mining.

The analysis of large scale mine taxation was done by Wardell Armstrong LLP and sub-consultant James Otto who is an internationally recognized expert on mining fiscal systems. He has been an advisor to many governments on fiscal reform initiatives and mining agreement negotiations. His books on mining taxation have been published and/or distributed by the United Nations and the World Bank.

This chapter contains the following:--

- executive summary;
- large scale mining fiscal system analysis:
 - a summary of the CAR's existing large scale mining taxation system;
 - a section describing different types of mining taxes, tables comparing each major form of tax levied in the CAR with similar taxes levied by about 20 other nations;
 - a description of the base case mine model used for the total effective tax rate comparative study;
 - a description of the assumptions used to construct the CAR mining tax model;
 - a table showing the results of the model (including the economic measures such as IRR, effective tax rate, and total government take) in comparison to the results from analyses for about 20 other countries as reported in Global Mining Taxation Comparative Study 2nd edition;
 - a description of variations to the CAR tax system;
 - a table showing the effect of such variations on the CAR tax model;
 - base case model spreadsheet results;
 - conclusion about the competitiveness of the CAR large scale mining fiscal system and recommendations for reform.

The key findings of this chapter are as follows:

- Taxation is an important criterion that foreign investors analyze when deciding where to invest, but it is not the only criteria.
- This study has analyzed the competitive position of the CAR mineral sector statutory tax system to determine if it is internationally competitive. The tax systems of thirty jurisdictions, including the CAR's, were assessed using a proprietary gold mine model. Based on well accepted measures of comparison--internal rate of return (IRR⁷⁷) and overall effective tax rate (ETR⁷⁸)--it was determined that the current CAR mineral sector tax system is a moderately high tax jurisdiction ranking 20 highest out 30 jurisdictions.
- Most companies will not invest in a project unless the IRR is at least above 12%, and many companies would require a much higher IRR in the CAR which is considered a risk-prone location. Using 2008 cost assumptions in the gold mine model, the current fiscal system would yield an IRR of 12% at a gold price of \$485 per ounce.
- Nations that have enjoyed high levels of mineral sector investment and that are generally acknowledged as obtaining a "fair share" of fiscally derived revenues usually have a total undiscounted effective tax rate (ETR) of between 40 and 70%. Using 2008 cost assumptions in the gold mine model, the current fiscal system would yield an ETR of between 44 to 62% over a gold price range of US\$1000 to US\$485. The ETR in the CAR at any gold price is higher than in many nations but is not unreasonable.
- The fiscal needs and administrative capabilities of individual nations vary and tax systems thus evolve differently in different nations. However, as the world moves forward into the new century it is clear that mining fiscal systems are becoming increasingly similar. Nations whose mining fiscal systems impose a non-transparent taxation system (such as a negotiated system) or a system that investors perceive as inappropriate (such as one in which taxes not tied to profitability dominate) can expect to see lower levels of investor interest than nations with transparent systems that approach the "global" norm.
- **Most international mining companies will find the level and types of statutory taxes in the CAR acceptable. It is recommended that the existing fiscal regulatory system be retained. However two problem issues were identified. In some instances, mines have been required to pay a nontransparent (secret) signature bonus that does not have its basis in any fiscal law. Secondly, the VAT refund system is reported as not currently be functional. It is recommended that the use of negotiated signature bonuses be discontinued and that either VAT refunds be made promptly or alternatively mine inputs be exempted from VAT.**

⁷⁷ A technical definition of internal rate of return (IRR) is provided in the report.

⁷⁸ A technical definition of total Effective Tax Rate (ETR) is provided in the report.. ETR is a measure of the level of taxation that takes into account all taxes, tax incentives, fees, duties, and other distributions to government.

Explanations for specific observations are provided in the main body of this chapter regarding each major tax type. The specific observations include the following:

Observation on Tax Stabilization

Companies and their lenders find tax system stabilization very attractive, and some developing nations allow mine fiscal systems to be stabilized for a limited time period. However, most countries, including the CAR, do not provide fiscal stabilization under general tax law. The CAR does however sometimes allow fiscal stabilization under a negotiated concession. Such concessions are not passed as a law by Parliament but Parliament is informed. A legal question may arise if the Parliament changes a tax rate and this conflicts with a stabilized rate. For this reason in most nations concession agreements that provide stabilization are sent to Parliament for ratification as a law. Nations that frequently change their fiscal systems or that do not honor stabilization arrangements are considered high risk by many companies.

Observations on Income Tax

The rate of income tax in the CAR (30%) is typical of the rates applied by many other nations.

Observation on Depreciation

The concept of depreciation is that a taxpayer should be able to over the life of a piece of physical plant (equipment or building) deduct the full cost of that plant. Governments in almost all major mining countries provide an acceleration of depreciation deductions for mine equipment and plant. The CAR allows a taxpayer to deduct depreciation calculated using a straight-line schedule of depreciation rates which range between 5 and 20%. For a typical piece of large fixed mining equipment the depreciation rate is 10%. Most nations allow “accelerated” depreciation with a depreciation rate greater than 10%.

Observation on Pre-production Exploration and Other Costs

Most mining tax systems allow certain pre-production costs to be accumulated and then either expensed in the first year of production or amortized over a number of years. In many nations, the amortization period is accelerated. In the CAR, preproduction costs of establishment (pre-production exploration, site development, feasibility and similar costs) may be recovered through amortization over a three period (33 1/3%) using the straight-line calculation method.

Observation on Loss Carry Forward Time Limit

Some nations have moved to eliminate any maximum time limit on the carry forward of losses for income tax purposes. The time limit in nations that set a time limit is typically in the 5 to 10 year range. The loss carry forward time in the CAR is currently 3 years. Investors in very large mines would prefer a longer loss carry forward period.

Observation on Deductibility of Investment in Communities and Public Infrastructure

Companies are often willing to invest in local community infrastructure, services and sustainable development initiatives, and many nations encourage such investment by allowing such expenditures to be tax deductible. The CAR allows expenditure on community infrastructure to be expensed as incurred, subject to a cap of 5/1000 of taxable income.

Observation on Ring-Fencing

Most nations do not ring fence mining projects. In other words if a single legal entity runs and operates multiple exploration and mining projects, it can combine the revenues and costs from all of them for taxation purposes. This is also the practice in the CAR.

Observation on Royalty-Type Taxes

The CAR imposes a number of royalty-type taxes that are based on the sales value of the mineral including the following: Release Penalty/Fee, Mining Promotion Tax, Computing Equipment Tax, Fixed Minimum Tax (IMF). IMF is creditable against income tax (BIC). Diamond sales are additionally subject to a SPP Kimberly tax of 0.5%. The rates for each tax type may vary with the mineral being sold. For gold the combined "effective" royalty is comparable to the rates in many other nations.

Observations on Import Duty

Import duty is mainly paid during the period in which a mine is being constructed during which there are no sales revenues. Thus, companies view such an input tax very negatively. Most mining nations have exempted mines from import duty during construction or zero-rated most mine type equipment categories. In the CAR, mines are exempt from import duty.

Observation on Export Duty

Almost all nations have exempted minerals from export duties or zero-rated mineral export categories. It is probable that many mining companies avoid investing in nations with appreciable export duties. Like most nations today, the CAR does not impose export duties on minerals.

Observation on VAT

Value added tax is becoming widespread and largely has replaced general sales tax in most nations. Typically, mining nations handle VAT in two ways. Where the mineral produced is sold for consumption within the country the normal VAT system is applied. However, where the output is exported, the sales transaction is free of VAT (zero-rated or exempt) and there is a way for VAT to be negated on inputs (exemption, zero-rated, refund or credit scheme). The approach in the CAR is VAT is payable on inputs and if the mineral is exported, input VAT is refundable. However, it is reported that the VAT refund process is impaired because the funds available to make refunds are not adequate in some cases to allow full refunds. If this is the case, it doubtful that any large mine would be able to bear the VAT input tax burden and remain profitable. An essential reform to fiscal system is to either exempt mines that export minerals from paying input VAT, or to reinstitute the VAT refund system.

Observation on Withholding Taxes

Most nations impose withholding tax on remitted dividends, loan interest and on payments for foreign sourced services. The CAR does so also at a rate of 15% on remitted dividends and services. A 1% withholding tax may also in some cases apply to foreign loan interest payments (different information sources had varying opinions on this issue). The rate can be less for payments in countries that have tax treaties with the CAR. The 15% rate is comparable to that in many other nations.

Observation on Transfer of Funds Tax

Most nations do not impose a tax on funds transferred out of the country except for withholding taxes. The CAR imposes a tax on the transfer of funds. The rate varies depending on the destination from 0 to 0.5%.

Observation on Land Area Fees

The CAR annual land area related fees for exploration and exploitation permit areas are similar to the fees imposed in other nations.

Observation on Equity Participation

Most nations today do not participate as an equity partner in mining projects. The few nations that do require a free equity interest do so in the range of around 10% percent. The very few nations that require or retain an option for more than 10% equity usually acquire their equity on a paid basis. The CAR does not require a mandatory state equity share.

Observation on Minimum Tax and Excess Profits Tax

Very few nations impose excess profits on mines. Such taxes, regardless of their form, are viewed very negatively by investors. When profits are high, companies already pay more income tax. Many mines lose money when commodity prices are low and may require funds saved from higher price periods to remain in business. It is usually in the interest of both the investor and the government to keep a mine open so that future revenue flows will occur. The CAR does not impose an excess profits tax but does levy a minimum tax to insure that some tax is paid in years when no profits are made.

Observation on Bonus Payments and Permit Fees

Bonus payments are common in the petroleum industry but very few nations impose bonus payments on the mining industry. Unlike most nations, the CAR typically requires a large bonus payment on the signing of a mining agreement. Almost all nations impose a one-time permit fee at the time that a mining permit authorization is issued. The fee is usually nominal, just a few hundred or thousands of dollars and this is the practice in the CAR.

The above observations are summarized in Table 1 where the CAR's approach to various fiscal issues is subjectively appraised by the Author as "typical," "low" (more generous to taxpayers), and "high" (being less generous to taxpayers). Table 2 and Figure 1 indicate the relative ranking of the CAR fiscal system to fiscal systems in selected other nations. Detailed comparisons and analysis are provided later in this Chapter.

Table 1. A Subjective Appraisal of the CAR's Approach to Mine Taxation

Tax Type / Incentive	Comparability*	Comment on Current System
Government free equity	typical	- none required
Property tax (on land)	typical	- none
Surface rentals		
• Reconnaissance	typical	- none
• Exploration	typical	- set fee per square kilometer
• Mining	typical	- set fee per square kilometer
Import duties	typical	- mines are exempt
Export duties	typical	- none (however, some royalty type taxes have export duty type attributes)
Royalty-type taxes	high	- relatively high (composed of 4 parts)
Tax stabilization	low	- stabilization not available under statutory law (may be provided in a concession agreement)
Dividend withholding tax	typical	- 15% (treaty rates may differ)
Foreign services w/H tax	typical	- 15% (treaty rates may differ)
Loan Interest W/H tax	low	- low compared to most countries 1% (treaty rates may differ)
Bonus payment	high	- very few nations require a bonus payment
Transfer of Funds Tax	high	- very few nations have this tax
VAT	?	- although VAT is assessed on inputs, the refunding process does not function in practice
Income tax rate	typical	- 30%
<u>Tax treatment of:</u>		
depreciation	high	- depreciation period is long (10 years)
exploration costs	typical	- accelerated amortization available (3 years)
development costs	typical	- accelerated amortization available (3 years)
feasibility costs	typical	- accelerated amortization available (3 years)
community costs	typical	- expensed
loss carry forward	high	- 3 years (very short for mines)
tax holidays	typical	- none
ring-fencing	typical	- multiple projects of one legal entity are not ring fenced
remote location	low	- some incentives may be negotiated

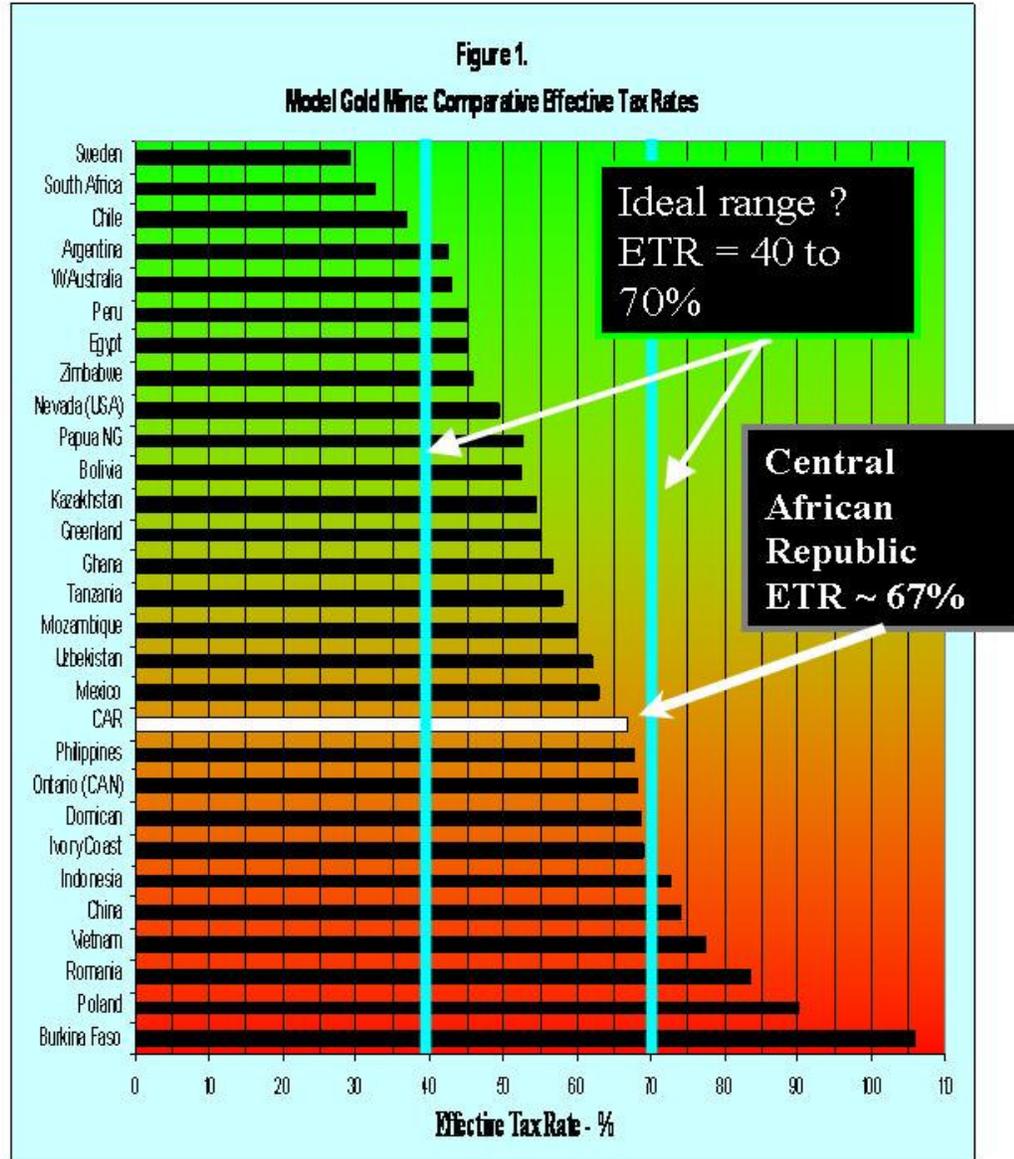
* “low” means that the approach would result in lower fiscal revenues than in many other mining nations; “typical” means the approach is similar to that in other mining nations; “high” means that the method would result in higher fiscal revenues being paid than in many other mining countries

Table 2. Competitive Position of CAR's Fiscal System on a Model Gold Mine

Country	Foreign Investor's Internal Rate of Return (%)	Effective Tax Rate - ETR (un-discounted) (%)
Lowest taxing quartile		
Sweden	19.2	29.1
South Africa	18.8	32.6
Chile	18.3	36.8
Argentina	16.6	42.5
W. Australia	15.2	43.1
Peru (2005)	15.0	45.2
Egypt (2007)	13.7	45.2
Second lowest taxing quartile		
Zimbabwe	15.7	45.9
USA (Nevada)	15.1	49.3
Papua New Guinea (2002)	13.3	52.6
Bolivia	12.2	52.4
Kazakhstan	13.5	54.4
Greenland	14.7	54.9
Ghana	13.6	56.7
Second highest taxing quartile		
Tanzania	12.7	57.9
Mozambique (2002)	12.6	59.9
Indonesia (7 th gen COW 2002)	11.2	61.2
Uzbekistan	11.2	62.0
Mexico	10.4	62.9
Central African Republic (2008)	9.6	66.6
Philippines (2007)	8.3	67.8
Ontario Canada	10.7	68.3
Highest taxing quartile		
Dominican Republic (2001)	8.2	68.6
Ivory Coast	9.1	69.1
Indonesia (non-COW 2007)	7.9	72.8
China	7.1	73.9
Vietnam (2007)	6.2	77.5
Romania (2007)	3.7	83.5
Poland	3.0	90.2
Burkina Faso	-1.6	106.0

NA – not available.

Source: values in the table for all jurisdictions except CAR, Dominican Republic, Egypt, Indonesia, Mozambique, Papua New Guinea, Peru, Philippines, Romania and Vietnam are extracted from: J. Otto, J. Cordes and M. Betarseh, *Global Mining Taxation Comparative Study*, second edition, IGRPM Colorado School of Mines, March 2000.



2. Factors Affecting Investment Decision Making By International Mining Companies

2.1 Investment Decision Making by International Mining Companies

Companies have many countries to choose from when deciding where to expend their exploration and development budgets. Those nations with prospective geology, reasonable tax terms, acceptable legislation, and political stability have brighter prospects for long term mineral sector development than where one or more of these attributes are absent. In analysing investment conditions a company will apply key criteria, including tax criteria, and see how well these are met.

Surveys by the World Bank (Naito and Remy, 2001a; Naito, Remy and Williams, 2001b) provide insight into mining fiscal systems. The 2001 World Bank survey work was intended to measure how important certain factors are for the mineral sector. Respondents included 35 governments and 43 mining companies or individuals. A scoring tabulation system was used based on the degree to which respondents indicated the importance of each factor. The two following tables indicate the importance levels and their determination for each factor.

Table 3. World Bank Ranking System: Importance to Mining Sector Reform

Importance to mining sector reform
Extremely important
Very important
Partially important
Somewhat important
Restrictive
Very restrictive

Table 4. World Bank Survey Financial and Taxation Investment Criteria Scores

Criteria	Importance
<i>Financial regimes :</i>	
Use of offshore accounts A1: yes A2: no	Very important Very restrictive
Guaranteed right to repatriate profits A1: yes, in foreign currency or no restriction (open market availability) A2: yes, in foreign currency subject to availability through Central Bank A3: no guaranteed right to repatriate profits	Extremely important Partially important Very restrictive
Exchange control A1: minor administrative controls but market based exchange rates A2: significant controls and non-market based exchange rate	Extremely important Very restrictive
Predictability and stability of mining taxation regime A1: mining legislation or contracts guarantee stability of taxes for certain periods A2: some changes to taxation arrangements but country track record is acceptable A3: frequent changes to taxation arrangements	Extremely important Partially important Very restrictive
<i>Tax burden for mines :</i>	
Tax structure A1: predominantly profit based taxes only with no or moderate ad valorem royalty A2: predominantly output or input based taxes (royalties, customs duties, VAT, employment taxes)	Very important Very restrictive
Royalty A1: none or less than 2% ad valorem A2: 2 – 4% ad valorem A3: 4% or more ad valorem	Extremely important Somewhat important Very restrictive
Corporate income tax A1: less than 30% A2: 30 – 40% A3: 40% or more	Partially important Somewhat important Very restrictive
Dividend withholding tax A1: less than 10% A2: 10 – 18% A3: 18% or more	Partially important Somewhat important Very restrictive
Value added tax A1: none, exempt, or recoverable from clients or upon export of product A2: applied and not recoverable from clients or upon export of product	Partially important Very restrictive
Import taxes and duties (excluding VAT) A1: none or exemption granted for mining industries A2: applied less than 10% A3: applied 11 – 20% A4: applied, greater than 21%	Very important Somewhat important Restrictive Very restrictive
Taxes/fees/other duties on exports (in addition to royalties) A1: none A2: yes, but less than 1% A3: yes, 1 – 3% A4: yes, greater than 3%	Extremely important Somewhat important Restrictive Very restrictive
Accelerated depreciation	

A1: allowed for calculation of income tax	Very important
A2: not allowed for calculation of income tax	Very restrictive

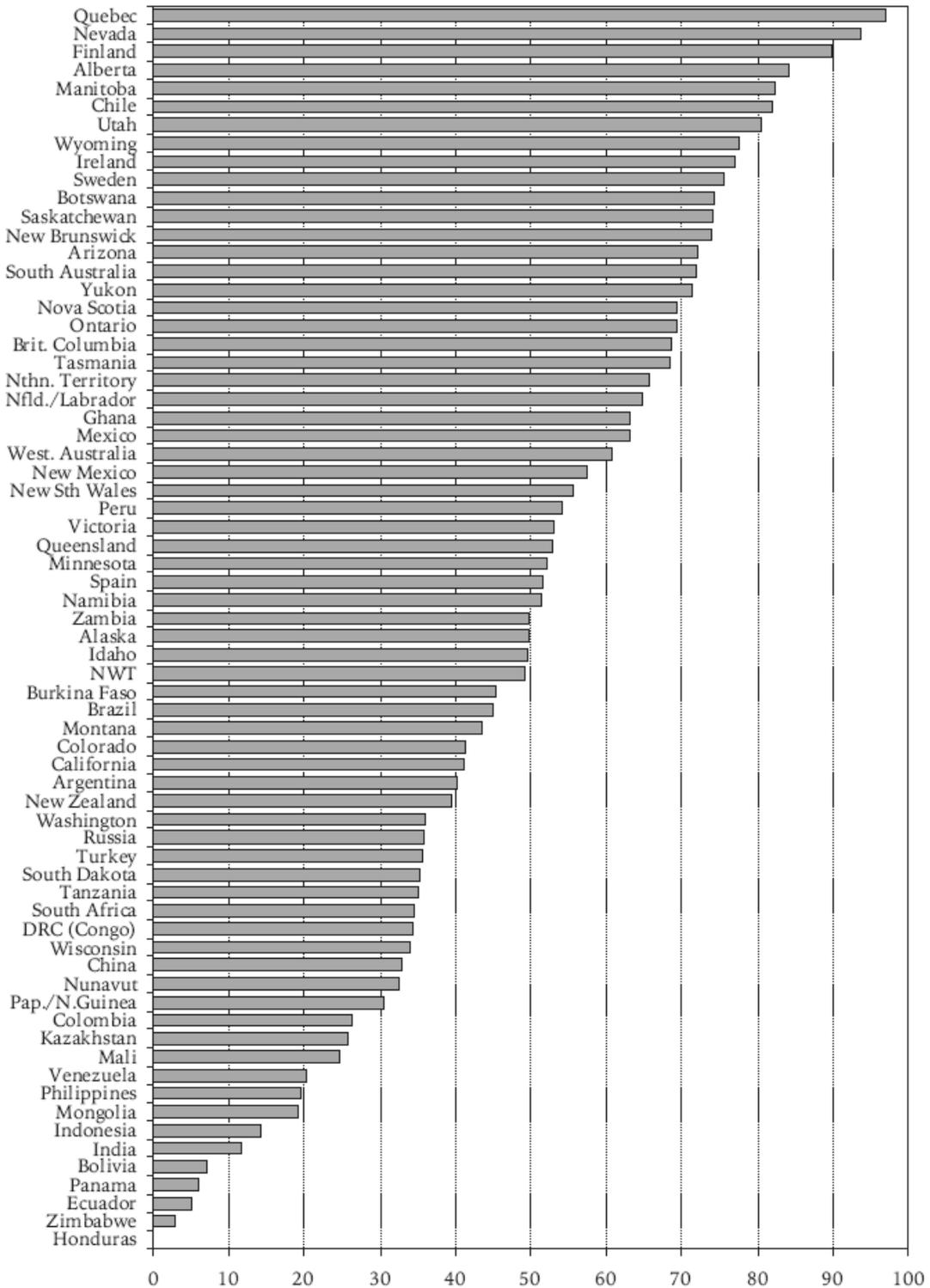
Source: Derived from Appendix B, Naito and Remy, 2001a.

The World Bank survey helps to explain which fiscal factors are considered important for a successful mining sector but do not determine how attractive the fiscal system is in individual nations.

There are publicly available sources that rank countries by their tax systems such as that prepared by the Fraser Institute (McMahon and Vidler, 2008). This survey ranks 68 jurisdictions (nations, states or provinces). Unfortunately, the publication does not report on the CAR. This is attributable to the low level of interest in the CAR by the international mining community. Although CAR does not appear in the ranking, the ranking has been included in this chapter so that readers will have an appreciation of how investor perceptions and analytical assessments can identify impediments to mineral sector investment.

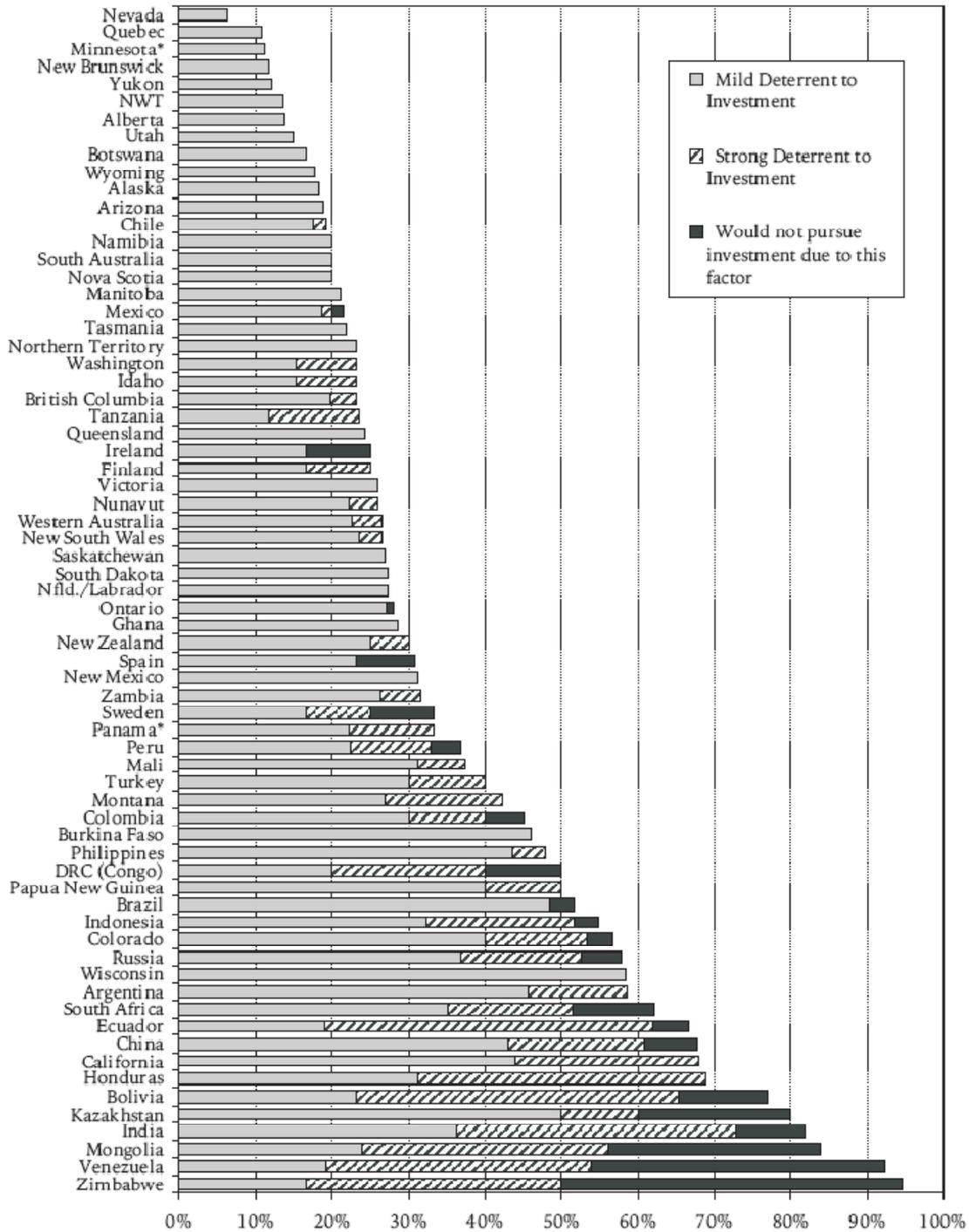
Two figures reproduced from the Fraser institute report appear below as Figure 2 and Figure 3. The first ranks the overall mineral sector policy environment and the second just the taxation system for 68 jurisdictions.

Figure 2. Policy Potential Index (Fraser Institute)



Source: Figure 1, Fraser Institute Annual Survey of Mining Companies 2007/2008 (McMahon and Vidler), 2008, p.9).

Figure 3. Perception of Taxation Regimes (Fraser Institute)



Source: Figure 8, Fraser Institute Annual Survey of Mining Companies 2007/2008 (McMahon and Vidler), 2008, p.31).

3. The Taxation Dilemma Faced by All Governments: Fiscal diversity or uniformity?

The task of devising a mineral sector fiscal system is not easy. There are many types of minerals and a system that is optimal for one mineral such as gold may be less ideal for another mineral, such as common sand. However, the most difficult policy issues are not what tax mechanisms, rates and incentives to implement, but rather, to what extent should mining be treated differently than other income generating activities, such as oil & gas, agriculture, and light and heavy manufacturing. Each type of income generating activity can claim some element of uniqueness laying the groundwork for some sort of special tax treatment. If policy-makers chose the path of accommodation of special sector needs, tax legislation will grow more complicated and the burden on government regulatory taxation departments will increase. It is argued by some proponents that by providing “incentives” to one sector, other sectors, or the public as a whole, will suffer. It is often said that preferential tax treatment causes distortions between sectors and harms the overall economy. Others argue that because each sector is unique, each sector should be taxed in a manner that takes that uniqueness into account. Thus, governments are faced with a dilemma--a uniform tax system applicable to all sectors, or a more complicated system that accounts for uniqueness in each economic sector.

3.1 Unique Nature of the Mining Industry and the Tax Policy Response

Most countries tax mineral enterprises somewhat differently than other industries, and tax policy makers often consider two concepts that will, in part, determine the extent to which mine taxation differs from taxes levied on other types of private enterprises. These two concepts are “uniqueness” and “ownership.”

It is argued that the mining industry is fundamentally different from most other types of business and because of its unique nature it should be accorded special, preferential treatment. Nations accord preferential treatment in many ways but most approaches derive from government recognition of the following mining industry attributes:

- A lengthy and costly exploration program will precede the start-up of a mine. Exploration expenses are incurred before taxable income is available and thus governments provide special provision for how pre-production (pre-income) exploration expenses are handled for future income tax purposes.
- Mine development is exceptionally capital intensive and an operation will initially need to import large quantities of diverse equipment from specialized suppliers. Many governments recognize the capital intensity of the industry and provide various means to accelerate recovery of capital costs once production commences.

- With regard to equipment import dependency, governments often provide a mechanism where equipment imported during mine construction is effectively free of duty (zero-rated or exempt). Likewise, most countries provide some or complete relief from value added tax on equipment and technical service purchases, particularly if the mine product is destined for export.
- Mine products are often destined for highly competitive export markets. Most governments effectively impose no export duties on minerals and provide a means whereby VAT or GST on export sales is either not applied or applied in a way that allows for a refund or tax credit.
- Mines produce raw materials that are prone to substantial price changes on a periodic, business cycle related basis. Provision is often provided to allow a project to carry forward losses from unprofitable years to reduce taxes in profitable years.
- After mining ceases and there is no income, a mine will incur significant costs relating to closure and reclamation of the site. There is a trend for governments to require a set-aside of funds for closure and reclamation in advance of closure and to provide some sort of deduction for this set-aside against current income tax liability.
- Many mining projects will have a long life span, and companies will attempt to minimize their tax risk exposure by stabilizing some or all of the relevant taxes for at least part of that lifespan. Governments provide tax stability through a number of different legislated and negotiated approaches.
- Where the level of investment is particularly large, a government may enter into a standard or negotiated agreement, including tax provisions, with the mine that has the effect of supplementing or supplanting general laws, including laws that address tax matters.
- In instances where negotiated or stabilized agreements are in force, income from an operation governed by an agreement may be “ring fenced” even though the general tax law does not impose ring-fencing restrictions.

Recent trends to harmonize fiscal systems across economic sectors have been the subject of debate in many countries, but almost all nations with a substantial mining sector still provide some sort of preferential tax treatment to the mining sector. While this preferential treatment tends to lower some sorts of taxes in comparison with other sectors, this is balanced by the imposition of special taxes arising from another aspect of the mineral endowment--national ownership.

In most nations, minerals belong to the state or to the people of the state as a common good. When a company extracts or sells the mineral, ownership of that mineral will transfer from the state, or its people, to the extracting company or purchaser. In most nations, a transfer of minerals from the public to the private sector is politically sensitive. Tax policy makers generally provide that a payment must be made for the transfer regardless of

whether or not any profit is generated. The most common form of a tax that seeks to compensate for the loss of national ownership is a form of unit- or value-based royalty. The concept of a royalty type tax, a “public to private sector property transfer tax” not based on income or profit, is, generally speaking, unique to the natural resources sectors. While many nations impose a royalty “type” tax on mineral producers, the trend has been to move toward lower royalty taxes and to rely increasingly on income-based type taxes.

3.2 Discrimination Within the Sector

Within the mining sector, pressures may be brought to bear on tax authorities to provide special treatment of certain classifications of mines. For example, some would argue that mines producing industrial building minerals should receive preferential treatment over export-oriented mines because they contribute more directly to national development. Others would argue that because large mines employ more than a certain number of workers, they should receive special treatment because their positive impact on the local economy is large. Still others would argue that small mines should receive special treatment because it encourages a higher level of entrepreneurial exploration. Still other would argue that artisanal miners should be exempt from all forms of taxation because their earnings are too low to make collection and compliance a worthwhile endeavor.

4. Description of the Existing CAR Mining Fiscal System

Today, the world is becoming ever more economically linked and a nation that desires to attract foreign investment must increasingly take into account both the needs of the nation and the needs of investors in order to compete in the international marketplace. In such an environment it is useful to understand whether the current CAR fiscal system is meeting the needs of the nation and whether the system is viewed as competitive by private sector investors.

In this section, the existing CAR fiscal tax system that is applied to large scale mining is described based on a comprehensive questionnaire provided by sub-consultant James Otto to Wardell Armstrong who completed the questionnaire after consultation with AFRICAUDITEC (chartered accountants) and relevant taxation authorities.

It should be noted that some elements of fiscal laws are vague or can be interpreted in different ways, and the information reported here is thought to be a reasonable but not necessarily exact approximation of the fiscal system that may be applied to a typical medium or large scale mine.

Table 5 contains a list of tax types that are sometimes used by governments to tax the mineral sector and indicates whether each tax type is imposed by statutory law in the CAR. As can be seen in the table, many of the major tax types are imposed. Detailed comparisons of tax rates are provided in subsequent tables.

In this study "tax" is defined as any tax, fee, impost or other payment that is paid by a taxpayer to the government or to another party because the taxpayer is required to do so by government.

Table 5. Taxes Sometimes Applied to Mines in Other Countries and Whether, in Practice, they are Applied by the CAR

Tax type	Check one		Level of government		Comment (optional)
	Yes	No	Central Gov't	Provincial Gov't	
Income tax	X		X or	X	
Minimum tax	X		X or	X	
Royalties	X		X or	X	or License
Withholding tax on remitted dividends	X		X or	X	except touring vehicles and office supplies
Withholding tax on remitted loan interest	X				
Withholding tax on foreign services	X				
Import duties on equipment		X			
Export duties on minerals	X				No export duty per se, but some taxes have export duty type attributes
Excise/sales tax on purchased equipment		X			
Excise/sales tax on minerals paid by mine		X			
Value added tax on services	X				
Value added tax on equipment	X				
Value added tax on mineral sales		X			
Property tax/fee	X		X or	X	
Education tax/fee		X			
Local development tax/fee					
Fees based on Land Area	X				
Stamp tax	X				Not applied to sales but may apply to some other types of transactions
Payroll tax	X				
CDS	X		X or	X	Contribution to Social Development – Except Research permit
SPPK (Kimberly)	X		X or	X	for diamond
IMF (Fixed Minimum Tax)	X		X or	X	
Special Tax / Buy	X		X or	X	for diamond
Computing royalties	X		X or	X	
Transfer of funds tax	X				

The current CAR mining fiscal system is described generally in Table 6 and details regarding various deductions for computing taxable income are given in Table 7.

Table 6. Description of the CAR's Mining Fiscal System

- Income tax (BIC - Industrial and Commercial Profits Tax)
 - 30% on taxable income (exploration permit activities are exempt Mining Code §91)
 - minimum tax: in the absence of profit, a fixed tax is paid, on the basis of 1.5% of the turnover (minimum payable is 1,500,000 F CFA per annum)
- deductions for computing taxable income:
 - feasibility studies: amortized over 3 years (33 1/3 %) using the straight-line method (alternatively can be expensed all at one time)
 - pre-production exploration costs: amortized over 3 years (33 1/3 %) using the straight-line method
 - mine-site development costs: amortized over 3 years (33 1/3 %) using the straight-line method
 - equipment costs: mine equipment is depreciated straight-line according to its classification under Art.126 bis 24 wherein rates for various types of equipment are typically in the 5 to 20% range (for example: transport 20%, excavators 10%, buildings 5%)
 - costs qualifying for depreciation or amortization may not be adjusted for inflation
 - costs associated with local community infrastructure: expensed, subject to a limit of 5/1000 of taxable income
 - the following types of costs may be deducted for calculating net taxable income: pre-production exploration costs; mine-site development costs; feasibility study cost; annual operating costs; depreciated capital cost of equipment and plant; loan interest, withholding tax on remitted loan interest, fees based on land area (exploration permit, exploitation permit), payroll taxes paid by the mine, release penalty/fee, mining promotion tax, computing equipment tax, community related infrastructure subject to a cap, transfer of funds tax. Note the following taxes are not deductible: withholding on services, withholding on remitted dividends, and IMF.
 - depletion allowance: none
 - IMF may be credited against income tax
- taxes similar to royalty
 - on gold: (additive effective rate - 5.25%)
 - release penalty/fee: 1% of sales revenues, deductible
 - mining promotion tax: 0.75% of sales revenues, deductible
 - computing equipment: 0.5% of sales revenues, deductible
 - fixed minimum tax (IMF): 3% of sales revenues, creditable against income tax or the 1.5% minimum tax on turnover
 - on diamonds: (additive effective rate - 12%)

- release penalty/fee: 4% of sales revenues, deductible
- mining promotion tax: 1% of sales revenues, deductible
- computing equipment: 0.5% of sales revenues, deductible
- SPP Kimberly: 0.5% of sales revenues, deductible
- Special tax on purchase: 3% of sales revenues, deductible
- fixed minimum tax (IMF): 3% of sales revenues, credited against income tax or the 1.5% minimum tax on turnover
- other mineral commodities: information not available
- license issue fees:
 - reconnaissance permit: 500,000 F CFA
 - exploration permit: 1,500,000 F CFA, 1st renewal 3,000,000, 2nd renewal 6,000,000, transfer 1,500,000
 - exploitation permit: 5,000,000 F CFA, 1st renewal 7,000,000, 2nd renewal 10,000,000, 3rd renewal 16,000,000, 4th renewal 25,000,000, transfer 5,000,000
- excess profits tax: none
- signature bonus: payable according to negotiated mining convention (not required by law)
- withholding tax on foreign loan interest: 1%, deductible (information sources disagree whether this is always charged)
- withholding tax on dividends and distributions remitted abroad: 15%, not deductible
- withholding tax on salaries and fees paid to foreign consultants: 15%, not deductible
- tax on transfers of funds
 - 0.0% when the transfer is toward a CEMAC destination (CEMAC is the Economic and Monetary Community of Central Africa – Cameroon, Chad, the Republic of the Congo, Equatorial Guinea and Gabon)
 - 0.25% when transfer is towards “Franc”-zone countries excluding CEMAC ((Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, Togo, Congo, Chad, Comoros and France)
 - 0.50% when transfer towards countries outside the “Franc”-zone
- Import duty on foreign equipment: exploration permit holders are exempt (Mining code Article §90; mining permit holders are exempt except for touring vehicles and office supplies during construction and expansions (Mining Code Article §92)
- export duties on minerals: none per se, but some taxes have export duty like attributes (see royalty above)
- education tax: none.
- stamp taxes: not applied to sales but may apply to some other types of transactions
- VAT on goods and services: 19% is applied to inputs, but export sales are exempt. Input VAT is refundable by law however it is reported that in practice, the funds available for refunds are be under-funded.

- property tax: when a mining company owns a property which has been built upon or not, excluding property for mining exploitation it pays property tax (the value of the buildings not related to the mining activities but located on the same property are subjected to the property tax on buildings)
- area based fees:
 - reconnaissance permit: none
 - Exploration permit: for diamond & gold: 3,000 F CFA sq.km for first two years, 6,000 F CFA sq.km for years 3 and 4, 15,000 F CFA sq.km for later years; for other than diamond & gold: 1,500 F CFA sq.km for first two years, 3000 CFA F sq.km for years 3 and 4, 8,000 F CFA sq.km for later years; per annum, deductible
 - exploitation permit: for diamond & gold: 20,000 F CFA sq.km for first period of validity, 50,000 F CFA sq.km for 2nd period of validity, 75,000 F CFA sq.km for third period of validity, 50,000 F FCA for 4th period of validity; for other than diamond & gold: 5,000 F CFA sq.km for first period of validity, 12,000 CFA F sq.km for 2nd period of validity, 20,000 F CFA sq.km for 3rd period of validity, 12,000 F FCA for 4th period of validity; per annum, deductible
- circulation tax: minor road tax (for example, on a 75km section a touring car would pay 500 F CFA and a truck 1,000 F CFA for transit).
- payroll taxes paid by employer: 10% of gross salary for Contribution to Social Development; 18% of gross salary for retirement fund
- payroll taxes withheld for employee: 5% of the gross salary Fixed Tax on the Person, tax on the revenue, Additional Tax 1,500 F CFA per employee (annual)
- worker profit participation: none
- stamp taxes: for all sales transactions there is no stamp tax. However, for every other operation that may occur (registration in front of a notary/solicitor, etc.) there is a stamp tax of 1,000 F CFA per page.
- tax incentives
 - loss carry-forward: 3 years (from year of loss)
 - loss carry-back: none
 - tax credits: IMF may be credited against income tax/minimum tax on turnover.
 - remote location: if more than 100 km from Bangui, some fiscal matters may be negotiated according to the Charter of Investments
 - exploration permit holders are exonerated from:
 - registration and ownership transfer taxes except those related to lease agreements and rental of houses
 - business licence tax (CP)
 - corporation tax (IS)
 - commercial tax (BIC)
 - tax on income from liquid assets (RCM)
 - social development tax (CDS)

- mining permit holders are exempt from registration and ownership transfer tax, except for such taxes in respect of lease agreements and rentals of houses
 - tax stabilization: none provided by law, however this may be available in a negotiated agreement. Parliament is informed of such agreements and may challenge them, but such agreements are not approved by parliament.
 - local equity requirement: there is no mandatory requirement that an equity share be held by citizens or CAR companies
 - government equity requirement: there is no mandatory requirement that an equity share be held by the government, but by mutual consent, a share can be provided by negotiated agreement
 - local community development: expenses incurred in regard to investment in community infrastructure may be expensed as incurred (subject to a cap of 5/1,000 of taxable income)
 - mandatory preference to be given to procuring local goods and services: none
 - ring-fencing: no ring-fencing for most operations
 - revenues from mineral sales can be held abroad: no, all revenue must be repatriated within 30 days
 - foreign exchange restriction: minimal
-

Table 7. CAR: Identification of items that may be deducted for calculating net income subject to income tax

	Deductible	Not Deductible	
Income tax paid to provincial or local government		X	
Pre-production exploration expenses	X		
Mine site development costs	X		
Feasibility study cost	X		
Annual operating costs	X		
Capital cost of equipment and plant	X		
Loan interest	X		
IMF (Impôt Minimum Forfaitaire)		X (creditable)	
Taxe de Promotion	X		
Equipement Informatique	X		
Droit de sortie	X		
Withholding tax on interest	X		
Withholding tax on dividends		X	
Withholding tax on foreign services		X	
Import duties on equipment	X		
Export duties on minerals	X		
Value added tax on equipment and services		X	
Local development taxes and fees	X		
Property tax	X		
Fee based on land area (such as rent)	X		
Stamp taxes	X		
Payroll taxes	X		
Investment in local community infrastructure	X		
Investment in local community services	X		
Transfer of funds tax	X		

The mine model used in the comparative analysis was developed at a level of detail similar to the level used for pre-feasibility studies. Thus, some simplifications have been employed to allow estimations to be calculated where detailed information is lacking. The simplified tax assumptions for the mine modeled in this analysis are summarized in Table 8. Minor taxes and fees, generally those that would annually be less than \$20,000 per year, are not included in the analytical model but are instead assumed to be included in operating costs.

Table 8. Summary of the CAR's Mining Fiscal System as Reproduced in the Computer Analysis Gold Mine Model (base case assumptions)

Modeled tax features in the "**base case**" include:

- Income tax (BIC - Industrial and Commercial Profits Tax)
 - 30% on taxable income
 - minimum tax: in the absence of profit, a fixed tax is paid, on the basis of 1.5% of the turnover (minimum payable is 1,500,000 F CFA per annum)
- deductions for computing taxable income:
 - feasibility studies: amortized over 3 years (33 1/3%) using the straight-line method
 - pre-production exploration costs: amortized over 3 years (33 1/3%) using the straight-line method
 - mine-site development costs: amortized over 3 years (33 1/3%) using the straight-line method
 - equipment depreciation: 10% straight line
- the following types of costs are deducted for calculating net taxable income: amortized pre-production exploration costs, mine-site development costs, feasibility study costs; annual operating costs; depreciated capital cost of equipment; loan interest and withholding tax on remitted loan interest; exploitation permit fee, annual fee based on land area held under the exploitation permit; release penalty/fee; mining promotion tax; computing equipment tax, transfer of funds tax.
- the following are not deductible: withholding on remitted dividends, withholding on foreign services, IMF, VAT, signature bonus.
- IMF is credited against income tax or fixed tax
- Royalty-like taxes
 - release penalty/fee: 1% of sales revenues, deductible
 - mining promotion tax: 0.75% of sales revenues, deductible
 - computing equipment: 0.5% of sales revenues, deductible
 - fixed minimum tax (IMF): 3% of sales revenues, creditable against income tax or the 1.5% minimum tax on turnover
- signature bonus: USD2,000,000, not deductible
- withholding on foreign loan interest: 1%, deductible (based on conflicting information about whether this is assessed, it has been included)
- withholding on foreign dividends: 15%, not deductible
- withholding on payments for foreign services: 15%, not deductible
- import duty on foreign equipment: exempt
- exploitation permit fee: 5,000,000 F CFA, deductible
- exploitation permit land fee: 20,000 F CFA per km² per annum, deductible

- value added tax: 19%, refundable
 - property tax on buildings and land: none (mining exploitation is exempt and all buildings are used for exploitation)
 - stamp tax: none (minor – less than 20,000USD per annum and assumed included in operating costs)
 - circulation tax: none (minor – less than 20,000USD per annum and assumed included in operating costs)
 - tax incentives: loss carry-forward: 3 years
 - transfer of funds tax: 0.5% times amount remitted outside the country (assuming non-franc countries) applied to:
 - all payments for the purchase of equipment from outside the CAR
 - all profit remittances sent outside the CAR
 - all loan payments including principal and interest sent outside the CRA
 - all payments to service providers sent outside the CAR
-

5. Description of the Standard Gold Mine Model

In order to assess the CAR tax system as compared to fiscal regimes in a cross-section of countries, a proprietary mine model was used. The model is based on the standard gold mine model developed by James Otto in 2000, and was used for mining tax studies at the Institute for Global Resources Policy and Management at the Colorado School of Mines, and for fiscal reform projects in some nations since then. The model has been reported widely and has been used in the preparation of the well known Global Mining Taxation Comparative Study referenced in this Chapter's annex.

5.1 Methodology and Limitations Inherent in the Standard Mine Model

There are a number of ways to assess a mineral sector taxation system. The method used in this study is to create a financial model of a typical mine and then to calculate a number of quantifiable economic measures based on that model. These measures include an investor's measure of profit (the investor's Internal Rate of Return), the total effective tax rate (ETR), and the distribution of sales revenues to each party.

When building a mine model that incorporates various tax and impost features it is necessary to determine the depth to which the model will attempt to mirror the fiscal system. In theory, a very detailed model could accurately account for every "tax" type. However, many types of taxes are calculated based on a level of information available only where a detailed feasibility study is available. The level of detail in the mine model is similar to that found in many mine pre-feasibility studies. Some of the simplifying assumptions and limitations that may impact the tax analysis are described below.

Depreciation. In many countries, the costs of acquiring equipment and plant may be used to reduce the income or profits tax liability through the means of depreciation or amortization deductions. In many countries, different classes of assets are depreciated using different calculation methods or different rates or different economic "lives". To accurately model a mine one would therefore need to identify every building and piece of equipment (and its price) qualifying as being depreciable. The model simplifies the depreciation calculation by assuming only one representative class of depreciable capital and one method of calculation.

Payroll taxes. The group of taxes commonly referred to as "payroll taxes" are not directly included in the model. The payroll taxes paid by the mining company can include a wide variety of government levies tied to the activity and salary level of each employee. Examples include government mandated company contributions to social security, pension or national retirement schemes, and to national or other health care programs. The base annual operating costs are assumed to include these types of taxes.

Excise taxes. These are assumed to be included in operating costs.

Tax minimization methods. One of the limitations of any tax study is the degree to which the study should incorporate legal tax minimization methods. The most “transparent” system was used as the basis of the model.

5.2 Standard Mine Model - Basic Attributes

Many factors can be taken into consideration when selecting the parameters and values to define a mine model, and the selection of key project attributes can influence taxation system analysis. For example, some tax systems may be more favorable to shorter-lived mines than longer-lived mines. The approach chosen by Otto when creating the year 2000 standard mine model was not to determine the optimal configuration of a mining project given the tax system, but instead to define a set mine model, and determine the taxes it would pay in any selected country. To insure the reasonableness of the mine model, feedback, comment and guidance was sought from a number of major mining companies (headquartered in the U.S.A., U.K, and Australia) prior to settling on the final project parameters. The gold model used in this Chapter was constructed in 2000. Key parameters and values are shown in the box below.

Since the model was first developed in 2000, costs and prices have changed, and this impact is analyzed in this study by sensitivity analysis (a range of prices and costs are used to assess the impact on IRR and ETR of values higher and lower than those used in the base case assumption set). This approach has been used in order that the results from the model can be used to compare the CAR’s fiscal system results to the results reported for over twenty nations in Global Mining Taxation Comparative Study Second Edition (and in some other nations since 2000). That study is scheduled for probable updating next in 2010.

Gold Metal Mine Model Assumptions

Total reserve base:	2,350,000tr.oz au
Average annual metal sold:	261,000tr.oz.au
Development period:	2 years
Production period:	9 years
Debt to equity	60:40%
Loan life:	5yrs
Loan interest rate:	8%
Mine cost:	US\$182,000,000
Pre-production exploration	US\$ 5,000,000
Feasibility	US\$ 10,000,000
Development	US\$ 40,000,000
Equipment/plant	US\$127,000,000
Working capital	US\$ 12,000,000
Reclamation	US\$ 10,000,000
Base annual operating costs:	US\$210tr.oz au
Sales price	US\$361tr.oz au
Type of analysis:	escalated (nominal)
Escalation of costs:	3% per year
Escalation of metal price:	2.5% per year

Deposit size, capacity and mine life. The size of a deposit will lend some guidance to defining the size (annual capacity) and life of a project. However, given the same deposit, different companies would view the optimal extraction rate and mine life differently. Should the firm build a large capacity project and mine a deposit quickly, or a small capacity plant and mine it over many years? Taxation policies can influence such decisions. In the development of the model, a reasonable medium capacity mine was assumed.

Financing. The extent to which a mine is financed through debt rather than equity capital can have a measurable impact on the amount of taxes it pays. This is largely attributable to the fact that in many jurisdictions, some or all interest payments on loans may be used as a deduction when calculating the amount of income subject to a profits or income tax. Most large scale mines use a combination of debt and equity capital financing. Debt financing can reach up to 100% and for many mines a 60 to 40% debt to equity balance is common. A ratio based on 60% debt to 40% equity has been assumed. The amount to be borrowed is based on 60% of the capital costs incurred during the two-year mine development period and the first year of production. It is assumed that the borrowed amount is in the form of three separate loans, each made one year apart, commencing in the first year of project development. It is assumed that subsequent mine expenditures are paid from funds generated by sales revenues. An annual

percentage rate of 8% compound interest has been assumed for all three loans and the repayment period for each loan is 5 years. Loan repayment is calculated assuming simple compound interest with annual equal end of year payments.

Costs. The costs associated with a mine will have an effect on that mine's tax liability. In most tax jurisdictions, some taxes (such as those based on profits or income) will be directly affected by certain costs, i.e., costs may be allowable as expensible or deductible for computing the amount of taxable income. Costs for any one activity will vary considerably from country to country. For example, mine capital equipment costs are lower in Canada than in Zambia but labor costs in Zambia are lower than in Canada. To provide comparability with the CSM global mining tax study, the base capital cost and operating cost are the same as used in the CSM model. The CSM base case costs were established using input from several multinational mining companies who were asked to submit their best estimates of what it would cost to establish and run a "typical international" medium scale operation and from annual surveys of costs reported in *Mining Journal*. All remaining tax benefits from any write-offs at the end of the project have been neglected. Costs have escalated rapidly over the past three years and this impact is reflected in the CAR tax model price and cost sensitivity table.

Prices. Most mineral commodities are subject to substantial price variations over even a short time horizon. The base-case 2000 model uses a long-term price assumption for gold, i.e., the 10 year average London PM fix reported by Gold Fields Mineral Services price from 1989-1998--\$361.00 per ounce (note: the London PM fix for the period of 1997 to 2006 was \$367). Sensitivity of the tax system to price changes is provided.

Escalation adjustment. Costs and prices in every country are subject to escalation/de-escalation factors, such as inflation/deflation and technological progress, and costs and prices relating to the mineral sector are no exception. In the mine models, capital costs, operating costs (recurring costs) and working capital are escalated at 3 percent per year and prices at 2.5 percent per year.

Since no adjustments have been provided for costs and operating efficiencies in the various countries, the model mine before-tax rate of return is identical in each country. The before-tax rate of return is 24.4%. For a 12.0% discount rate the project before-tax net present value is \$50million. All cash flows represent escalated (nominal) dollars.

5.3 Economic Measures and Profiles

Based on the estimated cash-flows resulting from the model mine, a number of economic measures and profiles were calculated.

Internal Rate of Return. The investor's discounted internal rate of return (IRR) is a commonly used measure of profitability. Given a model mine, a fiscal system yielding a higher IRR is preferred by an investor over a fiscal system yielding a lower IRR. IRR is defined as that interest rate which equates the sum of the present value⁷⁹ of cash inflows with the sum of the present value of cash out-flows for a project.⁸⁰ An alternative, but numerically identical definition, is that the IRR is the interest rate at which the net present value of a project is equal to zero. A company can compare a project's IRR to the company's hurdle rate (the minimum IRR) that every project must meet. If a project's IRR is equal to or exceeds the hurdle rate, the project meets the company's minimum profitability requirements. While IRR is useful to determine the effect of a fiscal system on profitability, it does not directly measure taxation levels, nor does it provide governments with a measure of their fiscal take. However, by looking at both the before-tax and after-tax IRRs, an investor can compare how the various methods of taxation can impact this economic measure of profitability.

Effective tax rate. The effective tax rate (ETR) is a measure, expressed as a percentage of the effective net cash flow, of all amounts payable by the company to the government. ETR is calculated by summing the value of all taxes and other payments to the government paid in each year, then dividing that sum of the total effective annual cash flow.

$$\text{Effective Tax Rate} = \frac{\text{value of all amounts paid to government}}{\text{value of project before-tax cash flow}}$$

⁷⁹ The term "present value" is used in its classical accounting meaning to indicate that the calculation has taken into account the time value of money. The time value of money is simply recognition that given a set amount of money, one would prefer to have that sum earlier rather than later. The standard way in which to account for the time value of money is to adjust future earnings and costs to a base year by discounting those amounts to the base year at a given discount rate. For the purposes of this study, all present value calculations were based on a discount rate of 12 percent.

⁸⁰ Donald Gentry and Thomas O'Neil, Mine Investment Analysis, American Institute of Mining, Metallurgical and Petroleum Engineers, New York 1984, p.267.

6. Comparison of the CAR Tax System to Mineral Tax Systems in Selected Countries

A comparison of mine taxation in different taxing jurisdictions is not straightforward. A comparison of any one type of taxing mechanism (such as a royalty tax or income tax rate) may lead to certain insights, but taken alone may not provide a useful indication of how mine taxation in one jurisdiction compares to that in another. To gain a broader understanding of how the overall system works and compares, it is necessary to analyze the fiscal system as a whole. To facilitate such an analysis, it is a common practice to define a hypothetical model mine and then apply different taxation systems to that mine. In this study, as was described in the preceding section, a model mine was defined and various measures of taxation and profitability calculated to allow comparison (see descriptions provided above) with results reported by the Colorado School of Mines and the mining taxation Sub-consultant for other nations.

Table 9 summarizes measures of profitability (IRR) and overall effective tax rate (ETR) for the gold mine model applying the fiscal systems in over twenty jurisdictions. The results show that compared to other nations, the overall current mining tax system in the CAR imposes a higher effective rate than do many other nations. This primarily is attributable to the large number of taxes that are not tied to profitability.

Table 9. Comparative Economic Measures for a Model Gold Mine in Selected Jurisdictions – ranked by ETR

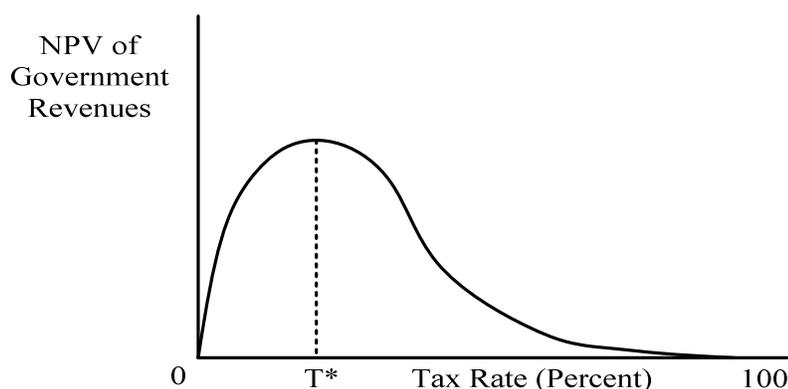
Country	Foreign Investor's Internal Rate of Return - IRR (%)	Effective Tax Rate - ETR (un-discounted) (%)
Lowest taxing quartile		
Sweden	19.2	29.1
South Africa	18.8	32.6
Chile	18.3	36.8
Argentina	16.6	42.5
W. Australia	15.2	43.1
Peru (2005)	15.0	45.2
Egypt (2007)	13.7	45.2
Second lowest taxing quartile		
Zimbabwe	15.7	45.9
USA (Nevada)	15.1	49.3
Papua New Guinea (2002)	13.3	52.6
Bolivia	12.2	52.4
Kazakhstan	13.5	54.4
Greenland	14.7	54.9
Ghana	13.6	56.7
Second highest taxing quartile		
Tanzania	12.7	57.9
Mozambique (2002)	12.6	59.9
Indonesia (7 th gen COW 2002)	11.2	61.2
Uzbekistan	11.2	62.0
Mexico	10.4	62.9
Central African Republic (2008)	9.6	66.6
Philippines (2007)	8.3	67.8
Ontario Canada	10.7	68.3
Highest taxing quartile		
Dominican Republic (2001)	8.2	68.6
Ivory Coast	9.1	69.1
Indonesia (non-COW 2007)	7.9	72.8
China	7.1	73.9
Vietnam (2007)	6.2	77.5
Romania (2007)	3.7	83.5
Poland	3.0	90.2
Burkina Faso	-1.6	106.0

NA – not available.

Source: values in the table for all jurisdictions except CAR, Dominican Republic, Egypt, Indonesia, Mozambique, Papua New Guinea, Peru, Philippines, Romania and Vietnam are extracted from: J. Otto, J. Cordes and M. Betarseh, *Global Mining Taxation Comparative Study*, second edition, IGRPM Colorado School of Mines, March 2000.

An important part of mineral sector fiscal policy is to decide whether the primary tax objective is to maximize the fiscal take in the short term, or in the long term. If the goal is short-term maximization, the system needs to impose a high effective tax rate (ETR) – the combined rate that takes into account the value of all the tax and fee types paid by the mine. If the ETR is too high, individual mines will pay more, but in the long run there will be fewer mines, thus fewer taxpayers, a smaller tax base, and a smaller contribution to the treasury. If the effective tax rate is too low, the government will needlessly forgo fiscal revenues. If the ETR is too high, the tax base will not grow over time and revenues will be foregone (companies will not come, explore, and discover more mines). Good tax policy will strive to set the effective tax rate at T^* , where an optimal balance is found (see Figure 4). For most nations, the optimal mining ETR is between 40 and 60 percent for base metal mines and 40 to 70 percent for gold mines.

Figure 4. The Optimal Effective Tax Rate



NPV – net present value (the amount of all taxes and fees paid by mines to the government as adjusted for the time value of money)

Source: J. Otto et al., Mining Royalties: A Global Study of their Impact on Investors, Government and Civil Society, World Bank Press, 2006.

It is of course not possible to accurately know what the ideal effective tax rate is for the CAR. What is clear from this study is that a typical medium sized gold mine is taxed more heavily in the CAR than in many other countries. A graphical presentation is provided in Figure 1 in the Executive Summary.

7. Tax System Sensitivity to Prices and Costs

The base case used in the model gold mine was created in 2000 and since that time prices and costs have increased. It is important to understand both how the CAR tax system ranks compared to other nations (such as was measured in the previous section) but also how the system affects the economic viability of a project.

Using the mine model that incorporates the CAR fiscal system the effective tax rate (ETR) was assessed to see how it was affected by price and costs changes. The base case parameters were held constant except for the parameter being tested, i.e., only one parameter was varied at a time except for one set of scenarios when 3 parameters were varied. Table 10 indicates the results.

The last section of the table where operating, capital and prices are all varied from the base case is of special importance. As was indicated earlier in the study, the base case uses year 2000 cost and price assumptions developed in the model reported in Global Mining Taxation Comparative Study. This was done in order to allow the CAR tax system to be compared to models in over twenty other nations. Prices and costs change over time and can change substantially in either direction over a very short interval. In 2008 the average reported worldwide reported gold mine operating cost is US\$317 per ounce, the gold price is well above its 10 year average (2007-1998) of US\$367 per ounce and capital costs have increased. To provide an estimate of the ETR and IRR in 2008, the model was run assuming a gold price varying from 400 to US\$1000/oz, operating cost of US\$275/oz, and a capital cost of US\$250,000,000. The operating cost of US\$275 was used in lieu of the average 2008 operating cost of US\$317 because the US\$317 average includes many high cost underground mines, and it would be expected that at least initially, companies will be targeting deposits in the CAR that can be exploited using surface mining whose operating costs are less than underground mines.

Most companies would not invest in a project unless the IRR is at least above 12% and many would require a much higher rate in the CAR which is considered as posing above normal risks. As can be seen in the table, the IRR at prices less than \$485 per ounce is too low to justify mine development. Some gold mining companies are currently using base case price assumptions around the \$485 per ounce level.

Observation:

Most companies will not invest in a project unless the IRR is at least above 12%, and many companies would require a much higher IRR in the CAR which is considered a risk-prone location. Using 2008 cost and price assumptions in the mine model, the

current fiscal system would yield an IRR of about 12% at a gold price of \$485 per ounce. The effective tax rate would be 62% which is higher than in many nations but not unreasonable.

Table 10. Base Case Gold Model: Tax System Sensitivity to Price and Cost Changes

	Effective Tax Rate %	IRR (%)	System Effect
Price Sensitivity:			
US\$300/oz	518	NC	Regressive at lower prices, neutral at higher prices
US\$361/oz (base case)	66.6	9.6	
US\$400/oz	55.2	19.3	
US\$500/oz	47.4	38.7	
US\$600/oz	45.2	54.2	
US\$700/oz	44.1	67.9	
US\$800/oz	43.4	80.2	
US\$900/oz	43.0	91.5	
Operating Cost Sensitivity:			
US\$175/oz	54.8	18.9	Regressive
US\$200	62.0	12.4	
US\$210/oz (base case)	66.6	9.6	
US\$250/oz	126	-3.1	
US\$300/oz	NC	NC	
US\$350/oz	NC	NC	
Capital Cost Sensitivity:			
US\$100,000,000	59.7	15.6	Regressive
US\$127,000,000 (base case)	66.6	9.6	
US\$150,000,000	75.4	5.5	
US\$200,000,000	109.1	-1.0	
US\$300,000,000	NC	NC	
Effect of a Combination of Cost and Price Increases:			
Gold Price: US\$400/oz Operating cost: US\$275/oz Capital costs: US\$250,000,000	237.0	-7.0	Regressive
Gold Price: US\$485/oz Operating cost: US\$275/oz Capital costs: US\$250,000,000	61.4	12.5	
Gold Price: US\$500/oz Operating cost: US\$275/oz Capital costs: US\$250,000,000	57.9	15.4	
Gold Price: US\$600/oz Operating cost: US\$275/oz Capital costs: US\$250,000,000	49.0	31.5	
Gold Price: US\$700/oz Operating cost: US\$275/oz Capital costs: US\$250,000,000	46.2	45.0	
Gold Price: US\$800/oz Operating cost: US\$275/oz Capital costs: US\$250,000,000	44.9	57.0	

Gold Price: US\$900/oz Operating cost: US\$275/oz Capital costs: US\$250,000,000	44.1	67.9	
Gold Price: US\$1000/oz Operating cost: US\$275/oz Capital costs: US\$250,000,000	43.5	78.1	

NC: If cumulative cash-flow is too negative, IRR and effective tax rate cannot be calculated.

8. Comparisons of Approaches and Rates in a Cross-Section of Countries for a Selection of Different Tax Types

With the exception of the CAR, and such as other nations as are specially noted at the bottom of each table, the tax information reported in the following tables was gathered via a questionnaire distributed by the mining taxation Sub-consultant in 1999/2000 and reported in the aforementioned Global Mining Taxation Comparative Study Second Edition (Otto et al, 2000). The information on the fiscal system in the CAR was obtained from a detailed tax system questionnaire completed by AFRIC AUDITEC (Chartered Accountants) in February 2008.

8.1 Tax Stabilization

Many mines are long-lived and companies are reassured by systems that reduce their fiscal vulnerability, particularly during the loan and project payback periods.

However, while stabilization is attractive to companies many governments are hesitant to use it. There is a basic tenet of state sovereignty that one generation of lawmakers should not be able to bind the hands of future lawmakers. Additionally, tax stabilization is sought by all sectors as it reduces fiscal uncertainty. If stabilization is offered to one sector, other sectors will also seek it. Table 11 shows for selected countries whether they allow mineral sector tax stabilization or not.

If taxes are stabilized for various mines, then an administrative challenge can arise over time. As the underlying tax laws change, each stabilized mine will have a tax regime dating to the time the stabilization arrangement was entered into. This means that over time there will be many tax regimes, and the government agency charged with tax administration will increasingly face a more complicated situation monitoring and enforcing each. This incurs costs.

The government has a dilemma. On the one hand, stabilization agreements enhance the potential for mineral sector investment, and on the other, they complicate the tax system and raise administrative challenges. Stability is important to investors and to their lenders, and nations that have been successful in maintaining substantial mining sector foreign investment, such as Argentina, Chile, Indonesia, Papua New Guinea, Peru, and Zambia offer stabilization options.

In the CAR, fiscal system stabilization is not available under statutory law but is sometimes allowed in a concession agreement.

Observation on Tax Stabilization

Companies and their lenders find tax system stabilization very attractive, and some developing nations allow mine fiscal systems to be stabilized for a limited time period. However, most countries, including the CAR, do not provide fiscal stabilization under general tax law. The CAR does however sometimes allow fiscal stabilization under a negotiated concession. Such concessions are not passed as a law by Parliament but Parliament is informed. A legal question may arise if the Parliament changes a tax rate and this conflicts with a stabilized rate. For this reason in most nations concession agreements that provide stabilization are sent to Parliament for ratification as a law. Nations that frequently change their fiscal systems or that do not honor stabilization arrangements are considered high risk by many companies.

Table 11. Availability of Tax Stabilization in Selected Jurisdictions

Country	Stabilization available?	Comments
Argentina	Yes	30 yrs, provincial and municipal taxes, import duties, exchange rules
Bolivia	No	
Burkina Faso	Yes	For term of the contract except for mining tax & fees
Canada (Ontario)	No	
CAR	No/Yes	Normal tax law – no; negotiated agreements - yes,
Chile	Yes	10 yrs, if mine elects a higher tax of 42%
China	No	
Egypt	No/Yes	Normal tax law – no; negotiated agreements - yes, for the life of the agreement
Ghana	No	
Greenland	No	
Guinea	Yes	10 yrs for operating permits and 25 years for concessions
Indonesia	No/Yes	If a general mining licence, no stabilization. If a Contract of Work or Coal Cooperation Contract, fiscal stabilization applies to at least some fiscal matters
Ivory Coast	No	
Kazakhstan	Yes	Taxes stabilized for life of mining agreement
Laos PDR	Yes	There are two possible ways: 1) a negotiated agreement may provide for stabilization, and 2) if the mine qualifies under the Law on Promotion of Foreign Investment as a promoted activity or is in a designated zone customs duties and income rates are stabilized for the periods granted for that investment under that law.
Madagascar	Yes	15 to 30 years
Mexico	No	
Mongolia	Yes	Company may negotiate a stability agreement
Mozambique	Yes	
Papua Guinea	Yes	Twenty years from the authorization to mine or for the period of finance, whichever is shorter
Peru	Yes	Either mining contracts system is 10-15 yrs; or Legal Stability Agreements systems is 10 yrs
Philippines	No	-
Poland	No	-
Romania	No	-
South Africa	No	-
Sweden	No	-
Tanzania	No	-
USA	No	-
Uzbekistan	Yes	Major taxes may be frozen for 10 yrs from date of establishment; may be difficult to implement
Vietnam	No	
W. Australia	No	-
Yemen	Yes	Life of an Exploitation Contract
Zambia	Yes	Negotiable, 10 to 15 years
Zimbabwe	No	-

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000) except for Bolivia, Central African Republic, Egypt, Guinea, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Yemen and Zambia. Information conveyed in this table may become out of date and should be viewed with caution. Check local statutes for the current treatment.

8.2 Income Tax (Industrial and Commercial Profits Tax - BIC)

At the beginning of the 20th century, the main way governments taxed mines was by imposing some type of royalty tax on production and various other taxes such as import/export duty. Today, however, almost all nations rely primarily on profit (income) based taxes although most retain a low-rate royalty. When designing an income tax system there are two key elements—the income tax rate, and the tax base that the rate is applied to. In this section, income tax level is first examined followed by an examination of the tax basis.

Over the past two decades there has been a general lowering of income tax rates, and it is now uncommon to see a corporate income tax rate higher than 35%. There has been a trend to lower income tax rates, particularly in nations where tax avoidance is high. Many nations have a rate between 20 and 35%. Table 12 lists corporate tax rates for a cross-section of nations surveyed in 2000 (or more recently as noted).

In the CAR the income tax rate is 30%. Table 13 shows the impact of a variety of income tax rates.

Table 12. Income Tax Rates* Applied to Mining Projects in Selected Jurisdictions

Country	Corporate Income Tax Rate (%)	Comment
Argentina	35%	
Bolivia	25%	a 25% surtax may also apply in some years
Burkina Faso	35%	
Canada	28%	29.12% including 4% surtax (provincial income tax also applies)
CAR	30%	if no profits, minimum tax of 1.5% of turnover
Chile	15%	two elective regimes are available
China	33%	30% to central government, 3% to provincial govt.
Egypt	20%	
Ghana	35%	
Greenland	35%	
Guinea	35%	
Indonesia	Graduated up to 30%	10% for the first fifty million rupiah; 15% for the next fifty million rupiah; 30% for over one hundred million rupiah.
Ivory Coast	35%	
Kazakhstan	30%	excess profits tax may also apply
Lao PDR	20 to 35%	rate determined by negotiation
Madagascar	25%; if IRR >20%, 35%; if IRR >25%, 40%	These rates are for large scale mines qualifying for LGIM status
Mexico	34%	
Mongolia	30%	
Mozambique	32%	
Papua New Guinea	30%	32% if option to stabilize taxes is selected
Peru	27%	29% if operating under a tax stabilization agreement
Philippines	30%	Currently 35%, 2009 = 30%
Poland	22%	
Romania	16%	
South Africa	30%	Special rates apply to gold mines
Sweden	28%	
Tanzania	30%	
USA	Progressive to 35%	
Uzbekistan	33%	
Vietnam	28 to 50%	Most mines at 28%, at the Prime Minister's discretion
W. Australia	30%	
Yemen	35%	
Zambia	25%	For copper mines with agreements
Zimbabwe	35%	

* - rate before any exemption or incentive reduction applied; IRR – Internal Rate of Return

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.49) except for more recent tax rates for Central African Republic, Bolivia, Egypt, Guinea, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Vietnam, Yemen and Zambia. Information conveyed in this table may become out of date and should be viewed with caution. Check local statutes for the current treatment.

Table 13. Tax System Sensitivity to Income Tax

Income Tax	Effective Tax Rate (%)	Investor IRR (%)	Government Revenue: All Taxes & Fees (USD)
25%	62.3	10.6	108,786,000
30% (base case)	66.6	9.6	116,270,000
35%	70.9	8.6	123,766,000

Observations on Income Tax

The rate of income tax (BIC) in the CAR (30%) is typical of the rates applied by many other nations.

8.2.1 Depreciation

In most of the surveyed nations, tax policy is mainly implemented through manipulation of the tax base rather than through a variable or negotiated income tax rate. The tax rate is commonly uniform for all tax-payers, or for all tax payers at a given level of profit. The most common form of tax-base incentive for mining is accelerated depreciation. Most nations provide the mining industry with some sort of accelerated depreciation (see Table 14).

In the CAR plant and equipment is depreciated using the straight-line method. The depreciation rate varies from between 5 and 20% for most mine related items. Buildings are typically at 5%, most fixed equipment at 10%, and transport equipment at 20%. Costs qualifying for depreciation may not be adjusted for inflation.

Observation on Depreciation

The concept of depreciation is that a taxpayer should be able to over the life of a piece of physical plant (equipment or building) deduct the full cost of that plant. Governments in almost all major mining countries provide an acceleration of depreciation deductions for mine equipment and plant. The CAR allows a taxpayer to deduct depreciation calculated using a straight-line schedule of depreciation rates which range between 5 and 20%. For a typical piece of large fixed mining equipment the depreciation rate is 10%. Most nations allow “accelerated” depreciation with a depreciation rate greater than 10%.

Table 14. Depreciation Applied to Typical Mining Equipment in Selected Jurisdictions

Country	Accelerated depreciation?	Depreciation method for typical large equipment
Argentina	Yes	3 yr straight-line
Bolivia	Yes	8 yr straight-line
Burkina Faso	No	Useful life minus one year
Canada (Ontario)	Yes	Up to 100% in yr incurred for new mine or 25% declining pool balance
CAR	Yes	10 years
Chile	Yes	3 yr straight-line
China	Yes	10 years
Egypt	Yes	25%+30% 1 st year, then 25% declining balance
Ghana	Yes	75% in 1 st yr, then 50% declining balance
Greenland	Yes	the company may decide the rate and period
Guinea	Yes	Declining balance at a factor of 2.5
Indonesia	Limited	12.5 % declining balance or 6.25% straight-line
Ivory Coast	Yes	Method of acceleration depends on life of equipment
Kazakhstan	Yes	25% declining balance method
Lao PDR	Yes	5 years straight-line
Madagascar	Yes	Straight-line at 10% rate or if eligible, at 2.5 times normal rate
Mexico	No	-
Mongolia	Yes	5 year straight-line (20%)
Mozambique	Yes	Depends on the type of development; under FBC, special accelerated depreciation at double the normal straight-line rate; mine life, or 25% straight-line
Papua New Guinea	Yes	Depreciated straight line over 10 years. Mobile plant may be depreciated using a 25% declining balance pool
Peru	Yes	Can select the rate of straight line dep. up to the allowed max; most mining, processing and power equipment has a max of 20% pa; roads and buildings have a max of 3% unless a stabilization agreement (15 yrs) is in effect in which case a 5% max applies; costs for govt. approved infrastructure such as a school, hospital or recreational facility can be expensed as incurred.
Philippines	Yes	If expected life is greater than 10 years, twice the normal straight-line rate; if life is less than 10 years, the normal rate; for most long-lived mining equipment a 5 year period is typical.
Poland	Yes	5 yrs straight-line (20%)
Romania	Yes	Election: 1) according to published schedules of straight-line lives for different categories of equipment and plant with lives typically in the 3 to 12 year range; or 2) take 50% of the cost in the first year of production, and the remainder at a straight-line rate based on the depreciation life of the equipment/plant
South Africa	Yes	Expensed in 1 st year of production
Sweden	Yes	5 yrs straight-line (20%)
Tanzania	Yes	12.5% straight-line
USA	No	-
Uzbekistan	Limited	8% straight-line

Vietnam	Yes	5 to 8 years straight-line, at taxpayers discretion
W. Australia	Yes	Prime cost or diminishing value methods, (usually less than effective life)
Yemen	No	According to schedule, typically 10%
Zambia	Yes	Expensed as incurred
Zimbabwe	Yes	Expensed in year incurred or 1 st year of product

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.51) except for Bolivia, Central African Republic, Egypt, Guinea, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Vietnam, Yemen and Zambia. Information conveyed in this table may become out of date and should be viewed with caution.

8.2.2 Loss Carry Forward

One of the most common tax incentives offered by governments is to allow taxpayers the ability to carry forward losses from one year to offset taxable income in future years. For capital-intensive industries, like mining, and for industries exceptionally prone to large commodity price fluctuation, like mining, loss carry forward is an important issue.

One of the main purposes of a long loss carry forward period is to allow marginally economic mines to survive time periods when prices are low. Money saved by the mining company through loss carry forward can be accumulated during high price periods and used to survive low price periods.

The CAR allows losses to be carried forward for three years from the year of loss, but loss carry-back is not allowed. This is an exceptionally short period and would be looked on with disfavor by investors. Loss carry forward and loss carry back periods are shown in the following table. Table 16 shows that the impact of a longer loss carry forward period has a negligible impact on a medium scale gold mine that has a life of about 10 years. The impact would be appreciable on very large mines that have a long cost recovery period.

Table 15. Loss Carry Forward/Back Policy in Selected Jurisdictions

Country	Loss Carry Forward		Loss Carry Back	
	Available?	Time limit (years)	Available?	Time limit (years)
Argentina	Yes	5	No	-
Bolivia	Yes	None	No	-
Burkina Faso	Yes	5	No	-
Canada(Ontario)	Yes	7	Yes	3
CAR	Yes	3	No	-
Chile	Yes	None	No	-
China	Yes	5	No	-
Egypt	Yes	5	No	-
Ghana	Yes	None	No	-
Greenland	Yes	None	Yes	5
Guinea	Yes	3	No	-
Indonesia	Yes	5	No	-
Ivory Coast	Yes	5	No	-
Kazakhstan	Yes	7	No	-
Lao PDR	Yes	3	No	-
Mexico	Yes	10	Yes	None
Madagascar	Yes	5	No	-
Mongolia	Yes	2	No	-
Mozambique	Yes	10	No	-
Papua New Guinea	Yes	None	No	-
Peru	Yes	4	No	-
Philippines	Yes	5	No	-
Poland	Yes	5	No	-
Romania	Yes	5	No	-
South Africa	Yes	None	No	-
Sweden	Yes	None	No	-
Tanzania	Yes	None	No	-
USA	Yes	15	Yes	3
Uzbekistan	No	-	No	-
Vietnam	Yes	5	No	-
W. Australia	Yes	None	No	-
Yemen	Yes	3	No	-
Zambia	Yes	10	No	-
Zimbabwe	Yes	None	No	-

Source: Derived from James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.60) except for Bolivia, Central African Republic, Egypt, Guinea, Indonesia, Laos, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Vietnam, Yemen and Zambia. Some information conveyed in this table may become out of date and should be treated with caution. Check local statutes for the current treatment.

Table 16. Tax System Sensitivity to Loss Carry Forward Period

Loss Carry Forward Period	Effective Tax Rate (%)	Investor IRR (%)	Government Revenue: All Major Taxes & Fees (USD)
3 years (base case)	66.6	27.9	116,270,000
5 years	66.6	27.9	116,270,000
No limit	66.6	27.9	116,270,000

Observation on Loss Carry Forward Time Limit

Some nations have moved to eliminate any maximum time limit on the carry forward of losses for income tax purposes. The time limit in nations that set a time limit is typically in the 5 to 10 year range. The loss carry forward time in the CAR is currently 3 years. Investors in very large mines would prefer a longer loss carry forward period.

8.2.3 Deductibility of Pre-production Exploration and Other Expenses

Substantial costs will be incurred by a company before it commences mining. For example, exploration, preparation of feasibility studies and work plans, and site development will all need to be done and can be quite costly. Most governments allow such costs to be deducted. Since there is no income during pre-production many governments provide for some form of deferred deductibility. The most common approach is to allow such costs to be accumulated, then deducted beginning in the first year of commercial sales. The deductions are usually either expensed in that year with a provision for the carry-forward of unused deductions, or amortized over a defined time period.

In the CAR costs associated with pre-production exploration, feasibility studies and development can be amortized over three years using the straight-line method (33 1/3%).

Tax treatment of pre-production exploration and similar costs by other nations varies widely and descriptions are provided in Table 17.

Observation on Pre-production Exploration and Other Expenses

Most mining tax systems allow certain pre-production costs to be accumulated and then either expensed in the first year of production or amortized over a number of years. In many nations, the amortization period is accelerated. In the CAR, preproduction costs of establishment (pre-production exploration, site development, feasibility and similar costs)

may be recovered through amortization over a three period (33 1/3%) using the straight-line calculation method.

Table 17. Deductibility of Pre-Production Exploration Costs

Country	Treatment of Pre-Production Exploration Costs
Argentina	200% deduction; 100% expensed and 100% depleted
Bolivia	expensed in year incurred
Burkina Faso	amortized straight-line over 3 years
Central African Republic	amortized straight-line over 3 years
Chile	deducted in 1 st year of production
China	amortize over at least one year in 1 st year of production
Egypt	expensed as incurred
Ghana	75% 1 st year of production, declining balance subsequently
Greenland	May be carried forward for future deduction
Indonesia	Expensed
Ivory Coast	amortize over 5 years starting the 1 st year of production
Kazakhstan	15% declining balance
Lao PDR	<i>Expensed</i>
Mexico	expensed fully as incurred or may elect to amortize straight-line at 10%/yr
Mongolia	amortize over 5 yrs, commencing in first year of production
Papua N.G	200%, 100% expensed as incurred, 100% amortized at 25% declining balance from start of production
Peru	expensed in year incurred or amortized over the life of the mine
Philippines	amortized at twice the normal straight-line rate, or may be added to and taken as part of a depletion allowance
Poland	amortized straight-line over 5 years
Romania	amortized over the life of the mine
South Africa	expensed fully in 1 st year of production
Sweden	expensed in year incurred
Tanzania	expensed in 1 st year of production
USA-Arizona	depleted over life of mine
Uzbekistan	amortized straight-line over 10 years
Vietnam	Amortized straight-line over 3 years
W. Australia	deductible in year incurred
Yemen	amortized over 3 years
Zimbabwe	expensed in year incurred or 1 st year of production

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* 53 (2d ed. 2000) (except for Bolivia, Central African Republic, Egypt, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Vietnam, and Yemen).

8.2.4 Deductibility of Investment in Communities and Infrastructure

There is interest by many mining companies in furthering the development of communities and peoples affected by a mine. This is motivated by a company concern that it will be able to maintain a “social licence” to operate in harmony with the community. One way to foster such harmony is to invest in developing communities that are impacted by mining. Attention is also increasingly paid to instituting sustainable development practices so that when the mine closes, the affected communities will be able to carry-on with alternative economic activities. Thus, investments made in the community during the mine life are important to investors, and they will be concerned about how these investments will be treated for tax purposes.

The current CAR tax system partially recognizes the value of money spent by a mining company on community infrastructure and allows such expenditure to be expensed in the year incurred. The deduction of such costs is capped at 5/1000 of taxable income costs.

Observation on Deductibility of Investment in Communities and Public Infrastructure

Companies are often willing to invest in local community infrastructure, services and sustainable development initiatives, and many nations encourage such investment by allowing such expenditures to be tax deductible. The CAR allows expenditure on community infrastructure to be expensed as incurred, subject to a cap of 5/1000 of taxable income.

8.2.5 Ring Fencing

Ring fencing (where an accounting wall is imposed on a discrete mine as opposed to allowing all activities of a company operating in the country to be combined in a single accounting) is a concept that is applied by some nations to mines that are subject to different taxation systems. Most nations do not ring fence mining unless individual mines are subject to one of the three following situations: (1) a mine is subject to a distinct and unique negotiated tax system; (2) the tax system or some part of the tax system to which a mine is subject is stabilized for a term of years; or (3) the tax system is subject to a resource rent type of tax. If any one of these three situations apply, most nations would ring fence that mine (see Table 18).

The rationale for ring fencing is obvious in the above cases where combining the books of two or more mines that have different tax systems would be an administrative challenge.

However, there may be certain types of activities where it makes sense to modify a ring fencing scheme. For example, take the situation of exploration. The reserves at any one

mine are finite, and unless further exploration takes place, the mine will eventually close and the contribution to government revenue will be lost. By allowing exploration expenditures in areas off the mining lease to be deductible, a mining company is encouraged to undertake such exploration.

In the CAR, all operations of a single taxable entity may be reflected in a single accounting (i.e. no ring fencing).

Observation on Ring-Fencing

Most nations do not ring fence mining projects. In other words if a single legal entity runs and operates multiple exploration and mining projects, it can combine the revenues and costs from all of them for taxation purposes. This is also the practice in the CAR.

Table 18. Ring Fencing Policy in Selected Jurisdictions

Country	Mines are ring fenced? (Yes or No?)	Comments
Argentina	No	
Bolivia	No	
Burkina Faso	Yes	
Canada (Ontario)	No	
Central African Republic		
Chile	No	
China	Yes	
Egypt	No	
Ghana	No	
Greenland	No	
Indonesia	Sometimes	contract of work mines are ring-fenced, other mines are not
Ivory Coast	No	
Kazakhstan	Yes	
Lao PDR	No	
Madagascar	No	
Mexico	No	
Mongolia	No	
Mozambique	Sometimes	
Papua New Guinea	Sometimes	mines operating under negotiated special mining leases are ring fenced; other mines are not
Peru	Sometimes	there is no ring fencing unless the tax entity has entered into differing tax stabilization agreements for different mines
Philippines	No	
Poland	No	
Romania	No	
South Africa	Yes	
Sweden	No	
Tanzania	No	
USA	No	
Uzbekistan	No	
Vietnam	No	
W. Australia	No	
Yemen	Sometimes	mines with negotiated Exploitation Contracts which stabilize fiscal terms are ring fenced; other mines/quarries are not
Zimbabwe	No	may consolidate books if mines are not registered as Ltd.

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* 53 (2d ed. 2000) (except for Bolivia, Central African Republic, Egypt, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Vietnam, and Yemen). Caution: Information in this table may be out of date. Check local statutes for the current treatment.

8.3 Royalty-Type Taxes

Over the past century, there has been a trend to de-emphasize tax systems based on royalties and to instead implement systems that rely on tax mechanisms that are based on “ability to pay”, i.e., profit-based taxes. A few nations have eliminated mineral royalties entirely, while others have reduced their importance. Table 19 provides a list of nations surveyed and whether or not they use mineral royalties as a form of raising mineral sector fiscal revenues. Most nations that impose an ad valorem royalty based on gross sales value (or net smelter return) generally do so at a rate less than 5% (except for diamonds and other precious stones). Table 20 lists royalty rates and their basis in a cross-section of nations.

In most nations minerals belong to the state. Like any other form of property the owner of property expects to receive payment when the property is transferred to another party. In some years, a typical mine will generate no taxable income for purpose of calculating income tax and thus were only an income tax to be applied, the state would receive no money even though the mine produced and sold minerals. The use of a royalty insures that regardless of profitability, the nation will receive at least a minimum payment for the sale of its non-renewable resource. Most nations impose at least a minimal royalty for this reason.

There are many types of royalties, and it is not useful to report on comparative rates because the amount of royalty will be based on both the rate and the basis. There are many methods by which governments determine a royalty basis including the following: sales invoice value, market value, net smelter return, sales value less costs, and so forth. A comprehensive book on mineral royalties has been published by the World Bank (Otto et al, 2006) which contains an analysis of different royalty types, the rates at which they are applied, and the legislation for about forty nations.

In the CAR, several royalty-like taxes are applied to minerals and each is based on the purchase value of the mineral sold. For gold the effective royalty rate is 5.25%: 1% release penalty/fee, 0.75% mining promotion tax, 0.5% computing equipment tax, 3% fixed minimum tax (IMF). For diamonds the rate is 12%: 4% release penalty/fee, 1% mining promotion tax, 0.5% computing equipment tax, 3% fixed minimum tax (IMF), SPP Kimberley 0.5%, special tax on purchase 3%. It is rare to see a gold royalty higher than 5%.

Table 21 shows the impact of imposing different royalty type tax rates on the model gold mine.

Observation on Royalty Type Taxes

The CAR imposes a number of royalty-type taxes that are based on the sales value of the mineral including the following: Release Penalty/Fee, Mining Promotion Tax, Computing Equipment Tax, Fixed Minimum Tax (IMF). IMF is creditable against income tax (BIC). Diamond sales are additionally subject to a SPP Kimberly tax of 0.5%. The rates for each tax type may vary with the mineral being sold. For gold the combined “effective” royalty is comparable to the rates in many other nations.

Table 19. Presence of Mineral Royalty Tax Systems in Selected Jurisdictions

Country	Royalty Imposed?	Comment
Argentina	No/Yes	Set by each state; some have royalties others don't.
Bolivia	Yes	
Burkina Faso	Yes	
Canada (Ontario)	No	No royalty in most provinces, some exceptions.
CAR	Yes	Composed of 4 or 5 separate taxes
Chile	Yes	
China	Yes	
Egypt	No	No royalty in the mining law but may be imposed in an agreement
Ghana	Yes	
Greenland	No	
Guinea	Yes	
Indonesia	Yes	
Ivory Coast	Yes	
Kazakhstan	Yes	
Lao PDR	Yes	
Madagascar	Yes	
Mexico	No	
Mongolia	Yes	
Mozambique	Yes	
PNG	Yes	
Peru	Yes	
Philippines	Yes	
Poland	Yes	
Romania	Yes	
South Africa	No	Except on certain lands. Under consideration in 2007.
Sweden	No	
Tanzania	Yes	
USA	No	No federal tax, some states impose severance tax
Uzbekistan	Yes	
Vietnam	Yes	
W. Australia	Yes	
Yemen	Yes	
Zambia	Yes	
Zimbabwe	No	Under consideration.

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.60) except for Bolivia, Central African Republic, Egypt, Guinea, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Vietnam, Yemen and Zambia. Caution: Some information conveyed in this in this table may be out of date. Check local statutes for the current treatment.

Table 20. Gold Royalties in Selected Nations

Country / law	Royalty type	Rate or unit fee	Basis
Angola <i>Mining Law No. 1/92</i>	Ad valorem	Gold - rate set separately for each mining title	Production value
Argentina <i>Mining Investment Law No.24.196, Resolution 56/97, provincial laws</i>	Ad valorem	Gold - rates vary according to province, subject to a maximum rate of 3% Note: all provinces have set the rate at 0% except for two provinces who have set it at 3%	Mine mouth value - sales value less allowable deductions such as transportation, insurance and freight, milling, beneficiation, amortization
Australia New South Wales <i>Mining Act 1992, Mining Regulations 2003</i>	Ad valorem	Gold - 4%	Ex-mine value
Australia Northern Territory <i>Mineral Royalty Act 1982</i>	Profit based	Gold - 18% (of "profit")	Net-back value: gross revenues less operating costs, capital cost recognition, eligible exploration costs, and other allowable costs
Australia Queensland <i>Mineral Resources Act 1989, Mineral Resources Regulations 2003</i>	Ad valorem Note: taxpayer may elect once for either a fixed rate or a variable rate	Gold Fixed rate - 2.7% or Variable rate - 1.5 to 4.5% (sliding scale starts at 1.5% based on LME spot price per troy ounce less than A\$430 and can go as high as 4.5% when the price exceeds A\$680)	The revenue base for gold will be determined by multiplying the actual quantity of gold sold, disposed of or used, by the spot price received where the gold is sold on the spot market. Where gold is delivered in terms of a forward sales contract, or used as repayment of a gold loan or gold overdraft facility (or payment of sundry charges under such facilities), the revenue base will be determined as being the relevant gold quantity multiplied by the gold price used for the purposes of calculating the variable rate (ie the London Bullion Market p.m. fix price quoted on the day of delivery, translated into \$A by applying the hedge settlement rate)

Country / law	Royalty type	Rate or unit fee	Basis
Australia Western Australia <i>Mining Act 1978</i> <i>Mining Regulations 1981</i>	Ad valorem	Gold - 2.5%	Gold produced times the gold spot price on the London Bullion Market
Botswana <i>Mines and Minerals Act No. 17 of 1999</i>	Ad valorem	Gold - 5%	Sale value receivable at the mine gate
Bolivia <i>Mining Code, Law 1777</i>	Sliding scale ad valorem	Gold - Price higher than US\$700.00: 7% From 400.00 to 700.00; .001x price Below 400.00: 4%	Gross sales value based on international reference price Note: rates are reduced by 60% for sales in the internal market
Brazil <i>Law 7990, 2/28/1989</i> <i>Law 8001, 3//13/1990</i>	Ad valorem	Gold - 1% (waived for small scale miners - garimpeiros)	Sales revenue minus transportation, insurance and certain taxes
Canada British Colombia <i>Mineral Tax Act Chapter 291</i>	Profit-based	Gold - the greater of 13% of net revenue less 2% of net proceeds, or 2% of net proceeds	Net revenue - gross revenues less operating expenses, development expenses once in production, and non-capital reclamation costs. Note: 2% of net proceeds acts as a minimum tax.
Canada Northwest Territories <i>Canada Mining Regulations CRC 1516</i>	Profits-based Sliding scale	Gold - 0 to 14% sliding scale 0% - \$C10,000 or less 5% - >10,000 up to 5 million 6% - >5 million up to 10 million 7% - >10 million up to 15 million 8% - >15 million up to 20 million 9% - >20 million up to 25 million 10% - >25 million up to 30 million 11% - >30 million up to 35 million 12% - >35 million up to 40 million 13% - >40 million up to 45 million 14% - >45 million	Output value (profit) - statutorily defined revenues less statutorily defined allowances and costs (most exploration, capital and operating costs) Note: \$C = Canadian dollars

Country / law	Royalty type	Rate or unit fee	Basis
Canada Ontario <i>Mining Tax Act, R.S.O. 1990, CHAPTER M.15</i>	Profits-based	Gold - 10% Note: mines qualifying as "remote mines" pay 5%	Gross revenue from sale of mineral products less most operating and capital costs including exploration and an allowance for depreciation; if less than \$C500,000 no tax is due; deductions available for in-province processing costs
Central African Republic	Ad valorem	Gold: Release/penalty: 1% mining promotion: 0.75% computing equipment: 0.5% fixed minimum tax (IMF): 3%, creditable or the 1.5% minimum tax on turnover	Sales revenues Sales revenues Sales revenues Sales revenues
China <i>Mineral Resources Law of the Peoples Republic of China (as amended 29 August 1996).</i> <i>"Resources Royalty Regulations (temporary) of the People Republic of China", N. 139, 199.</i> <i>Regulations for the Collection and Administration of the Mineral Resources Compensation Fee N.150. 1994. Two royalties are paid.</i>	Unit-based "resources royalty"	Gold - 0.4 to 30 Yuan/t Note: amount and basis is decided mine by mine	Taxable quantity
	Ad valorem "mineral compensation fee"	Gold - 4%	Sales income times coefficient of recovery rate
Colombia <i>Law 685 of August 15, 2001 "Mining Code"</i>	Ad valorem	Gold - not less than 0.4%	Mine mouth value
Cuba <i>Law No.76 (the Mining Law)</i> <i>Resolution No. 51/97</i>	Ad valorem	Gold - the State sets a rate for each mine within one of 3 bands: 3 to 5 %, 1 to 3 %, or up to 1 %.	Basis is set mine by mine using one of three methods: a) the sale price of the production; b) the average trimester quotation registered in the international market of the finished goods, or c) the value expressly agreed.
Dominican Republic <i>Mining Law of the Dominican Republic No. 146</i>	Ad valorem (export royalty)	Gold - 5%	Sales price F.O.B. Dominican port Note: creditable against income tax

Country / law	Royalty type	Rate or unit fee	Basis
Ghana Mining and Minerals Law of 1986, Mineral (Royalties) Regulations of 1987	Sliding scale ad valorem based on level of profitability	Gold - 3% if operating ratio is 30% or less; 3% + 0.225 of every 1% by which the operating ratio exceeds 30% but is less than 70%; 12% if operating ratio is 70% or more (Note: for most mines rate is typically 3%) Operating ratio equals operational costs / value of minerals won	Total mineral revenue
India Mines and Minerals Development Act 1957 as amended	Ad valorem	Gold - 1.5% for primary gold; 2.5% for byproduct gold	Value of contained gold (primary gold) or actually produced gold (by-product gold) based on the London Bullion Market Association price
Indonesia** (local company PK type license)	Ad valorem	Gold - 3.75%	Selling price
Indonesia (7 th generation Contract of Work, foreign-owned company)	Unit-based	Gold Limonite ore <2,000 Kgs - US\$225.00/Kg >= 2,000 Kgs - US\$235.00/Kg	Kgs gold metal contained in the sold product
Madagascar <i>Law No. 990022 Mining Code</i>	Ad valorem	Gold - 2%	Selling price
Mexico	No royalty	Gold - no royalty	
Mongolia Minerals Law of 1997	Ad valorem	Gold - from placer mines: 7.5%; from other mines: 2.5%	For exported products: average monthly prices of products, or similar products, based on regularly published international market prices or on recognized principles of international trade; for products sold or used on the domestic market: the sales value based on the domestic market price for the particular or similar product

Country / law	Royalty type	Rate or unit fee	Basis
Mozambique <i>Mining Code No.14/2002</i>	Ad valorem	Gold - 3 to 8% Negotiated for each mine	Value of mining product
Myanmar <i>Mines Law of 1994</i>	Ad valorem	Gold - 4 to 5%	Value of mineral sold based on the prevailing international price for that mineral when the sale is affected
Namibia <i>Minerals Act of 1992</i>	Ad valorem	Gold - maximum 5%, as determined by the Minister	Market value
Nigeria <i>Mineral and Mining Decree 1999</i>	Not specified	Gold - as may be prescribed by the Minister	As may be prescribed by the Minister.
Papua New Guinea <i>Mining Act1992, Mining Act 1997 section 105</i>	Ad valorem	Gold - 2%	If for export, f.o.b revenue otherwise the net smelter return.
Peru <i>Law of Mining Royalty No28258</i>	Sliding scale ad valorem based on annual sales (small scale miners have rates of 0%)	Gold - Up to US\$60million - 1% >US\$60million to US\$120million - 2% >US\$120million - 3%	Sales value minus treatment costs or the equivalent market value

Country / law	Royalty type	Rate or unit fee	Basis
Philippines (FTAA)	Ad valorem	<p>Gold - Excise tax rate is 2%; if mine is on a mineral reservation then 5% royalty applies; in addition to the excise tax and reservation royalty, if mine is on ancestral land, royalty for indigenous people is negotiated at a rate of at least 1%.</p> <p>Note: most mines pay at 2% because they are not on a mineral reservation or ancestral lands.</p>	<p>If concentrate: the actual market value shall be the world price quotations of the refined mineral products content thereof prevailing in the said commodity exchanges, after deducting the smelting, refining and other charges incurred in the process of converting the mineral concentrates into refined metal traded in those commodity exchanges</p> <p>If other than concentrate: actual market value of minerals or mineral without any deduction from mining, milling, refining (including all expenses incurred to prepare the said minerals or mineral products in a marketable state), as well as transporting, handling, marketing or any other expenses: <i>Provided</i>, That if the minerals or mineral products are sold or consigned abroad by the seller under C.I.F. terms, the actual cost of ocean freight and insurance shall be deducted</p>
<p>Russia <i>Federal Law 126-FZ</i></p>	Ad valorem	<p>Gold - 6% Note: if the taxpayer paid for the discovery of the deposit, rate is $0.7 \times 6 = 4.1\%$</p>	<p>3 valuation methods are provided: most mines will pay based on sales proceeds less certain government imposed taxes and fees and deductions relating to transportation and handling</p>
South Africa	Ad valorem royalty bill has been introduced to Parliament	<p>Gold - proposed: 3% Rate above is proposed in pending royalty bill</p>	Proposed: gross sales value

Country / law	Royalty type	Rate or unit fee	Basis
Tanzania <i>Mining Act 15 of 1998</i>	Ad valorem	Gold - 3%	Netback value: If export sale, FOB at the point of export from Tanzania. If domestic sale, delivery value minus costs for transport, insurance, handling, smelting, refining and processing.
Turkey <i>Turkish Mining Law No. 3213 as amended 21/02/2001</i>	Profit-based	Gold - 10%	Gross profit as defined in regulations
United States Arizona Title 27 - Minerals, Oil and Gas	Ad valorem (applies only to minerals in certain state lands, otherwise no royalty)	Gold - at least 2%, commissioner to determine rate	Market price
United States Michigan	Ad valorem (applies only to minerals in certain state lands, otherwise no royalty)	Gold - 2 to 7% 2% of adjusted sales value of the minerals is \$12 or less per short ton; increasing by 1/2% for each \$6.00 increase in the adjusted sales value per short ton; up to a maximum rate of 7%	Adjusted sales value
United States Nevada	Profit based (applies only to minerals in certain state lands, otherwise no royalty)	Gold - 5% of net proceeds above \$4 million	Net proceeds - gross yield (sales revenue) less most mine operating and capital costs, depreciation, downstream processing and transportation charges, and private party royalties

Country / law	Royalty type	Rate or unit fee	Basis
Venezuela <i>Mining Law Decree 295, Decree 1234 of 2001</i>	Ad valorem	Gold - 3%	Commercial value in the mine in which is included the costs that incur until the moment that the extracted mineral, crushed or not, is deposited on the vehicle that will transport it outside the boundaries of the granted area or to a beneficiation or refining plant, regardless of its place of location, taking into consideration its content and the price of the mineral on the buyer's market among other relevant factors.
Zambia <i>Mines and Minerals Act 1995</i>	Ad valorem	Gold - 2% (large scale mines)	Net back value: FOB value for exported minerals -or-market value less costs for transport, insurance, handling, smelting, refining and processing
Zimbabwe	No royalty	Gold - no royalty	Not applicable

Table 21. Tax System Sensitivity to Royalty-Type Taxes

Royalty-Type Taxes on Gross Sales Revenue	Effective Tax Rate (%)	Investor IRR (%)	Government Revenue: All Major Taxes & Fees (USD)
0%	56.7	12.4	99,982,000
2% (1% release fee, 0.75% promotion fee, 0.25% computing equipment fee, IMF = 0%)	63.9	10.5	111,460,000
3% (1% release fee, 0.75% promotion fee, 0.5% computing equipment fee, IMF=0.75%)	64.7	10.3	112,961,000
4% (1% release fee, 0.75% promotion fee, 0.5% computing equipment fee, IMF=1.75%)	65.0	10.2	113,441,000
5.25% (base case) (1% release fee, 0.75% promotion fee, 0.5% computing equipment fee, IMF=3%)	66.6	9.6	116,270,000
6% (1% release fee, 0.75% promotion fee, 0.5% computing equipment fee, IMF=3.75%)	67.9	9.3	118,469,000
7% (1% release fee, 0.75% promotion fee, 0.5% computing equipment fee, IMF=4.75%)	69.6	8.7	121,401,000

* base case royalty type taxes include : 1% release penalty/fee, 0.75% mining promotion tax, 0.5% computing equipment tax, 3% fixed minimum tax (IMF).

8.4 Import and Export Duties

8.4.1 Import Duties

Mining is capital intensive and utilizes specialized equipment that is usually imported. This means that an import duty on equipment has a direct impact on project economics in the project's early years. Project feasibility studies calculate various projections of profitability, such as internal rate of return and net present value, and such quantitative measures are very sensitive to large costs in the early years of a project. Even modest levels of equipment import duties can sink a marginal project. Competition for mineral sector investment worldwide is fierce, and most countries have either eliminated import duties on mine equipment or have found ways to exempt projects or their equipment from such duties.

Table 22 lists typical import duties in a cross-section of mining nations around the world. As can be seen in the table, most of the sample nations impose no or low duty and those nations with higher duty usually have some means of exempting mines.

The imposition of customs duty carries with it substantial burdens and costs for government in terms of the manpower and time required for tax collection. Most countries are in the process of reducing import duties to values of zero or close thereto. Many nations find that over time, corrupt practices can creep into customs services, particularly where high import duties are levied.

Table 22. Typical Import Duties on Mine Equipment

Country	Typical import duty on large equipment	Comments
Argentina	None	1% "control fee" applies to most imports
Bolivia	5%	Refundable
Burkina Faso	11%	only applicable at exploitation
Canada (Ontario)	0.5%	may be less if from within North American Free Trade Agreement (NAFTA) area
CAR	Exempt	exempt except for touring vehicles and office supplies
Chile	10%	added to depreciable costs and recovered through depreciation
China	None	
Ghana	Exempt	imports for commencement of mining are exempt, later imported equipment is exempt if it appears on the "Mining List"
Greenland	None	
Guinea	Partially exempt	exempt during construction then 5.6%; 0.5% registration tax regardless of phase
Indonesia	None to 10%	7 th generation COW: exempt non-COW: can apply for exemptions, in practice most pay at 2.5% and then receive refund or tax credit,; if no exemption most mine equipment is rated at 1 to 10%
Ivory Coast	0.75%	exemptions can be negotiated on an individual mine basis
Kazakhstan	None	
Lao PDR	Probably exempt	Negotiable
Madagascar	None*	*for qualifying large-scale mines--during exploration: exempt; during construction: exempt; during mining: combined import duty rate is 5% paid at time of import but is then deductible as depreciation
Mexico	35%	exemptions available to some types of mines, may be less if from NAFTA region
Mongolia	5%	Specific types of equipment listed in a regulation are exempt
Mozambique	Exempt	
Papua New Guinea	None	
Peru	5 to 7%	rates vary widely depending on the import
Philippines	1%	may be exempt if application is approved under either the Investment Act or the Mining Act
Poland	9%	If imported from another E.U. nation, exempt.
Romania	Exempt	
South Africa	None	import duty may apply to spares and parts
Sweden	None	zero-rated if from within the European Union, otherwise 0.6% unless it is not available in the EU, then 0%
Tanzania	None	
USA	rates vary	
Uzbekistan	None	normal rate is 3 to 6%, but can be exempted
Vietnam	Exempt	

W. Australia	5%	
Yemen	Exempt?	Negotiable in an Exploitation Agreement
Zimbabwe	5%	

Source: derived from James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.32) except for Central African Republic, Guinea, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Philippines, Vietnam, Yemen and Peru. Caution: Information conveyed in this table may become out of date. Check local statutes for the current treatment.

In the CAR, exploration permit companies benefit from a temporary admission regime and imported equipment listed in an attachment to the permit are exempted from import duty (Mining Code §90). Holders of a mining permit are exempt from customs duties and levies during the construction of the mine (except for touring vehicles and office supplies) and for replacement equipment due to a technical incident or expansion (Mining Code §92-93).

Observation on Import Duty

Import duty is mainly paid during the period in which a mine is being constructed during which there is no sales revenues. Thus, companies view such an input tax very negatively. Most mining nations have exempted mines from import duty during construction or zero-rated most mine type equipment categories. In the CAR, mines are exempt from paying import duty.

8.4.2 Export Duties

In the past, export duties were levied to both raise revenue and provide a tool to encourage downstream processing (ores and concentrates were charged at a higher rate than were metals and metal goods). However, in today's competitive global market, most nations no longer impose export duty on minerals (see Table 23). In today's global economy nations are steadily reducing or eliminating export duties as they encourage their domestic industries to maintain competitiveness and enter into the global marketplace. Minerals are widely available and export duties tend to discourage investment by foreign and local producers alike who need to be able to sell to the highest paying customer, whether domestic or foreign.

The CAR does not currently impose export duties on mineral sales. However, it does levy four taxes which have some attributes of export duty, and these are described in this Chapter's royalty section.

Observation on Export Duty

Almost all nations have exempted minerals from export duties or zero-rated mineral export categories. It is probable that many mining companies avoid investing in nations with appreciable export duties. Like most nations today, the CAR does not impose export duties on minerals.

Table 23. Typical Export Duties on Minerals

Country	Export duty on most minerals? (Yes or No?)
Argentina	No
Bolivia	No
Burkina Faso	No
Canada (Ontario)	No
Central African Rep	No
Chile	No
China	No
Egypt	Yes (some base metals)
Ghana	No
Greenland	No
Indonesia	No
Ivory Coast	No
Kazakhstan	No
Lao PDR	No
Madagascar	No
Mexico	No
Mongolia	No
Mozambique	No
Papua New Guinea	No
Peru	No
Philippines	No
Poland	No
Romania	No
South Africa	No
Sweden	No
Tanzania	No
USA	No
Uzbekistan	No
Vietnam	Yes
W. Australia	No
Yemen	No
Zambia	No
Zimbabwe	No

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.32) except for Central African Republic, Egypt, Indonesia, Lao PDR, Madagascar,

Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Vietnam, Yemen and Zambia. Caution: Information conveyed in this table may become out of date. Check local statutes for the current treatment.

8.5 Value Added Tax - VAT

This type of tax is becoming more common worldwide. In nations where such a tax is in use, it is commonly applied to most purchases, both in terms of capital goods as well as services. Because it is a “consumer” tax and export minerals must compete globally, almost all mineral exporting nations have chosen to eliminate the impact of the tax in one way or another on both export mineral sales and imported equipment and service purchases. The means to achieve this negation vary widely and involve varying degrees of complexity and government administration. The simplest form of negation is exempting VAT on all mining inputs and outputs for qualifying projects. More complex schemes involve rebates, crediting, refunds, deferrals, and a host of other mechanisms. While many nations negate the effect of VAT on exported products, many do apply VAT to mining products that serve domestic markets. Table 25 lists for selected tax jurisdictions whether or not they assess VAT. It also indicates whether relief from VAT is available to mines for purchased equipment.

The VAT situation in the CAR is unclear. A VAT of 19% applies to the purchase of goods and services. Export sales are exempt and for projects with such sales VAT should be refundable. However, it is reported that the VAT refund process is impaired because the funds available to make refunds are not adequate in some cases to allow full refunds. If this is the case, it doubtful that any large mine would be able to bear the VAT input tax burden and remain profitable. Table 24 shows two VAT scenarios. First it assumes that the model mine pays the 19% VAT on all inputs and receives a refund for such tax. Second it assumes that VAT is paid on inputs but that there is no refund.

Table 24. Tax System Sensitivity to VAT

VAT Assumption	Effective Tax Rate (%)	Investor IRR (%)	Government Revenue: All Major Taxes & Fees (USD)
19% on inputs, export sales exempt, input VAT refundable (base case)	66.6	9.6	116,270,000
19% on inputs, export sales exempt, no refund	84.8	3.9	148,056,000

Observation on VAT

Value added tax is becoming widespread and largely has replaced general sales tax in most nations. Typically, mining nations handle VAT in two ways. Where the mineral produced is sold for consumption within the country the normal VAT system is applied. However, where the output is exported, the sales transaction is free of VAT (zero-rated or exempt) and there is a way for VAT to be negated on inputs (exemption, zero-rated, refund or credit scheme). The approach in the CAR is VAT is payable on inputs and if the mineral is exported, input VAT is refundable. However, it is reported that the VAT refund process is impaired because the funds available to make refunds are not adequate in some cases to allow full refunds. If this is the case, it doubtful that any large mine would be able to bear the VAT input tax burden and remain profitable. An essential reform to fiscal system is to either exempt mines that export from input VAT, or to reinstitute the VAT refund system.

Table 25. VAT on Imported Goods and Services in Selected Jurisdictions

Country	VAT is payable on purchase of goods and services	If the product is exported, means are available to negate the VAT effect on foreign goods and services purchased by a mine (exempt, zero-rated, credits, deferral, refund, etc.)
Argentina	Yes	Yes
Bolivia	Yes	Yes
Burkina Faso	Yes	Yes
Canada (Ontario)	Yes	Yes
Central African Rep	Yes	Yes (VAT is refundable, but in practice the refund system may not function)
Chile	Yes	Yes
China	Exempt	-
Ghana	Exempt	-
Greenland	None	-
Guinea	Exempt	-
Indonesia	Yes	Yes
Ivory Coast	Yes	None
Kazakhstan	Yes	Yes
Lao PDR	Exempt	VAT system is not being implemented at present
Madagascar	Yes	Yes
Mexico	Yes	Yes
Mongolia	Yes	Yes
Mozambique	Yes	Yes
Papua New Guinea	Yes	Yes
Peru	Yes	Yes
Philippines	Yes	If the mine will export all of its production, VAT paid on services may either be refunded or claimed as a tax credit certificate by the taxpayer. The tax credit certificate may be used by the taxpayer in payment of internal revenue taxes. VAT paid on the importation or purchase of capital goods cannot be refunded and can only be claimed as input VAT credits deductible against output VAT. Since VAT on exported minerals is zero rated, no crediting is available if the mine product is exported.
Poland	Yes	Yes
Romania	Yes	Yes, if from within the E.U. – exempt, and if product is exported - input VAT is refundable
South Africa	Yes	Yes
Sweden	Yes	Yes
Tanzania	Exempt	-
USA	None	-
Uzbekistan	Exempt	-
Vietnam	Yes	Yes
W. Australia	Yes	Yes
Yemen	Exempt?	Probably (negotiated agreement)

Zimbabwe	None	-
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Source: derived from James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.48) except for Central African Republic, Guinea, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Philippines, Romania, Vietnam, Yemen and Peru. Caution: Information conveyed in this table may become out of date. Check local statutes for the current treatment.

8.6 Dividend, Loan Interest and Foreign Services Withholding Taxes

Many nations impose various forms of withholding taxes, for example on remitted dividends, loan interest, and foreign services. These taxes can be appreciable for large mines. Tables 26 and 27 list withholding tax rates for a number of countries. The general rates described in the tables must be used with some caution. Although many governments define a high dividend withholding tax rate, perhaps with the objective of promoting reinvestment or providing national mining companies with an advantage over foreign firms, they often enter into bilateral investment treaties or double taxation treaties that lower or eliminate such taxes for companies headquartered in key trading partner countries.

The CAR imposes withholding taxes on remitted dividends and payments to foreign service providers at a rate of 15% (such withholding payments are not deductible for computing income subject to the Industrial and Commercial Profits Tax). A 1% withholding tax may apply to payments of foreign loan interest and is deductible. However, information sources differed on whether the 1% tax applies in all situations. Lower withholding rates may apply with some tax treaty countries.

The impact of a range of withholding taxes on dividends and service contracts using the mine model are shown in Table 28.

Table 28. Tax System Sensitivity to Withholding Tax

Withholding Tax (on dividends and service contracts remitted outside the CAR)	Effective Tax Rate (%)	Investor IRR (%)	Government Revenue: All Major Taxes & Fees (USD)
0%	50.6	13.4	88,364,000
10%	61.7	10.9	107,677,000
15% (base case)	66.6	9.6	116,270,000
20%	71.2	8.5	124,252,000

Observation on Withholding Taxes

Most nations impose withholding tax on remitted dividends, loan interest and on payments for foreign sourced services. The CAR does so also at a rate of 15% on remitted dividends and services. A 1% withholding tax may also in some cases apply to foreign loan interest payments (different information sources had varying opinions on this issue). The rate can be less for payments in countries that have tax treaties with the CAR. The 15% rate is comparable to that in many other nations.

Table 26. Dividend Withholding and Similar Taxes in Selected Jurisdictions

Country	Dividend Withholding Tax rate (%)	Comment
Argentina	0	35% on the excess of the accumulated taxable net income
Bolivia	12.5	
Burkina Faso	12.5	
Canada (Ontario)	25	
Central African Rep	15%	
Chile	35	15% income tax is credited against the withholding tax
China	None	
Egypt	None	
Ghana	10	most mines negotiate an exemption
Greenland	35	
Guinea	15	
Indonesia	20	Most tax treaties reduce the rate to 15%
Ivory Coast	12	
Kazakhstan	15	
Lao PDR	None	
Madagascar	10	
Mexico	35	
Mongolia	20	
Mozambique	10	
PNG	10	
Peru	0	An additional rate of 4.1% on income tax applies when dividends are distributed.
Philippines	35*	Nonresident foreign corporations; 35%, reducing to 30% in 2009 Nonresident alien individuals: 25% Philippine individuals: 10%
Poland	20	
Romania	16	
South Africa	12.5	Secondary Tax on companies is levied on dividend basis
Sweden	None	
Tanzania	10	
USA	30	
Uzbekistan	15	
Vietnam	None	
W. Australia	30	0% if dividend is fully franked
Yemen	None	
Zambia	None	
Zimbabwe	20%	Credited against income tax

* where rates are given they refer to the general rate. Many nations have bilateral investment or double taxation treaties that greatly lower the rate or eliminate.

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.45) except for Bolivia, Central African Republic, Egypt, Guinea, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Vietnam, Yemen and Zambia. Some information conveyed in this in this table may be out of date. Check local statutes for the current treatment.

Table 27. Loan Interest Withholding Tax in Selected Jurisdictions

Country	Loan interest withholding tax rate (%)*	Comment
Argentina	15.05	35% on inter-company loans
Bolivia	12.5	
Burkina Faso	12.5	
Canada (Ontario)	25	note: local finance is available
Central African Rep	1%?	Note: conflicting information
Chile	4%	4% when loan is granted by foreign bank; 35% otherwise.
China	none	
Egypt	none	
Ghana	10	may be exempted by negotiated agreement
Greenland	none	
Guinea	none	
Indonesia	20	most tax treaties reduce this to 10%
Ivory Coast	18	
Kazakhstan	15	
Lao PDR	none	
Madagascar	25	
Mexico	15	
Mongolia	20	
PNG	exempt	
Peru	4.99	4.99% when loan is granted by foreign bank or exceeds a cap; 30% otherwise.
Philippines	20	
Poland	20	(in 2000)
Romania	16	
South Africa	none	
Sweden	none	
Tanzania	none	
USA	30	Note: local financing available
Uzbekistan	15	
Vietnam	10	
W. Australia	10	Note: local financing available
Yemen	none	
Zambia	0 (for copper and cobalt) 15 for other minerals	
Zimbabwe	10	may be used as an income tax credit

* where rates are given they refer to the general rate. Many nations have bilateral investment or double taxation treaties that greatly lower the rate or eliminate it for loans originating in the treaty country.

Source: James M. Otto, John Cordes & Maria L. Batarseh, *Global Mining Taxation Comparative Study* (2nd ed. 2000, p.45) except for Bolivia, Central African Republic, Egypt, Guinea, Indonesia, Lao PDR, Madagascar, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Vietnam, Yemen and Zambia. Some information conveyed in this in this table may be out of date. Check local statutes for the current treatment.

8.7 Transfer of Funds Tax

The CAR levies a tax on the transfer of funds from within the CAR to outside the CAR. The rate varies depending on the location to which are to be transferred. The policy rationale is unclear, very few nations have such a tax. One policy reason would be to discourage the transfer of funds out of the country. Most nations use withholding taxes or reinvestment incentives for this purpose. Any reason may be historical, a vestige of colonial times when colonial administrators were motivated to favor one group of investors over another. Regardless of the motivation, the tax is significant. The presence of the tax will almost surely result in companies seeking to reduce its impact by efforts to maintain purchases and sales outside the CAR. The tax on transfer of funds is levied as follows:-

- 0.0% on the transfer when the transfer is toward a CEMAC destination (CEMAC is the Economic and Monetary Community of Central Africa – Cameroon, Chad, the Republic of the Congo, Equatorial Guinea and Gabon).
- 0.25% when transfer is towards “Franc”-zone countries excluding CEMAC ((Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, Togo, Congo, Chad, Comoros and France).
- 0.50% when transfer towards countries outside the “Franc”-zone.

Table 29 shows the effect of various levels of transfer of funds tax on the model gold mine.

5.2.11.1.1.1.1.1.1

5.2.11.1.1.1.1.1.2 Table 29. Tax System Sensitivity to Transfer of Funds Tax

Transfer of Funds Tax	Effective Tax Rate (%)	Investor IRR (%)	Government Revenue: All Major Taxes & Fees (USD)
0%	65.6	10.0	114,460,000
0.25%	66.1	9.8	115,366,000
0.50% (base case)	66.6	9.6	116,270,000
If exempted during construction, then 0.50%	66.4	9.8	115,817,000

Observation on Transfer of Funds Tax

Most nations do not impose a tax on funds transferred out of the country except for withholding taxes. The CAR imposes a tax on the transfer of funds. The rate varies depending on the destination from 0 to 0.5%.

8.8 Tax Collection and Distribution

There is no function of government more controversial than tax collection and distribution. It is a key way in which power is allocated in a regulated society.

Governments have many options regarding the distribution of taxes. Traditionally, the option chosen by many developing nations is that most tax revenues flowed to central government and then were distributed according to the budgeting process. The area or region in which a mine was located did not receive any particular preference except as resulted from budget decisions. However, there has been a recent move to provide a greater level of tax participation at provincial and local levels. This is particularly true in nations with strong local governments (or where tribal customary law acts in parallel with government). In some nations if there is strong local opposition to a mine, perhaps because there is a perception that local minerals are being mined with little fiscal benefit to the local community, that opposition can effectively stop mine development regardless of whether the government has granted development permission.

There are a variety of policy options. One option is to distribute revenue collections by allocating taxing power--some taxes to be collected by central government, some by local government. In allocating tax collection power, care must be taken to take into account two main factors: (1) limitations should be imposed to constrain too high a level of locally imposed tax and fees (i.e., the need for a closed list of local taxes and taxes that are capped), and (2) the capability of local government to effectively collect the tax.

Another option is for taxes to be collected by central government but then, as required by statutory allocation, to remit the required portion to local government. Central government is often better equipped for the tax collection (and auditing) function than is local government. However, there is a danger that irrespective of what the statute says, local government will not receive its due. For this reason, most mining companies prefer to pay the intended level of government directly rather than rely on an internal remittance system. Local governments prefer to receive taxes directly from the taxpayer rather than relying on remittance from central government.

A third option, and one that was discussed in another section above, is for central government to forgo some portion of taxes by allowing the company to deduct qualified investments made in local communities.

Another distribution option is for the government to mandate that a special tax, fee, contribution or distribution be made by the company for the benefit of a designated class of beneficiaries. Examples of such “targeted” distributions include mandatory contributions linked to salaries of employees such as contributions to insurance, retirement funds, profit sharing and so forth and contributions to special purpose funds such as for local sustainable development efforts.

Table 5 shows the level of government that various taxes are paid to.

8.9 Land Area Fees

Most nations assess a rent or usage fee on exploration, mines and quarries based on the land area that they occupy or use under permit or contract. Usually such rent/fee is uniform for all holders of a like type of permit and rates and collections are low relative to most other taxes such as income tax and royalty. Such land rental is usually deductible for computing income subject to income tax.

It is not uncommon for mine and quarry land rentals to be paid to local rather than central government but it is uncommon for rental rates to be set by local government. The reason for this is that local government will naturally seek to maximize rent from such sources and if given unfettered authority to set rents for individual operations, will be prone to develop corrupt and abusive practices. Additionally, many governments that have given rental setting and collecting authority to local government have found that the expenditure of such revenues may take place in a nontransparent way.

In the CAR, land use fees are applied to prospecting permit area and to exploitation permit area based on a square kilometer basis. The amounts escalate over time. The fees are set out in Table 6.

Observation on Land Area Fees

The CAR annual land area related fees for exploration and exploitation permit areas are similar to the fees imposed in other nations.

8.10 Government Equity

Today, very few governments are interested in taking up an equity interest in mining (see Table 30). In the past, the rationale behind the government taking an equity role was based mainly on two perceptions: (1) the government needed to exert a greater level of control over its natural resources, and (2) the government would benefit financially from an equity stake. However, with improvements in mining laws and tax laws, and with a greater appreciation of the risks involved with mining, most nations have now rejected taking an equity stake and exert the desired level of control through laws. Improvements in mining tax systems have prompted governments to focus on risk-free tax measures rather than on risk-prone equity as the primary means by which to reap financial benefits.

Of the few governments that still take an equity share, there are several approaches used. One is where the government takes a working interest, i.e. pays its full share of all costs and takes its share of profit distributions. While almost all mining companies would prefer no state participation, if such participation is necessary for political reasons, this is the approach that will least dissuade investors. The government of Papua New Guinea uses this working interest approach and has been able to attract substantial investment. Such an approach does not alter the investor's rate of return. Another approach is where the government requires an interest and pays no share of costs but is entitled to a proportionate equity share of distributed profits. The impact on the investor's rate of return is very similar to a dividend or remitted profits withholding tax. This free equity approach is not acceptable to most companies who will look to other jurisdictions in which to invest. The free equity approach is used almost exclusively in the West Africa region where mining investment remains relatively low although it is highly prospective for many minerals. Some nations in this region, such as Guinea, have the ability under the law to take a free equity share but have concluded that requiring such a share is in the long term counterproductive because it drives away investors who would otherwise invest, pay taxes and contribute to development.

In the CAR state equity is not required. However, it is not banned and can, by mutual agreement, be made part of a negotiated agreement.

Table 30. Equity Requirements in Selected Jurisdictions

Country	Mandatory local private equity interest required by law or policy?	Mandatory state equity interest required by law or policy?
Argentina	No	No
Bolivia	No	No
Burkina Faso	No	Yes, 10% free equity
Canada (Ontario)	No	No
Central African Republic	No	No
Chile	No	No
China	No	No
Egypt	No	No/Yes (required only for gold projects granted licenses in 2006/7)
Ghana	No	Yes, 10% free equity
Greenland	No	No
Guinea	No	No, (recent agreements don't include gov't equity)
Indonesia	No/Yes, some generations of COWS require phased offering of shares to nationals	Policy not certain at this time
Ivory Coast	No	Yes, 10% free or carried interest
Kazakhstan	No	No
Lao PDR	Yes/No (no specific requirement, negotiable)	Yes/No (no specific requirement, negotiable)
Mali	No	Yes
Mongolia	Yes	No/Yes (the state has an option to take up to a 50% equity stake in strategic deposits it helped explore and up to 34% in other strategic deposits)
Mexico	No	No
Mozambique	No	No
Papua New Guinea	No/Yes (local landowners may opt for a paid equity interest)	No/Yes (the state may opt for a paid equity interest)
Peru	No	No
Philippines	Yes/No (60% ownership by nationals required unless investment is made under certain constitutionally defined agreements such as an FTAA)	No
Poland	No	No
Romania	No	Sometimes, for example up to 19.3% for some gold projects
South Africa	No	No
Sweden	No	No
Tanzania	Yes	No
USA	No	No
Uzbekistán	No	No
Vietnam	No	No

W. Australia	No	No
Yemen	No	No
Zambia	No	No
Zimbabwe	No	No

Source: except for Bolivia, Central African Republic, Egypt, Indonesia, Lao PDR, Mongolia, Mozambique, Papua New Guinea, Peru, Philippines, Romania, Vietnam, Yemen and Zambia, derived from Global Mining Taxation Comparative Study, 2nd edition 2000.

Observation on Equity Participation

Most nations today do not participate as an equity partner in mining projects. The few that do require a free equity interest do so in the range of around 10% percent. The very few nations that require or retain an option for more than 10% equity acquire their equity on a paid basis. The CAR does not require a mandatory state equity share.

8.11 Minimum Tax and Excess Profits Tax

Commodity prices fluctuate greatly reflecting supply and demand in the world economy. There are a variety of fiscal methods available to governments which can be used to collect additional revenues in times of high prices including for example, a form of resource rent tax, a graduated royalty that increases as the price of the commodity increases, and a graduated income tax. However, it is important for tax policy makers to plan for both periods of high prices and low prices (note: loss carry forward tends to smooth out and reduce the impact of extreme price fluctuations). Profit based taxes such as income tax and dividend withholding track profitability in times of high prices. Some, but very few governments, levy a special form of excess profits tax. Of the very few nations that do levy a form of excess profits tax, the most common approach is a graduated royalty rate which increases as some measure of either commodity price (such as in Bolivia) or profitability (such as in Ghana) increases. Some nations impose a minimum tax to insure that at least some tax is paid even if a mine is not generating a profit.

The CAR does not impose an Excess Profits Tax but does, in the absence of a profit, levy a 1.5% tax on turnover with the minimum payable being 1,500,000 F CFA per annum.

Observation on Minimum Tax and Excess Profits Tax

Very few nations impose excess profits on mines. Such taxes, regardless of their form, are viewed very negatively by investors. When profits are high, companies already pay more income tax. Many mines lose money when commodity prices are low and may require funds saved from higher price periods to remain in business. It is usually in the interest of both the investor and the government to keep a mine open so that future

revenue flows will occur. The CAR does not impose an excess profits tax but does levy a small minimum tax to insure that some tax is paid in years when no profits are made.

8.12 Bonus Payments and Permit Fees

There are three main types of bonus payments that are used in the petroleum sector: a signature bonus, a triggered bonus, and an annual bonus. A signature bonus is a lump sum paid to the government upon signature of a production sharing or other form of contract. A trigger bonus is a one time lump sum paid to the government when an agreed event takes place, such as reaching a certain number of barrels per day production target. An annual bonus, which is rare, is an annual lump sum payment to government. Bonus payments of any type are not used in the mining industry except in rare occasions where a known deposit is tendered by bid.

It is common for nations to assess permit fees upon the issuance of the permit authorization. In almost all mining countries the fee is nominal amounting to just a few hundred or thousands of dollars.

The CAR typically requires a signature bonus payment at the time a mining convention is signed. Permit fees also are applied: Reconnaissance Permit: 500,000 F CFA; Exploration Permit: 1,500,000 F CFA; Exploitation Permit: 20,500,000 F CFA.

Table 31 shows the impact of various signature bonuses on the model gold mine.

Table 31. Tax System Sensitivity to Signature Bonus

Signature Bonus (USD)	Effective Tax Rate (%)	Investor IRR (%)	Government Revenue: All Major Taxes & Fees (USD)
0	65.5	10.2	114,270,000
2,000,000 (base case)	66.6	9.6	116,270,000
5,000,000	68.3	8.9	119,270,000
10,000,000	71.2	7.8	124,270,000

Observation on Bonus Payments and Permit Fees

Bonus payments are common in the petroleum industry but very few nations impose bonus payments on the mining industry. Unlike most nations, the CAR typically requires a large bonus payment on the signing of a mining agreement. Almost all nations impose a one-

time permit fee at the time that a mining permit authorization is issued. The fee is usually nominal, just a few hundred or thousands of dollars and this is the practice in the CAR.

9. Summary and Final Observations: Large Mine Taxation

- Taxation is an important criterion that foreign investors analyze when deciding where to invest, but it is not the only criteria.
- This study has analyzed the competitive position of the CAR mineral sector statutory tax system to determine if it is internationally competitive. The tax systems of thirty jurisdictions, including the CAR's, were assessed using a proprietary gold mine model. Based on well accepted measures of comparison--internal rate of return (IRR⁸¹) and overall effective tax rate (ETR⁸²)--it was determined that the current CAR mineral sector tax system is a moderately high tax jurisdiction ranking 20 highest out 30 jurisdictions.
- Most companies will not invest in a project unless the IRR is at least above 12%, and many companies would require a much higher IRR in the CAR which is considered a risk-prone location. Using 2008 cost assumptions in the gold mine model, the current fiscal system would yield an IRR of 12% at a gold price of \$485 per ounce.
- Nations that have enjoyed high levels of mineral sector investment and that are generally acknowledged as obtaining a "fair share" of fiscally derived revenues usually have a total undiscounted effective tax rate (ETR) of between 40 and 70%. Using 2008 cost assumptions in the gold mine model, the current fiscal system would yield an ETR of between 44 to 62% over a gold price range of US\$1000 to US\$485. The ETR in the CAR at any gold price is higher than in many nations but is not unreasonable.
- The fiscal needs and administrative capabilities of individual nations vary and tax systems thus evolve differently in different nations. However, as the world moves forward into the new century it is clear that mining fiscal systems are becoming increasingly similar. Nations whose mining fiscal systems impose a non-transparent taxation system (such as a negotiated system) or a system that investors perceive as inappropriate (such as one in which taxes not tied to profitability dominate) can expect to see lower levels of investor interest than nations with transparent systems that approach the "global" norm.
- **Most international mining companies will find the level and types of statutory taxes in the CAR acceptable. It is recommended that the existing fiscal**

⁸¹ A technical definition of internal rate of return (IRR) is provided in the report.

⁸² A technical definition of total Effective Tax Rate (ETR) is provided in the report.. ETR is a measure of the level of taxation that takes into account all taxes, tax incentives, fees, duties, and other distributions to government.

regulatory system be retained. However two problem issues were identified. In some instances, mines have been required to pay a nontransparent (secret) signature bonus that does not have its basis in any fiscal law. Secondly, the VAT system is reported as not currently be functional with regard to refunds. It is recommended that the use of negotiated signature bonuses be discontinued and that either VAT refunds be made promptly or alternatively mine inputs be exempted from VAT.

To facilitate a better grasp of the base case mine model results a variety of figures are included in this section.

Figure 5. Distribution of Mine Revenues (from sales)

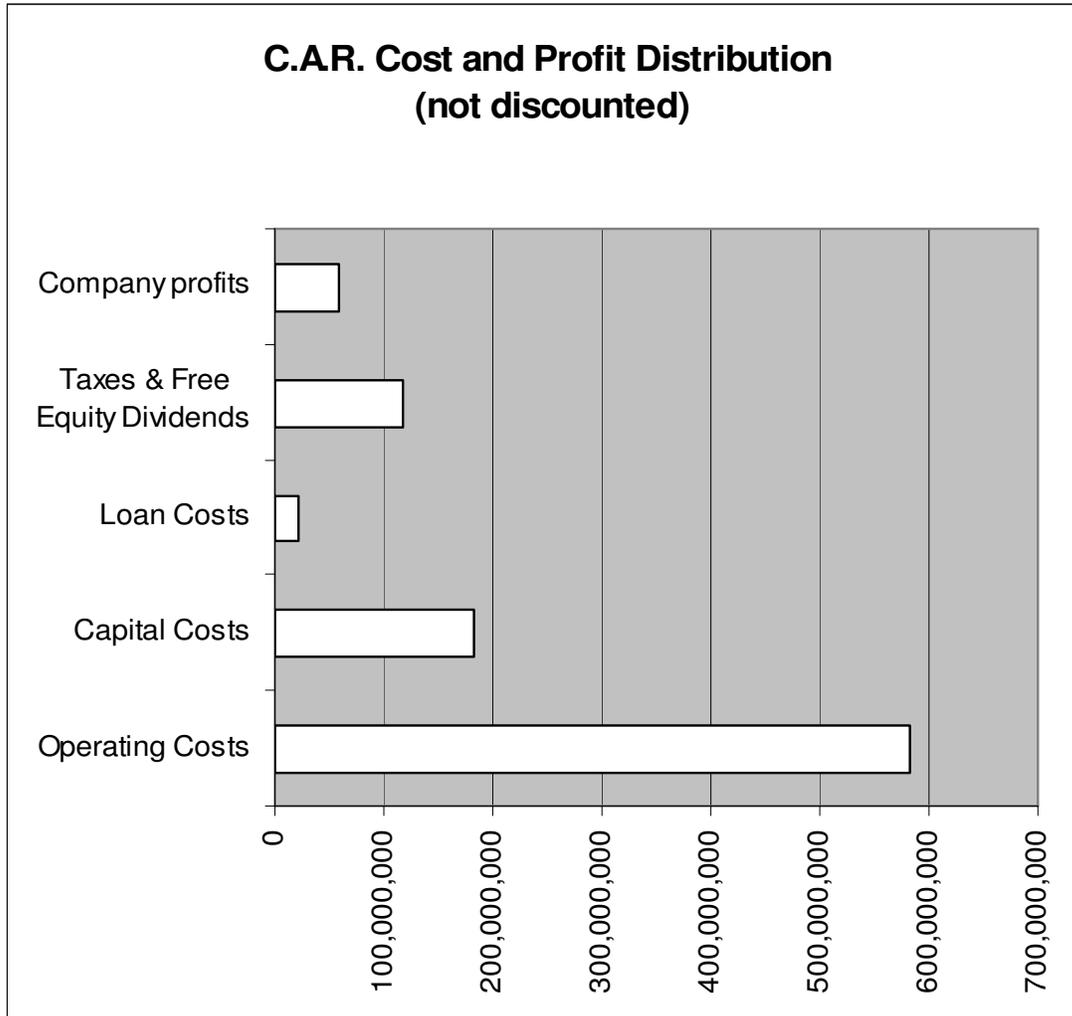


Figure 6. Breakdown of Total Taxes Paid Over Life of Model Gold Mine

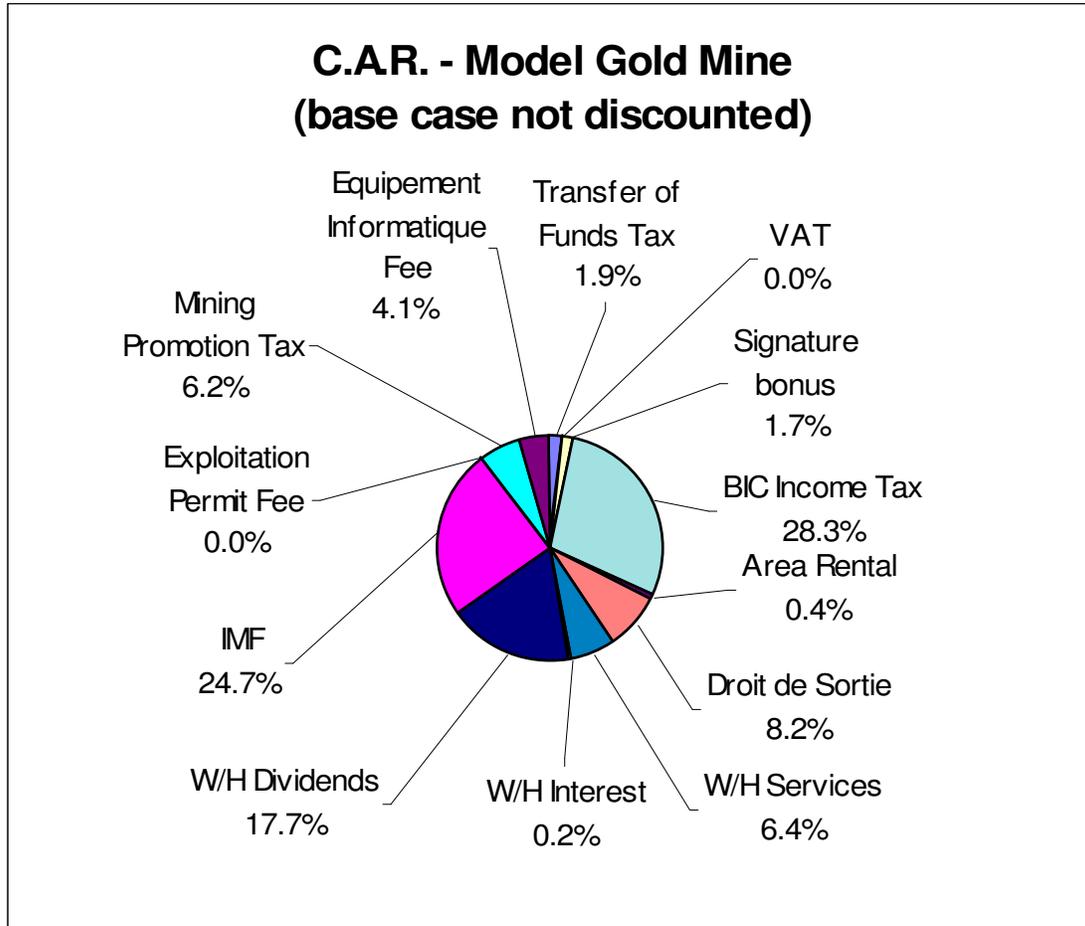


Figure 7. Summary of Taxes and Fees (Base Case)

Breakdown of Cumulative Taxes (not discounted)	Total Value	% of Gross	% of Tax
Gross Revenue	959,354,589		
- Transfer of Funds Tax	2,249,919	0.2%	1.9%
- Value Added Tax	0	0.0%	0.0%
- Signature bonus	2,000,000	0.2%	1.7%
- BIC Income & Minimum Tax	32,938,927	3.4%	28.3%
- Exploitation Permit Area Rental Fee	490,141	0.1%	0.4%
- Droit de Sortie	9,593,546	1.0%	8.2%
- W/H Tax (foreign consulting services)	7,414,970	0.8%	6.4%
- W/H Tax (Interest remitted)	211,917	0.0%	0.2%
- W/H Tax (Dividends remitted)	20,586,688	2.1%	17.7%
- IMF (Impôt Minimum Forfaitaire)	28,780,638	3.0%	24.7%
- Exploitation Permit Fee	11,140	0.0%	0.0%
- Mining Promotion Tax	7,195,159	0.8%	6.2%
- Equipement Informatique	4,796,773	0.5%	4.1%
= Total Taxes	116,269,819	12.1%	100.0%

Depreciable Equipment	-10,000,000	-50,000,000	-30,000,000	-5,463,635	-5,627,544	-5,796,370	-5,970,261	-6,149,369	-5,087,080	-2,609,546	0
Pre-production exploration costs	-5,000,000	0	0	0	0	0	0	0	0	0	0
Development costs	-20,000,000	-20,000,000	0	0	0	0	0	0	0	0	0
Feasibility costs	-10,000,000	0	0	0	0	0	0	0	0	0	0
Working Capital Additions	0	-5,000,000	-5,000,000	-300,000	-309,000	-318,270	-327,818	-337,653	-347,792	-359,218	12,298,739
Borrowed Money Inflow	18,000,000	45,000,000	21,000,000	0	0	0	0	0	0	0	0
- Principal Payments	0	-3,068,216	-10,984,214	-15,442,537	-16,877,940	-18,012,175	-14,944,932	-4,869,987	0	0	0
- Signature bonus	-2,000,000	0	0	0	0	0	0	0	0	0	0
- Import Duties on Equipment (recoverable)	0	0	0	0	0	0	0	0	0	0	0
- Goods and Services Tax (recoverable)	0	0	0	0	0	0	0	0	0	0	0
- IMF (Impôt Minimum Forfaitaire)	0	0	-1,665,113	-3,413,481	-3,498,818	-3,586,288	-3,675,945	-3,767,844	-3,862,040	-3,959,591	-1,352,519
- VAT on services	0	0	0	0	0	0	0	0	0	0	0
- VAT on equipment	0	0	0	0	0	0	0	0	0	0	0
- WH Tax (foreign consulting services)	-1,575,000	-975,000	-468,338	-542,253	-558,520	-575,276	-592,534	-610,310	-619,119	-618,120	-280,502
- WH Tax (Dividends remitted)	0	0	0	0	-2,004,463	-1,770,500	-984,994	-1,800,783	-3,400,321	-4,197,403	-4,541,369
Project Cash Flow before equity distributions	-30,776,540	-35,855,557	-10,432,411	13,363,088	11,803,332	6,566,624	12,005,219	22,668,808	27,982,686	30,275,792	12,579,039
- Worker Profit Share	0	0	0	0	0	0	0	0	0	0	0
- Distribution to government free equity share	0	0	0	0	0	0	0	0	0	0	0
Project cashflow	-30,776,540	-35,855,557	-10,432,411	13,363,088	11,803,332	6,566,624	12,005,219	22,668,808	27,982,686	30,275,792	12,579,039

Net Present Value @ discount rate - Project Basis	-8,322,659
Rate of return - Project	9.6%
Net Present Value @ discount rate - Foreign Investor	-8,322,659
Rate of return - Foreign Investor	9.6%
NPV @ Discount Rate - Gov't Working Interest	0
Rate of return - Gov't Working Interest	NA

Tax & Cash Flow Calculations

Year	0	1	2	3	4	5	6	7	8	9	10
Gross Revenue	0	0	55,503,750	113,782,688	118,627,255	119,542,936	122,531,509	125,594,797	128,734,667	131,953,034	45,083,953
- Operating Cost	0	0	-32,445,000	-66,836,700	-69,841,601	-70,807,055	-73,034,267	-75,225,295	-77,482,054	-79,806,515	-37,400,237
- Capital Costs	-45,000,000	-75,000,000	-35,000,000	-5,763,635	-5,936,544	-6,114,640	-6,298,080	-6,487,022	-5,414,863	-2,967,762	12,298,739
- Reinvestment in other projects	0	0	0	0	0	0	0	0	0	0	0
- Borrowed \$ / Principal & Interest	18,000,000	40,491,784	5,221,243	-21,038,342	-21,038,342	-21,038,342	-16,530,126	-5,259,586	0	0	0
Before-Tax Cash Flow	-27,000,000	-34,508,216	-6,720,007	20,144,010	20,810,567	21,482,888	26,669,037	38,622,895	45,837,751	49,178,757	19,982,455
Total Taxes & Free Govt equity dividend	-3,776,540	-1,347,341	-3,712,404	-6,780,922	-9,007,235	-14,916,275	-14,663,818	-15,954,087	-17,855,065	-18,902,964	-7,403,416
Project Cash Flow	-30,776,540	-35,855,557	-10,432,411	13,363,088	11,803,332	6,566,624	12,005,219	22,668,808	27,982,686	30,275,792	12,579,039
Project Profit/Dividend Pool	0	0	0	13,363,088	11,803,332	6,566,624	12,005,219	22,668,808	27,982,686	30,275,792	12,579,039

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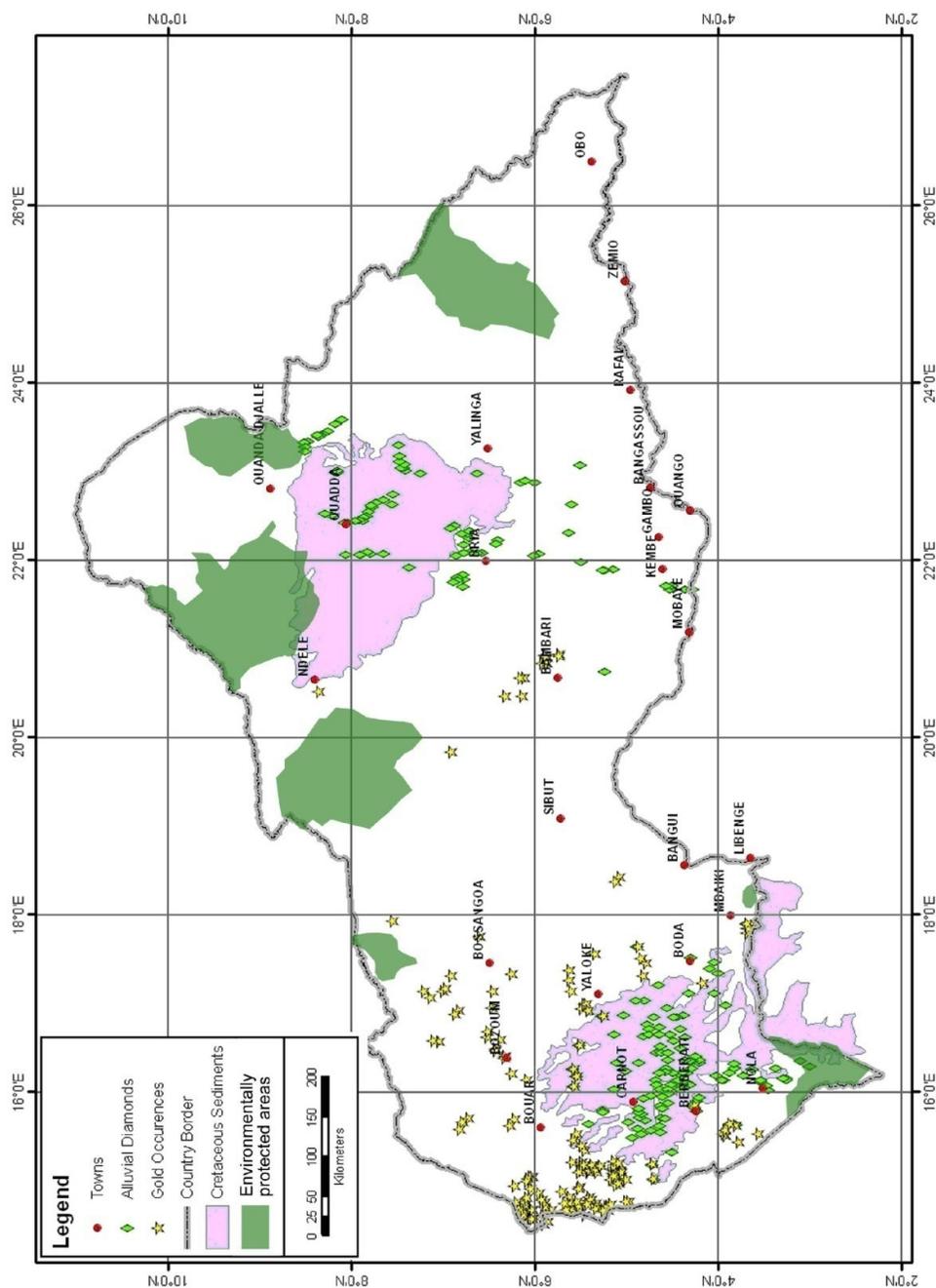
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Annex N° 2

Environmentally Protected Areas and Gold and Diamond Deposits in the Central African Republic

Sources: Map compiled by Wardell-Armstrong using own data (mineral resources) and data collected from the Convention on Biological Diversity website <http://www.biodiv.be> (environmentally protected land).



Annex N° 3

Historic of diamond production since the origin

	Production Soc. Min.		Pro. Totale Soc. Min.	Origine indéterminée	Bureaux d'achat	Production Officielle	Valeur mercuroiale		Cours US \$	Taxes Perçues/Etat		Val. Moy. / Ct	
	Sect. Carnot	Sect. Bria					millions F CFA	millions US \$		millions \$	%	F CFA	\$
1961	26.012	21.841	47.853	697	62.934	111.484	497,4	2,028	245,3			4.462	18
1962	41.420	16.544	57.964	3.415	204.039	265.418	1.579,70	6,448	245			5.952	24
1963	58.382	15.144	73.526	256	328.404	402.186	2.518,50	10,279	245			6.262	26
1964			59.409		382.872	442.281	3.067,40	12,518	245			6.935	28
1965			91.794		445.016	536.810	3.466,40	14,144	245,1			6.457	26
1966			77.274		462.661	539.935	3.697,80	15,051	245,7			6.849	28
1967			45.708		474.920	520.628	3.532,90	14,361	246			6.786	28
1968			61.951		573.984	635.935	4.627,60	18,691	247,6			7.277	29
1969			27.639		507.677	535.316	3.961,00	15,288	259,1			7.399	29
1970			1.491		482.447	483.938	3.571,50	12,935	276,1			7.380	27
1971			1.223		437.449	438.672	1.972,60	7,161	275,5			4.497	16
1972			2.804		521.298	524.102	3.309,20	13,127	252,1			6.314	25
1973			1.248		379.218	380.466	2.895,70	13,07	221,6			7.611	34
1974			25.196		329.547	354.743	3.326,60	13,841	240,3			9.377	39
1975			79.998		258.896	338.894	2.930,20	13,691	214			8.646	40
1976			1.001		278.827	279.828	3.498,50	14,663	238,6			12.502	52
1977			-		297.154	297.154	5.532,00	22,528	245,6			18.617	76
1978			-		303.008	303.008	9.151,20	40,692	224,9			30.201	134
1979			23.167		290.900	314.067	8.341,60	39,225	212,7	7,85	20,00%	26.560	125
1980			5.133		336.575	341.708	8.420,30	39,89	211,1	7,98	20,00%	24.642	117
1981			9.942		301.961	311.903	7.556,70	27,959	270,3	5,59	20,00%	24.228	90
1982			27.941		248.632	276.573	7.753,90	23,712	327	4,74	20,00%	28.036	86
1983			30.484		264.873	295.358	8.900,10	23,36	381	4,67	20,00%	30.133	79
1984			3.049		334.101	337.150	11.810,40	27,026	437	3,78	14,00%	35.030	80
1985			13.946		338.930	352.876	12.463,30	27,758	449	3,33	12,00%	35.319	79
1986			-		357.379	357.379	10.631,80	30,684	346,5	3,64	11,86%	29.749	86
1987			-		412.224	412.224	13.022,30	43,336	300,5	5,17	11,93%	31.590	105
1988			-		359.111	359.111	14.463,50	48,535	298	5,56	11,46%	40.276	135
1989			2.863		444.813	447.676	19.751,90	61,918	319	6,67	10,78%	44.121	138
1990			6.622		408.167	414.789	16.788,90	61,611	272,5	7,13	11,57%	40.476	149
1991			1.498		428.235	429.734	16.748,00	59,285	282,5	6,97	11,75%	38.973	138
1992			201		414.077	414.277	16.658,90	62,983	264,5	6,29	9,99%	40.212	152
1993			127		494.796	494.923	20.866,90	73,891	282,4	12,28	16,62%	42.162	149
1994			2.757		528.235	530.992	41.274,80	74,841	551,5	5,99	8,00%	77.732	141
1995			2.842	3.712	477.698	484.252	37.610,90	75,373	499	6,22	8,25%	77.668	156
1996			9.657		477.701	487.359	36.027,80	70,367	512	4,75	6,75%	73.925	144
1997			3.117	5.669	478.001	486.787	40.705,80	69,833	582,9	4,47	6,40%	83.621	143
1998			45.950		374.017	419.967	34.864,00	59,239	588,5	3,55	6,00%	83.016	141
1999			10.369	11.986	409.814	432.169	38.370,80	62,392	615	3,73	5,98%	88.787	144
2000			22.438		438.567	461.004	43.953,60	61,823	711	3,71	6,00%	95.343	134
2001			12.267		437.003	449.270	41.216,70	56,272	732,5	6,75	12,00%	91.742	125
2002			5.124		409.664	414.788	36.316,50	52,288	694,5	6,27	12,00%	87.554	126
2003					378.000	378.000	28.400,00	48,898	580,8	5,87	12,00%	75.132	129
2004			4.911	386,72	348.187	353.485	27.763,31	51,797	536	3,18	6,14%	78.542	146,5
2005			446	213,23	382.636	383.295	32.716,80	61,730	530	2,91	4,72%	85.357	161,1
2006			2.959		412.571	415.529	32.666,60	61,061	534,98	3,66	6,00%	78.614	146,9
2007						417.691	29.754,78	62,774	474	7,53	12,00%	71.236	150,3
61 à 07	125.814	53.529	903.888	26.335	17.717.219	19.065.134	758.957	1.780,38		160,25			

Annex N° 4

Audit report on the sources of revenues of the Ministry of Mines, Energy and Hydraulics, first trimester 2007.

Rapport d'audit des sources de recettes du Ministère des Mines, de l'Énergie et de l'Hydraulique, 1^{er} trimestre 2007.

MINISTERE DES FINANCES, DES MINES,
DE L'ENERGIE ET DE L'HYDRAULIQUE

DIRECTION DE CABINET

REPUBLIQUE CENTRAFRICAINE

Unité - Dignité - Travail

INSPECTION GENERALE DES FINANCES

RAPPORT N°001/MFB/DIR-CAB/CAB/IGF/C. du 29 Mai 2007

**RAPPORT D'AUDIT DES SOURCES
DE RECETTES DU MINISTERE DES
MINES, DE L'ENERGIE ET DE
L'HYDRAULIQUE
1^{ER} TRIMESTRE 2007**

EXEMPLAIRE N°

1

MINISTERE DES FINANCES, DES MINES,
DE L'ENERGIE ET DE L'HYDRAULIQUE

DEPARTEMENT DES FINANCES

DIRECTION DE CABINET

INSPECTION GENERALE DES FINANCES

COORDINATION

N° CC1/MFMEH/DF/DIR-CAB/IGF/C.

REPUBLIQUE CENTRAFRICAINE
UNITE - DIGNITE - TRAVAIL

Bangui, le 29 MAI 2007

CONFIDENTIEL

RAPPORT D'AUDIT DES SOURCES DE RECETTES DU MINISTERE DES MINES, DE L'ENERGIE ET DE L'HYDRAULIQUE

Présenté par Messieurs :

- **Francis Mathieu NGANAWARA**, Inspecteur Général des Finances, Chef de mission,
- **Mathieu TIKANGO**, Inspecteur Principal des Impôts, membre ;
- **Nathan BEANGAI**, Directeur de la Programmation, des Etudes et de la recherche au Ministère des Mines, de l'Energie et de l'Hydraulique, membre.

Objet : Effectuer l'Audit des différentes sources de recettes de l'Etat au Ministère des Mines, de l'Energie et de l'Hydraulique, notamment : les recettes BECDOR et autres...

Référence : Ordre de Mission n°011/MFB/DIR-CAB/CAB/IGF/C du 23 Avril 2007

Date du début de la mission : 23 Avril 2007

RESUME

L'audit des différentes sources de recettes du département des Mines, de l'Energie et de l'Hydraulique a aboutit au résultat ci-après sous réserve d'un contrôle approfondi des encaissements effectifs par le Trésor Public et le rapprochement des états avec les comptes bancaires.

- Les textes recensés tiennent bien compte de la spécificité du domaine traité et doivent être appliqués avec rigueur.
- Les sources de recettes sont bien identifiées et les émissions et le recouvrement sont basés sur des supports comptables en vigueur.

Les ordres de recettes et les avis d'encaissements émis par la Direction Générale des Mines et recouverts par la Direction Générale des Impôts (Direction des Domaines et de la conservation foncière) et la Direction Générale du Trésor (Direction des Recouvrements et Caisse Principale) pour la période du premier trimestre 2007, donnent le résultat suivant :

1-Droits de délivrance des permis	= 24.420.000 FCFA
- Permis de Reconnaissance Minière (PRM)	= 0
- Permis Spécial d'Exploitation	= 360.000 FCFA
- Permis Général de Recherche (PGR)	= 24.060.000 FCFA
2 - Taxes ou Redevance superficielles	= 15.000.000 FCFA
3 - Fonds de garantie (Art 103)	= 50.000.000 FCFA
4- Patentes :	= 392.445.350 FCFA
- Bureaux d'achat (9)	= 198.250.000 FCFA
- Collecteurs (189)	= 190.795.500 FCFA
- Artisans (97)	= 3.399.850 FCFA
5- Droits d'agrément Coopératives (10) =	350.500 FCFA

6-Taxes à l'exportation Diamant et Or (15.831, 07 carats)
= 824.732.223 FCFA * reparties

comme suit :

*Trésor Public :	= 785.459.260 FCFA
Droit de sortie	= 314.183.704 FCFA
IMF	=235.637.778 FCFA
MF collecteurs	= 235.637.778 FCFA
* Recettes affectées	= 157.091.852 FCFA
- CASDOR	= 78.545.926 FCFA
- RIDT	= 39.272.963 FCFA
- SPPK	= 39.272.963 FCFA
TOTAL (1+2+3+4+5+6)	= 1 306 948 073 FCFA

* Le recouvrement effectué pour la période par Sydonia pour le compte du Trésor Public au titre de droit de sortie à l'exportation de Diamant et Or Premier Trimestre 2007 s'élève à : = 207.981.294 FCFA contre 824.732.223 FCFA déclarés par le Beccor soit un écart de 616.750.929 FCFA à justifier par la Direction Générale des Douanes et Droits Indirects (Recette Douanière de l'Aéroport Bangui-Mpoko).

La mission n'a reçu aucune information sur le reste des droits et Taxes dûs à l'Etat et les recettes affectées tels que :

- IMF/IS 3%
- MF/IR Collecteur 3%

Recettes affectées :

- CASDOR/TPM 1%
- RIEF 0.50%
- SPPK 0.50%

et a demandé des informations complémentaires pour palier cette contradiction

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INTRODUCTION

La République Centrafricaine a un potentiel minier très important. En effet, il a été identifié au moins quatre cent soixante dix (470) indices minéraux constitués de substances énergétiques, non métalliques, de métaux ferreux, de métaux non ferreux, de diamant et or. Des indices du cuivre, du chrome, du nickel entre autres ont été décelés ainsi que des gisements d'uranium, de fer, de lignite, du calcaire, etc.

Mais l'exploitation minière centrafricaine se limite actuellement à la production artisanale du diamant et, dans une moindre mesure, de l'or. Si la production du diamant avait une dimension industrielle, elle devrait être beaucoup plus facile de surveiller les sociétés qui s'y adonnent, ces sociétés contrôlant d'ailleurs elles-mêmes leurs propres activités. Malheureusement, l'exploitation de diamants en RCA n'est restée alors qu'au niveau artisanal.

En plus de la tendance à la baisse de l'activité extractive de diamants, du fait de l'insécurité dans les zones minières, sa contribution dans la création de la richesse et dans les recettes fiscales est très faible. Durant la période 1995 - 2004, son poids dans le PIB est très insuffisant et se situe autour de 3,4% en moyenne. Sa part dans les recettes publiques est dérisoire de l'ordre de 3,3% environ.

En effet, depuis 1968, année où le meilleur score avait été réalisé (640 000 carats) la production du diamant est en baisse régulière : 484 100 carats en 1995, 332 700 carats en 2003.

Cependant, depuis la fin des conflits militaro-politique et l'embargo sur le diamant imposé par le Processus de Kimberley, les exportations de diamant commencent à sortir de la période creuse et la tendance est à la hausse : 353 484 carats en 2005 et 415 529 carats en 2006.

Cependant, le secteur minier constitue l'un des vecteurs clés dans les exportations, avec une moyenne de l'ordre de 40,5%. Mais en raison de la forte part des financements extérieurs, l'essentiel des bénéfices issus de ce secteur est rapatrié vers l'étranger, ce qui est contraire aux dispositions de la Loi des Finances relative au rapatriement des 50 % des recettes d'exportation.

Il convient de souligner une lueur d'espoir dans deux projets d'exploitation industrielle d'uranium de Bakouma et d'Or de Bambari, dont la phase exploratoire est pratiquement achevée.

Face à la baisse drastique des recettes de l'Etat constatée au cours de ces dernières années et pour permettre à l'Etat et à ses partenaires au développement d'avoir une visibilité dans les différentes sources de recettes fiscales et non fiscales y compris celles relatives aux droits, licences et permis dans le secteur des ressources naturelles dues à l'Etat, il est nécessaire d'effectuer, l'Audit des différentes sources de recettes de l'Etat au Ministère des Mines, de l'Energie et de l'Hydraulique.

I- METHODOLOGIE

La mission a démarré le 23 avril 2007 par une visite de courtoisie aux autorités qui, suffisamment informées par les notes circulaires et Message Porté du Ministre des Finances et du Budget, l'attendaient. Le Ministre étant en mission à l'extérieur, l'équipe et l'objet de la Mission ont été présentés au Directeur de Cabinet par l'inspecteur Général des Finances, Chef de mission, ainsi que la remise d'une copie de l'Ordre de Mission.

La méthodologie adoptée a consisté à sillonner tous les Services du Ministère qui génèrent des recettes en vue d'entretien et de la collecte des textes, notamment les textes organiques, les textes d'application, les textes relatifs à la régie des recettes, les Codes...

A- RECENSEMENT DES TEXTES

Le Département est régi par Le Décret n° 04.364 du 08 Décembre 2004 portant organisation et fonctionnement du Ministère des Mines, de l'Energie et de l'Hydraulique et fixant les attributions du Ministre. Ce département comprend 5 directions Générales dont :

- Mines
-
- Energie
-
- Hydraulique.
-

Et deux sous tutelle :

Enerca

Sodeca

Les autres textes collectés ont été classés par domaine d'activité ainsi qu'il suit :

0- La Brigade Minière

Elle est l'organe de contrôle et de la répression des fraudes dans les domaines minier, énergétique et hydraulique.

- Décret n° 06.054 du 03 Février 2006 portant nomination ou confirmation des éléments de la Gendarmerie Nationale aux postes de responsabilité à la Compagnie des Brigades minières de contrôles énergétiques, miniers et hydrauliques.
- Décret n° 89.276 du 22 Novembre 1989 portant modification de certaines dispositions du Décret n° 38.160 du 30 Avril 1988 instituant une prime de saisie en faveur des Brigades minières.

2- Dans le Domaine des Mines

- Ordonnance n° 04.001 du 1^{er} Février 2004 portant Code Minier de la République Centrafricaine.
- Ordonnance n° 88.009 du 24 Février 1988 fixant le régime fiscal applicable aux activités de recherche, d'exploitation et de commercialisation minière à l'exception des minerais d'uranium et des substances connexes et des hydrocarbures.
- Loi n° 06.031 du 27 Septembre 2006 sur les minerais radioactifs de la République Centrafricaine.
- Décret n° 04.189 du 15 Juin 2004 fixant les conditions d'application de l'Ordonnance n° 04.001 du 1^{er} Février 2004 portant Code Minier de la République Centrafricaine.

3- Dans le Domaine de L'énergie

a- Electricité

- Ordonnance n° 05.001 du 1^{er} Janvier 2005 portant Code de l'électricité de la RCA ;
- Loi N°05.272 du 11 Septembre 2005 fixant les attributions et portant organisation et fonctionnement de l'Agence Autonome de Régulations du Secteur de l'Electricité ;
- Décret n° 06.040 du 30 Janvier 2006 fixant les modalités de prélèvement et de gestion de la redevance spécifique sur les activités de l'électricité.
- Décret n°07.131 du 11 Mai 2007 portant approbation des statuts de l'Agence Autonome de Régulation du Secteur de l'Electricité en République Centrafricaine ;
- Arrêté n° 017/2006/MMEH/DIRCAB/DGE du 03 Février 2005 portant modification partielle et complétant les dispositions de l'Arrêté n° 028/MREM/CAB/SG du 07 mai 1994 et son modificatif subséquent ;
- Arrêté N° 018/2006 du 03 Février 2006 portant désignation des Membres du Comité Ad'hoc de la Régulation du Secteur de l'Electricité et précisant les attributions et le mode de fonctionnement dudit Comité en attendant la mise en place l'ARSEC.

b- Pétrole

- Décret n°06.391 du 29 Décembre 2006 fixant la méthodologie de détermination des prix des produits pétroliers en République Centrafricaine ;
- Arrêté Interministériel n° 111 du 30 Décembre 2006 fixant les prix des produits pétroliers en République Centrafricaine ;
- Arrêté Interministériel n° 112 du 31 Décembre 2006 fixant les nouveaux prix de vente à la pompe des produits pétroliers en RCA.

3- Dans le Domaine de L'hydraulique

- Ordonnance n° 06.001 du 12 Avril 2006 portant Code de l'Eau de la République Centrafricaine ;
- Décret n° 06.170 du 25 Mai 2006 portant adoption du document de politique et stratégie nationales en matière d'eau et d'assainissement en RCA ;
- Arrêté n° 057/2000/MMEH/DIRCAB du 05 Octobre 2000 portant création et organisation d'une cellule d'interface chargée de gérer la distribution de l'eau potable en milieu urbain en collaboration avec le fermier.

B-IDENTIFICATION DES SOURCES DES RECETTES

1- Dans le domaine de l'Energie

Ordonnance N°05.001 du 1^{er} Janvier 2005 portant Code de l'Electricité

- ***Redevance spécifique sur l'électricité destinée au financement :***

- du fonctionnement de l'Agence de Régulation
- de l'Agence de l'Electrification Rurale
- de la contre partie nationale des projets d'énergie électrique.

L'assiette et le taux de cette redevance sont de 10F/KWH (article 18) :

- paiement de tous droits directs et indirects notamment impôts, taxes et redevances fiscales et douanières (article 69 et 70) ;
- des sanctions variant entre un minimum de 100.000 et un maximum de 10.000.000 en cas d'infraction constatée sont prévues aux articles 75 à 82.

2- Dans le Domaine Minier

Ordonnance N° 04.001 du 1^{er} Février 2004 portant Code Minier de la République Centrafricaine

1° *Autorisation Personnelle, délivrance ou renouvellement :*
=1.000 000 (Article 5) :

2° *permis de recherche (article 7) :*

-) délivrance =1.500.000
-) 1^{er} renouvellement = 3.000.000
-) 2^e renouvellement = 6.000.000
-) Transfert = 1.500.000

3° taxe annuelle superficielle (article 9) :

- Pierres et Métaux Précieux

3000F/Km2/an pour les deux premières années
6000F/Km2/an pour les 3è et 4è années
15000F/Km2/an pour les années suivantes.

Une pénalité constituée d'une majoration de 10% est appliquée en cas de retard de paiement.

- autres substances minérales

1500F/Km2/an pour les deux premières années
3000F/Km2/an les 3è et 4è années
8000F/Km2/an pour les années suivantes
Avec une majoration de 10% pour retard de paiement

4° *Permis d'exploitation (article 14)*

-) délivrance du permis = 5.000.000
-) 1^{er} renouvellement = 7.000.000
-) 2è renouvellement = 10.000.000
-) 3è renouvellement = 16.000.000
-) 4è renouvellement = 25.000.000
-) Transfert = 5.000.000

5° *Taxes annuelles superficielles liées au permis d'exploitation (Art. 16) :*

- Pierres et Métaux précieux

- 20.000/Km2/an pour la 1^{ère} période de validité du permis
- 50.000/Km2/an2è.....
- 75.000/Km2/an.....3è.....
- 50.000/Km2/an.....4è.....

Avec une majoration de 10% pour retard de paiement.

b- Autres substances minérales

- 5000/Km2/an pour la première période de validité du permis
- 12000/Km2/an2è.....
- 20.000/Km2/an.....3è.....
- 12000/Km2/an.....4è.....

Avec une majoration de 10% pour retard de paiement.

- 6° frais d'enquête de concession = 15.000.000 (article 21)
- 7° Institution d'une concession = 60.000.000 (article 22)
- 8° transfert de titre de concession = 20.000.000 (article 23)
- 9° taxe annuelle superficielle liée à la concession (article 25) :
 - 60.000/ha/an pour les pierres et métaux précieux
 - 30.000/ha/an pour les autres substances minérales
- 10° taxe de production ou redevance advalorem :
Le taux de la taxe est de 5% de la valeur du minerai
- 11° permis de promotion artisanale (Article 32) :

60.000 pour les pierres et métaux précieux
30.000 pour les autres substances minérales

- 12° Carte d'ouvrier minier = 1000/an/ouvrier (Article 34)
- 13° taxe d'exportation de diamant brut et Or (Article 36) :
 -) diamant = 10% de la valeur
 -) Or = 3% de la valeur

14° Décret N°89-276 du 22 Novembre 1989 portant répartition des produits de saisie en faveur des brigades minières :

- 0) Trésor Public = 60%
- 0) Ministère = 20%
- 0) Brigade minière = 20%

L'article 1^{er} de l'ordonnance n° 04.001 du 1^{er} Février 2004 définit ainsi qu'il suit les différentes taxes et redevances de la fiscalité minière :

1- redevance et taxes minières industrielles

-) droits de délivrance et de renouvellement de l'autorisation personnelle
-) droits de délivrance et de renouvellement et transfert de permis de recherche ;
-) droit de délivrance, de renouvellement et de transfert de permis d'exploitation ;
-) frais et droits d'institution des concessions ;
-) les redevances superficielles des permis de recherche, d'exploitation et de concession ;
- a) la taxe de production.

2- Taxes et droits d'exploitation Artisanale

-) Droits de délivrance et de renouvellement des permis de promotion artisanale ;
-) Droits de délivrance de la carte d'exploitant Artisan ;
-) Droits de délivrance et de renouvellement de la carte d'ouvrier de chantier minier.

3-Taxe de la commercialisation

-) Taxe d'exportation des diamants bruts et Or ;
-) Taxe sur la vente des diamants bruts et Or à l'intérieur ;
-) Taxe sur la vente des diamants taillés.

4- Les frais d'expertise

- 1°) Evaluation des échantillons d'intérêt géologique et géochimique à l'exportation ;
- 2°) Essai et contrôle des ouvrages d'Or.

3- Dans le domaine de l'Hydraulique

- 5- Loi N°06.001 du 12 Avril 2006 portant Code de l'Eau
 - c. il existe une redevance dont le taux est de 22,13% ;
 - c. des pénalités ou amendes sont prévues par les articles 94 à 102.

II-ANALYSE DES DONNEES

A- REALISATIONS 2006/2007

1- Dans le domaine Minier

Pour l'année 2006, la situation des droits de délivrance se présente comme suite :

Permis de Reconnaissance Minière (PRM)	= 19 500 000 FCFA
Permis Spécial d'Exploitation	= 1 500 000 FCFA
Permis Général de Recherche (PGR)	= 27.000 000 FCFA
Permis d'Exploitation (PE)	= 10.000 000 FCFA
Sous total	58.000 000 FCFA

Le montant de la taxe superficière y relative se présente de la manière suivante :

Permis d'Exploitation (PE)	= 49.000 000 FCFA
Permis Général de Recherche (PGR)	= 24.076 770 FCFA
Sous total	73. 076 770 FCFA.
TOTAL1	131.076 770 FCFA

représentant le montant total des recettes générées par les frais de délivrance des permis et les taxes superficières y afférentes.

Fonds de garantie ouverture de bureaux d'achats (3) = **150.000.000 FCFA**

Patente : **426.946 450 FCFA**

- Bureau d'achat (7)	= 112.660.000 FCFA
- Collecteurs (293)	= 293.466 750 FCFA
- Artisans (244)	= 8.552 200 FCFA

Droits d'agrément coopératives (35) = 12.267.500 FCFA

La liste des bureaux d'achat et des Artisans figure sur les tableaux en annexe

Les droits et taxes fiscaux et douaniers à l'exportation s'élèvent à **3 429 993 304 FCFA** soit une moyenne trimestrielle de **857.498 326 FCFA**, répartie comme suit :

En résumé, pour l'année 2006, le cumul des recettes générées par la délivrance des permis, les redevances superficières y afférentes, la taxe à l'exportation de diamant, les fonds de garantie à l'ouverture de Bureau d'Achats et la patente des artisans miniers s'élèvent à **4.138 016 524 FCFA** soit une moyenne trimestrielle de **1.034.504.131 FCFA** et semestrielle de **2.069 008 262 FCFA**

Les détails notamment sur le nombre de chaque type de permis attribué, la superficie et les taxes à l'exportation sont contenus dans les tableaux en annexe.

Pour l'année 2007, c'est-à-dire le 1^{er} trimestre, la situation se présente comme suit :

1-Droits de délivrance des permis	= 24.420.000 FCFA
- Permis de Reconnaissance Minière (PRM)	= 0
- Permis Spécial d'Exploitation	= 360.000 FCFA
- Permis Général de Recherche (PGR)	= 24.060.000 FCFA
2 - Taxes ou Redevance superficielles	= 15.000.000 FCFA
3 - Fonds de garantie (Art 103)	= 50.000.000 FCFA
4- Patentes :	= 392.445.350 FCFA
- Bureau d'achat (9)	= 198.250.000 FCFA
- Collecteurs (189)	= 190.795.500 FCFA
- Artisans (97)	= 3.399.850 FCFA
5-Droits d'agrées coopératives (10)	= 350.500 FCFA
10- Taxes à l'exportation Diamant et Or (15.831, 07 carats)	= 824.732.223 FCFA réparties
comme suit :	
*Trésor Public :	= 785.459.260 FCFA
- Droit de sortie	= 314.183.704 FCFA
- IMF	= 235.637.778 FCFA
- MF collecteurs	= 235.637.778 FCFA
* Recettes affectées	= 157.091.852 FCFA
- CASDOR	= 78.545.926 FCFA
- RIDT	= 39.272.963 FCFA
- SPPK	= 39.272.963 FCFA
TOTAL (1+2+3+4+5)	1 306 948 073 FCFA

La taxe à l'exportation de diamant brut est assujettie au paiement de 10% de la valeur de la vente, dont 4% de droit de sortie, 3% d'IMF représentant un acompte de l'impôt sur les Sociétés et 3% représentant un acompte de l'impôt sur le revenu des collecteurs de diamant. Ces taux ont été initialement fixés par l'article 36 de l'Ordonnance 88.009 du 24 février 1988 fixant le régime fiscal applicable aux activités

de recherche et de la commercialisation minière en République Centrafricaine reprise et/ou modifiés par le nouveau code Minier et les Lois de Finances successives 2001, 2003 et 2005.

Les détails sont contenus dans les tableaux en annexe.

Comparaison 1^{er} trimestre 2007 et 2006

En résumé, le cumul des recettes générées par la délivrance des permis, les redevances superficielles y afférentes, la taxe à l'exportation de diamant, les fonds de garantie à l'ouverture de Bureau d'Achats et la patente pour l'année 2006, s'élève à **4.138 016 524 FCFA** soit une moyenne trimestrielle de **1.034.504.131 FCFA** alors qu'il s'élève au premier trimestre 2007 à **1.306.948.073 FCFA** soit une hausse de **272.443.942 FCFA**.

Ces données sont des moyennes. L'activité minière en Centrafrique rime avec le climat. En saison sèche où l'activité s'y prête bien, les recettes dépassent les moyennes ; et pendant la saison des pluies où l'activité minière ralentie du fait des intempéries, les recettes se situent en deçà des moyennes.

Cette situation s'explique aussi par l'insécurité en province et surtout dans les zones minières. A cette cause s'ajoute la rébellion qui était active dans le Nord-est Centrafricain qui affecte les activités économiques de ce secteur.

Il est à noter que les deux (2) zones essentielles de production minière de la RCA sont les plateaux gréseux de Mouka-Oudda et Berbérati-Carnot où persistent encore l'insécurité malgré les efforts que ne cesse de déployer le gouvernement.

2 - Dans le domaine de l'Hydraulique

Le montant de la redevance facturée pour l'année 2006 et les quatre premiers mois 2007 sont respectivement de **153 738 935** et **639 354 005** dont **45 358 935** et **19.017.059** seulement ont été recouvrés.

Il convient de souligner que sur le total recouvré, la SODECA n'a eu à reverser pour le compte de l'Etat que 217020 + 594275 soit un total de **811.295**, ce qui constitue un manque à gagner énorme.

3 - Dans le domaine de l'Energie

La redevance spécifique sur l'Electricité de 10F/KW a généré des recettes d'un montant de **330.000.000 FCFA** pour l'année 2006, dont **262.000.000 FCFA** sont reversés à l'ARSEC, et **67.000.000 FCFA** non reversés.

Les chiffres pour 2007 ne sont pas encore connus.

B - MODALITES DE RECOUVREMENT

Les modalités de recouvrement des droits de délivrance de permis et les taxes superficielles sont prévues par les articles 6, 8 et 15 de l'Ordonnance n° 88.009 du 24 février 1988. Ces articles stipulent que les redevances sont recouvrées

par la Direction de la Conservation Foncière et des Domaines sur ordre de recette émis par la Direction Générale des Mines et sont dues au moment même du dépôt des demandes. Et c'est ce qui se fait dans la pratique.

Quant aux redevances spécifiques sur l'Electricité et sur l'Eau, elles sont collectées respectivement par l'ENERCA et la SODECA et reversées ensuite aux services utilisateurs. Malheureusement le reversement de ces redevances n'est pas total et il est difficile de connaître les montants recouverts.

D'une manière générale, les autres recettes fiscales sont recouvertes directement par les Agents des Impôts, des Douanes ou du Trésor dans des conditions assez satisfaisantes.

III – RECOMMANDATION

La mission

Considérant que le secteur minier constitue l'une des sources sinon la principale source de financement de l'économie nationale et du budget de l'Etat ;

Considérant l'absence de transparence dans les opérations d'émission et de recouvrement des taxes et redevances dues à l'Etat, notamment en ce qui concerne les recettes affectées ;

Recommande :

- 1 – Que des contrôles systématiques et rigoureux soient instaurés entre les services administratifs du département et les opérateurs économiques sous tutelle chargés d'émettre et de recouvrer les taxes et redevances dues à l'Etat ;
- 2 – Que les états des émissions et de recouvrement soient communiqués régulièrement et systématiquement par les services de recouvrement aux services de contrôle et aux services bénéficiaires ;
- 3 – Que des stratégies de renforcement de capacités soient définies et mises en œuvre pour rendre performants les services administratifs et de contrôle du Département ;
- 4 – Qu'il soit fait obligation à différents niveaux de responsabilité de tenir des tableaux de bord par nature d'activité pour donner de la lisibilité aux activités menées et à leur rentabilité ;
- 5 – Que des ampliations des ordres de recette émis par les services des mines, de l'énergie et de l'hydraulique soient communiquées à l'Inspection Générale des Finances tous les cinq (5) du mois qui suit le précédent trimestre.

CONCLUSION

Il convient de relever que la contribution des recettes du Département des Mines, de l'Energie et de l'Hydraulique au Budget de l'Etat demeure faible, malgré une nette amélioration enregistrée au premier trimestre 2007 (une hausse de **272.443.942 FCFA**), conséquence de la réforme du secteur minier entreprise depuis 2005. Au premier trimestre 2007 par exemple on a enregistré un (1) seul bureau d'achat qui a obtenu une licence d'agrément.

Le recouvrement et surtout le reversement des redevances spécifiques sur l'Eau et l'Electricité ne se font pas dans la transparence et il manque de rigueur dans le suivi par les services bénéficiaires.

Ce manque de suivi est encore plus alarmant quant à la situation des taxes et redevances sur les hydrocarbures. L'insistance de la mission pour obtenir des données chiffrées auprès de la Direction Générale de l'Energie est restée sans suite, et aucune justification valable n'est donnée à ce sujet.

Directeur PER
Membre

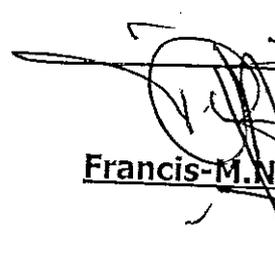
Nathan BEANGAI

Insp.PI.Impôts
membre



Mathieu TIKANGO

Insp. Général des Finances
Chef de Mission



Francis-M. NGANAWARA

ANNEXES

Tableau n° 1 : SITUATION DES PERMIS ATTRIBUES EN 2006
(Droits d'attribution et redevances superficielles)

1- PERMIS D'EXPLOITATION

Dénomination	Titres	Validité	Superficie en Km ²	Lieu d'activité	Année d'activité	Frais de Délivrance	N° et date Quittance	Taxe sup.	N° et date Quittance	Observ.
1- GEM DIAMOND Tél. : 61 38 02 61 45 91	1 PE	/06	855	Likaya	1 ^{ère} Année	5 000 000	-	17 100 000	-	OK
2- URAMIN Tél. :	1 PE	/06	1 585	Bakouma	1 ^{ère} Année	5 000 000	704 du 09/06/06	31 900 000	705 du 09/06/06	OK
Total	2		2 440			10 000 000		49 000 000	0	

2- PERMIS GENERAUX DE RECHERCHE

Dénomination	Titres	Validité	Superficie en Km ²	Lieu	Année d'activité	Frais de Délivrance	N° et date Quittance	Taxe superficiaire	N° et date Quittance	Observ.
1-AURAFRIQUE Tél. : 61 38 02 61 45 91	2 PGRA 1 PGRA	03/02/06- 03/02/09	1 968,2 380,9	Bakala Sosso Bambari	1 ^{ère} Année "-	3 000 000 1 500 000		2,952 420	108069 du 07/06/05	OK
2- AXMIN Tél. : 61 45 91	1 PGRA	03/02/06- 03/02/09	432,8	Bogoin	1 ^{ère} Année	1 500 000		649 200	464 du 13/06/05	OK
3- CENTROR Corporation Centrafricque	4 PGRA	14/12/06- 14/12/09	3 968,2	Koundé Baboua Garba Nguta- Bouar	1 ^{ère} Année	6 000 000	046408 du 14/12/06	5 952 300	046408 du 14/12/06	OK
4- DIMBI DIAMANT	1 PGRA	04/03/06 - 04/03/09	1 000	Dimbi (transfert)	1 ^{ère} Année	1 500 000		1 500 000		OK

Tél. : 50 50 19 61 66 99					PGRA GOLDIAM)									
5- GOLDIAM Tél. : 50 50 19 61 66 99	3 PGRA	04/03/06 - 04/03/09	2996		Bozoro Daya Boufolo	1 ^{ère} Année	4 500 000			4 494 000	44367 du 02/10/06		OK	
6- GEM DIAMOND Tél. :	1 PGRA	/06- /09	855		Likaya	1 ^{ère} Année	1 500 000			1 282 500			OK	
7- SINO Central African Mining Comp.	3 PGRA	14/12/06 - 14/12/09	2855		Nola - Kadeï - Mambéré - Sangha	1 ^{ère} Année	4 500 000	046409 du 14/12/06		4 282 500	046409 du 14/12/06		OK	
8- URAMIN Tél. :	2 PGRB	/06- /09	1595		Bakouma	1 ^{ère} Année	3 000 000	703 du 09/06/06		2 392 500	706 du 09/06/06		OK	
TOTAL	18 PGR		16 051,1				27 000 000			24 076 770				

3- PERMIS DE RECONNAISSANCE

Dénomination	Titres	N°	Validité	Superficie (Km ²)	Lieu d'activité	Frais de délivrance	N° Quittance	Obs.
1- CENTROR Corp.	4 PRM	RCI-210 RCI-211 RCI-212 RCI-213	14/12/06- 07	3 968,20	Koundé Baboua Garba Nguia-Bouar	2 000 000		
2- ENERGEM Ressources Tél. : 09 11 00 50 89 54	4 PRM	RCI-147 RCI-148 RCI-149 RCI-150	22/03/06- 07 -" 07	743,60 748,70 962,50 1 683,00	Bangana Bria Kotto Ouadda	6 000 000		
3- GEHA Joseph Tél. :	1 PRM	RCI-196	02/03/06- 07	3 620,00	Gaga-Yaloké	500 000		
4- GOLDIAM Tél. : 50 50 19	5 PRM	RCI-197 à	03/03/06- 07	44 614,35	Centre Ouest	7 500 000		

61 66 99

5- MEYA-NGOKOUZOU Tél. :	1 PRM	RCI-201 RCI-204	10/05/06- 07	518,00	Bria	500 000	
6- MOHAMED TREKI Tél. :	2 PRM	RCI-202 RCI-203	03/03/06- 07	2 000,00	Mboula-Mbaéré Lobaye	1 000 000	
7- SINO Central African Mining Company	3 PRM	RCI-214 RCI-215 RCI-216 (325- 327)	14/12/06- 07	1 855,00	Nola - Kadeï - Mambéré - Sangha	1 500 000	
8- WAZARA Jonas Tél.: 50 42 41	1 PRM	RCI-205	26/05/06- 07	1 692,80	Bria	500 000	
TOTAL	21			63 406,15		19 500000	

4- PERMIS SPECIAUX D'EXPLOITATION

Dénominations	Titres	Validité	Superficie En Km ²	Lieu d'activité	Frais de délivrance	N° et date Quittance	Obs.
1- Coop. Centrafricque Gemme Présidente: Francine DANGUIN- SABITOU	5 PSE	18/12/06- 08	1,25	Tala, Lema Lopo, Woworo Tengue	300 000	044 357 du 27/09/06	OK
2- CEMPM Président: WASSONGO NDOMBILO Bernardin	1 PSE	27/03/06- 08	0,25	Bania (amont)	60 000		OK
3- Coopérative Minière de Bagandou (C.M.B.) Président: Ismaïla KOULAYOM	5 PSE	24/11/06- 08	1,25	Moboma, Lobé, Dikékélé, Dono, Mengui	300 000	044 473 du 17/10/06	OK
4- CODESMICA Président: YANOU Théodore	1 PSE	26/05/06- 08	0,25	Ouabembe	60 000	000583 du 10/05/06	OK
5- CPEMCA	3 PSE	12/06/06-	0,75	Île Salo, Yamalé,	180 000	178 222 du	OK

Président: ADAMOU YAKEZIS		08						
6- GEMPB	5 PSE	03/02/06-08	1,25	Tengue, Sekaratom Bania (amont)	300 000	23/02/06	Suspension provisoire	OK
7- PINGA NA BO	5 PSE	18/12/06-08	1,25	Mahoudou-houdou, Ile Mékélou, Ouè-ouè	300 000	172 647 du 29/11/05		OK
TOTAL	25		6,25		1 500 000			

**TABEAU 2 : SITUATION DES FONDS DE GARANTIE OU CAUTION A
L'OUVERTURE DES BUREAUX D'ACHAT IMPORT-EXPORT
DE DIAMANT ET TAXE A L'EXPORTATION 2006**

Dénomination	N° DE DECLARATION DE RECETTE AU TRESOR PUBLIC	DATE	MONTANT (Art 103 du Code Minier)
CORDIORCA	01163	24/05/2006	50 000 000
IAS INTERNATIONAL	053960	1 ^{er} /08/2006	50 000 000
AFRICAN DIAMONDS RESSOURCES	09573	20/12/2006	50 000 000
TOTAL			150 000 000

SITUATION DES FONDS DE GARANTIE A L'OUVERTURE DES
BUREAUX D'ACHAT IMPORT-EXPORT DE DIAMANT ET OR
ANNEE 2007

Dénomination	N° DE DECLARATION DE RECETTE AU TRESOR PUBLIC	DATE	MONTANT (Art 103 du Code Minier)
LIONS INVESTEMENTS SA	23901	26/02/2007	50 000 000
TOTAL			50 000 000

TABLEAU 3 : LES COOPERATIVES MINIERES AGREES 2006 au 1^{er} trimestre 2007

DIRECTION REGIONALE DES MINES DU SUD- OUEST
REGION DE LA MAMBERE – KADEI

N°	Date d'agrément	Dénomination	Zone juridiction	de	Président	Observation
01	10/01/2006	CEMPM	Bania		Bernadin NDOMBILO	Agréée
02	10/01/2006	ACADIOR	Berbérati		Jean Pierre POMONDI	Agréée
03	18/01/2006	GEMPB	Bania		Moustapha GADEMI	Agréée
04	03/02/2006	BOLE- MINES	Nandombo		BOLE David	Agréée
05	26/04/2006	CODEXMICA	Berbérati		YANOU Théodore	Agréée
06	12/05/2006	CATHINO	Sosso-Nakombo		SURMON Catherine	Agréée
07	11/05/2006	ALPHA-MINES	Berbérati		LEGUELA-MBOUTO Alain-S.	Agréée
08	10/08/2006	CADOK	Berbérati			Agréée
09	01/08/2006	SLIMBI-MINES	Berbérati			Agréée
10	02/03/2007	Guisi mo wara	Carnot		DANPERA Marthe	Agréée
11	07/08/2006	CEMBOS	Carnot		BAYAMBA René BEYO Robert	Agréée

REGION DE LA LOBAYE

N°	Date d'agrément	Dénomination	Zone de juridiction	Président	Observation
01	10/01/06	COORDICA	M'Baïki	OLIBONA Dieudonné	Agréée
02	18/01/06	CDEMCA	Boda (Yawa)	SANDY Innocent	Agréée
03	23/05/06	CODOYA	YALOKÉ	BAKONO-MBADIT Pether	Agréée
04	23/05/06	CAMCA	MOLOKOU	BONDEBOLI Michel Paulin	Agréée
05	07/12/06	CAMB	BOSSOUI	MAHAMAT ABIB SAÏDOU	Agréée

REGION DE LA SANGHA-MBAERE

N°	Date d'agrément	Dénomination	Zone de juridiction	Président	Observation
01	20/11/2006	MOÏDAMSE	Nola	KETTE André	Agréée
02	24/10/2006	CODEXDIOR	Nola	LOUBI MOMORY	Agréée
03	24/10/2006	PINGA – NABO	Nola	SAHANGA Georges	Agréée
04	20/10/2006	COOP.ASSOUKOUILLE.	Salo	BIAGO Robert	Agréée
05	24/10/2006	CADO	Nola	OROKAS Félix	Agréée
06	05/03/2007	COOPMIGO	Nola	GONIFARA André	Agréée

DIRECTION REGIONALE DES MINES DU NORD-OUEST

REGION DU NORD-OUEST

N°	Date d'agrément	Dénomination	Zone De juridiction	Président	Observation
01	25/10/2006	Mbang NU - Mines	Bozoum	FADA Clément	
02	21/06/2006	CMDG	Sangany Bouar	DARMAN Pierre Koula	
03	24/10/2006	Sanda ouverture	BOBO/Bozoum	BOBO	
04	".."	Coop M de Centrafrique	Baboua	YERJIMA Elysée	
05	06/10/2006	CMDC			
06	16/01/2007	GAMDOB	BOKARANGA	OUMAROU YERJIMA	

DIRECTION REGIONALE DES MINES DU SUD-EST

N°	Date d'agrément	Dénomination	Zone de juridiction	Président	Observation
01	10/01/2006	CAMIDOC	Dimbi	NAMOBI Aladji	
02	18/01/2006	CEDOL	Dimbi	AGAR MAHAMAT	
03	23/03/2006	kollo Mines	MINGALA	GBALINGA Gabriel	
04	04/04/2006	Coop. NAKATOU	Dimbi	YAM PIERRE	
05	20/10/2006	BE AFRICA MOBIMBA	Dimbi	BODO GREKASSA Guy Marcel	
06	03/01/2007	COOPAMID	Satema	NGANZAPA Salemon	

DIRECTION REGIONALE DES MINES DU NORD-EST

N°	Date d'agrément	Dénomination	Zone de juridiction	Président	Observation
01	24/10/2006	CEMAGEM	Bria	POUNENDJI Philippe	
02	24/10/2006	CPEDOC	Bria	Félix DJOUMA	
03	13/02/2007	COOP. M .Mokere	Bria	MOBI BOUBA Sale	
04	25/03/2007	CDAMCA	Bria	DARNAYE Florence	

REGION DE BANGUI

N°	Date d'agrément	Dénomination	Zone de juridiction	Président	Observation
01	26/04/2006	CMCT	I	NDANOU Jean Baptiste	
02	27/05/2006	COOPAMON	Bangui	Mme PIKO Suzanne	
03	31/08/2006	CEMDOCA	Bégoua	NDANGOU Mathias	
04	03/02/2005	COMADOC	Bangui	GBASSANDO Anselme	
05	13/10/2004	CEDIOR	Bangui	KPALE MONGOLO Joseph	
06	28/03/2007	B & COOP	Bangui	Mme MBOLIKINO Christine	
07	26/02/2007	COFADEM	Bangui	FIMOURA Bernard	
08	28/03/2007	COOPEXAMINES	Bangui	Mme LALA Anne Catherine	
09	28/03/2007	OUBANGUI MINES	Bangui	MOKPAYEN le Centrafricain	

SITUATION MINIERE ET DOUANIÈRE DES EXPORTATIONS DES BUREAUX D'ACHAT

PERIODE : 1ER TRIMESTRE 2007

RAISONS SOCIALES BUREAUX	Date	PRODUCTION		VALEUR		Taux de change		Valeur en dollars		TAXE D S	IMF 3%	TAXE 3% COLLECT	CASDOR	TAXE R I D T	SPPK	Recettes Versées	
		(en Carats)	VALEUR	ACHAT (en FCFA)	EXPERTISE (en FCFA)	Taxe Imposable	6,00%	Taux de change	Taux de change							au Trésor	4%DS+0,50%RIDT +3%COLL+3%MIM
BADICA		8 075,14	935 274,000	1 000 385 083		506	1 977 045,62	40 015 403	30 011 552	30 011 552	10 003 851	5 001 925	5 001 925	105 040 434			
PRIMO		16 171,37	1 360 598 000	1 649 282 990		506	3 259 452,55	66 971 320	49 478 490	49 478 490	16 492 830	8 246 415	8 246 415	173 174 714			
SODIAM		37 887,80	2 563 247 500	2 593 121 171		505	5 124 745,40	103 724 847	77 793 635	77 793 635	25 931 212	12 965 606	12 965 606	272 277 723			
DDC		36 881,13	1 717 379 629	2 073 034 111		506	4 086 905,36	82 921 364	62 191 023	62 191 023	20 730 341	10 365 171	10 365 171	217 668 582			
ADR		4 507,47	246 697 406	268 838 596		506	570 827,25	11 553 543	8 665 158	8 665 158	2 888 386	1 444 193	1 444 193	30 328 052			
ADC		957,25	110 520 901	110 804 771		507	218 549,84	4 432 191	3 324 143	3 324 143	1 108 048	554 024	554 024	11 634 501			
SELDIAM		940,38	86 500 000	103 817 298		508	204 364,76	4 152 692	3 114 519	3 114 519	1 038 173	519 086	519 086	10 900 816			
CODIORCA		206,53	29 895 000	35 308 587		504	70 056,72	1 412 343	1 059 258	1 059 258	353 086	176 543	176 543	3 707 402			
SOCIETE		0	0	0		0	0	0	0	0	0	0	0	0			
UNCMCA		0	0	0		0	0	0	0	0	0	0	0	0			
TOTAL		105 831,07	7 050 112 436	7 854 592 557		506	15 522 910,27	314 183 704	235 637 778	235 637 778	78 545 926	39 272 963	39 272 963	824 732 223			

MINISTÈRE DES FINANCES ET DU BUDGET

DIRECTION DE CABINET

CABINET

INSPECTION GÉNÉRALE DES FINANCES

COORDINATION

N° 12345 /MFB/DIR-CAB/CAB/IGF/C

REPUBLIQUE CENTRAFRICAINE

Unité - Dignité - Travail

Bangui, le 03 AVR 2007

LETTRE CIRCULAIRE

A

L'ATTENTION DE TOUS LES DÉPARTEMENTS MINISTÉRIELS

En application des engagements que notre pays a pris avec nos partenaires au développement relatifs à l'audit des sources des recettes fiscales et non fiscales y compris celles relatives aux droits, licences et permis dans le secteur des ressources naturelles dues à l'Etat, une mission de l'Inspection Générale des Finances passera dans votre département pour la collecte d'informations y relatif.

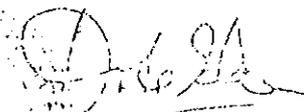
Il est donc demandé à chaque Chef de département de faire tenir à sa disposition les documents ci-après :

- Texte organique ;
- Texte d'Application ;
- Texte relatif à la régie des recettes

Ainsi que tous autres documents susceptibles d'apporter des informations complémentaires.

J'attache particulièrement du prix à l'exécution de l'objet de la présente lettre circulaire.

Le Premier Ministre, Chef du Gouvernement,
Ministre des Finances et du Budget



Elie DOTE

Annex N° 5

Audit report on the engagement bonuses pertaining to mining conventions, transfer of shares of capital and their use for the 2004-2006 period; December 31, 2007.

Rapport d'audit des bonus de signatures des conventions minières, des transferts de parts de capitaux propres et leur utilisation pour la période 2004 à 2006 ; 31 décembre 2007.

MINISTERE DES FINANCES ET DU BUDGET

~~DIRECTION DE CABINET~~

REPUBLIQUE CENTRAFRICAINE

Unité – Dignité - Travail

INSPECTION GENERALE DES FINANCES

RAPPORT N°039/MFB/DIR-CAB/CAB/IGF/C. du 31 Décembre 2007

**RAPPORT D'AUDIT DES BONUS DE
SIGNATURES DES CONVENTIONS MINIERES,
DES TRANSFERTS DE PARTS DE CAPITAUX
PROPRES ET LEUR UTILISATION POUR LA
PERIODE 2004 A 2006**

EXEMPLAIRE N°

SOMMAIRE

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III - RESULTATS OBTENUS.....	3
A/ EVALUATION DE BONUS.....	3
B/ UTILISATION DE BONUS.....	5
IV - CONSTATS ET RECOMMANDATIONS.....	8
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MINISTERE DES FINANCES
ET DU BUDGET

DIRECTION DE CABINET

INSPECTION GENERALE DES FINANCES

COORDINATION

N° 035 /MFB/DIRCAB/CAB/IGF/C

REPUBLIQUE CENTRAFRICAINE
Unité – Dignité - Travail

Bangui, le

RAPPORT D'AUDIT

DES BONUS DE SIGNATURES DES CONVENTIONS MINIERES, DES TRANSFERTS DE PARTS DE CAPITAUX PROPRES ET LEUR UTILISATION POUR LA PERIODE 2004 A 2006.

I- INTRODUCTION

La République Centrafricaine dispose d'un potentiel minier riche composé de divers gisements de minéraux utiles. Les études récentes indiquent que le pays regorge plus de 470 indices minéraux parmi lesquels seuls le diamant et l'or sont jusqu'ici exploités.

Cette exploitation minière du diamant et de l'or contribue pour 4 % au Produit Intérieur Brut (PIB), et près de la moitié de la valeur des exportations ; performance jugée faible au regard des potentialités du pays.

Après le sursaut patriotique du 15 Mars 2003, et dans le soucis de promouvoir les investissements privés, de diversifier et développer le secteur minier centrafricain et par voie de conséquence d'augmenter les recettes de l'Etat, les Autorités Centrafricaines ont décidé d'organiser en 2003, les Etats généraux des Mines et de doter le pays d'un nouveau code minier plus attrayant.

Depuis lors, ces actions ont créé les conditions propices à l'installation de plusieurs sociétés avec lesquelles le Gouvernement a signé des conventions portant attribution des divers permis miniers en contrepartie desquelles il y a eu versement des recettes exceptionnelles appelées Bonus de signature des conventions, pratique internationalement reconnue.

Afin d'éclairer le Gouvernement et les partenaires de développement de la République Centrafricaine, il a été prescrit, par Ordre de Mission n° 753/MFMEH/DF/DIR-CAB/IGF/C du 02 octobre 2007, à Messieurs *Mahamat KAMOUN*, Inspecteur des Finances, Chef de la Mission et *Dominique YOUANE*, Directeur de la Commercialisation au Ministère des Mines, Membre, d'effectuer l'Audit des Bonus de Signatures des Conventions Minières, des Transferts de Capitaux, ainsi que leur utilisation, pour la période 2004 à 2006.

La mission tient à remercier les personnalités avec lesquelles elle a travaillé à savoir Son Excellence Monsieur le Ministre des Finances, des Mines, de l'Energie et de l'Hydraulique, le Directeur de Cabinet du Ministre des Mines, le Chef de Cabinet du Ministre Délégué en Charge de l'Energie, le Directeur Général des Mines et le Directeur des Ressources pour leur appui constant.

II- DEROULEMENT DE LA MISSION

Pour réaliser cet audit, la mission a démarré le 08 Octobre 2007 et s'est basée sur les seules informations fournies par le Ministère des Mines, de l'Energie et de l'Hydraulique. De manière spécifique, la méthodologie utilisée a consisté :

- au recensement et exploitation des textes législatifs et réglementaires, ainsi que des rapports et études internes qui constituent les documents de base dudit Ministère, notamment :
 - le décret n°02.270 portant organisation et fonctionnement du Ministère des Mines, de l'Energie et de l'Hydraulique ;
 - l'ordonnance n°04.001 du 1^{er} février 2004 portant code minier de la RCA et son décret d'application ;
 - le rapport final des Etats généraux du secteur minier ;
- à l'évaluation des recettes exceptionnelles enregistrées au titre de bonus de signature des différentes conventions minières de 2004 à 2007 ;
- à la vérification des pièces des dépenses effectuées à l'aide des bonus encaissés ;
- au pointage des relevés du compte bancaire par lequel les opérations sont exécutées.

Cependant, il convient de signaler que :

Conformément à ses termes de référence, cet audit couvrait la période 2004- 2006 mais compte tenu de ce que l'encaissement des premiers bonus par le Ministère des Mines n'a été effectif qu'à partir de fin 2005 et a pris de l'importance en 2007, le champ de notre analyse a été étendu en y incluant le premier semestre 2007 ;

- le volet concernant les bonus de transfert de capitaux propres n'est pas abordé dans le présent rapport étant donné qu'aucune opération de ce genre n'a eu lieu ;
- la mission n'a pu disposer des différentes conventions signées avec les sociétés minières pour exploitation, comme elle a souhaité.

III- RESULTATS OBTENUS

A- Evaluation des Bonus des conventions minières

Les termes de référence de la mission limitait la période d'audit de 2004 à 2006 mais pour des raisons évoquées plus haut, il a été jugé nécessaire de prolonger ladite période de l'audit jusqu' au premier semestre 2007.

Ainsi, à partir de 2005 le Gouvernement a signé plusieurs conventions portant attribution des permis miniers de recherche (PGRA ou PGRB), des permis d'exploitation (PE), des permis de reconnaissance minière (PRM) avec les sociétés.

La situation des permis attribués se présente comme suit :

Année 2005

Dénomination	Nature de Titre	Superficie (km2)	zone	Substances minérales
1- DE-BEERS	41 PGRA	34 881	Bangassou	DIAMANT
2- AURAFRIQUE	3 PGRA	2 349	Bakala, Sosso Bambari	OR
3- AXMIN	1 PGRA	432	Bogoin	OR
Total 2005	45	37 662		

Année 2006

Dénomination	Nature de Titre	Superficie (km2)	zone	Substances minérales
1- URAMIN	1 PE 2 PGRB	1 585 1 595	Bakouma Bakouma	URANIUM
2- GEM DIAMOND	1 PE 1 PGRA	855 855	Likaya Likaya	DIAMANT
3- AXIM RCA	1 PRM		Bogoin	DIAMANT
4- CENTROR CORP. CA	4 PGRA 4 PRM	3 968 3 968,20	Koundé, garba, Baboua, Bouar	DIAMANT
5- GOLDIAM	2 PGRA 5 PRM	2 996 44 614	Bozoro, Daya, Boufolo	DIAMANT
6- SINO CA MINING COM	3 PGRA 3 PRM	2 855 1 855	Nola, Kadei, Mambéré, Sangha	DIAMANT
Total 2006	27	65 146,2		

Année 2007

Dénomination	Nature de Titre	Superficie (km ²)	zone	Substances minérales
1. PANGEA DIAMOND FIELD	1 PGRA	1 000	Dimbi	DIAMANT
2. PAN AFRICAN RESSOURCES	1 PGRA	969	Bogoin	DIAMANT
3. CAD MINING	1 PGRA 1 PRM	901,20 901,20	Bria et Ndji Kotto- Ndji	DIAMANT
4. COGEM	1 PGRA 1 PRM	988,90 988,88	Paoua Paoua	DIAMANT
5. Cooper Mining corp.	1 PGRA 1 PRM	963,00 963,00	Ngadé Ngadé	Cuivre
6. Cristal mining	1 PGRA 1 PRM	918,00 918,00	La MBI La MBI	DIAMANT
7. Int. Mining Group	1 PE 2 PRGA 2 PRM	381,50 1 184,00 1184,00	Bania Bania et Gadzi Bania et Gadzi	DIAMANT
8. Etoile diamant	3 PGRA 2 PRM	2942,00 2 872,00	Nzako, Kotto et Bangana Nzako, Kotto et Bangana	DIAMANT
9. Tamija ressources cent.	2 PRGA 2 PRM	2 000,00 2 000,00	Bria et Ndji Bria et Ndji	DIAMANT (En instance de transfert à Carmines)
10. Carmines	2 PRGA		Bria et Ndji	DIAMANT
Total 2007	26	22 074,68		

Au total, sur la période 2005, 2006 et de janvier à juillet 2007 le gouvernement a procédé à l'attribution de 95 permis miniers toute catégorie confondue à une vingtaine de sociétés portant sur une superficie totale de 124.882,88 Km². ces permis visent notamment la recherche et l'exploitation du diamant, de l'or et de l'uranium.

Pour tirer profit des activités du secteur minier, les lois de finances successives et l'ordonnance n° 04.001 du 1^{er} février 2004 portant code minier de la République Centrafricaine ont prévu une série des droits, taxes et redevances à percevoir par le l'Etat.

Dans un soucis d'améliorer le rendement des recettes publiques provenant de ce secteur, le Département des mines, à l'instar de la pratique observée dans d'autres pays, a instauré en 2006 une politique consistant à formaliser l'attribution de tout permis minier par une convention dont la signature donne lieu au versement par les sociétés bénéficiaires des bonus qui constituent une recette exceptionnelle pour l'Etat.

Sur la période allant de 2006 à fin Juillet 2007, les conventions signées avec les sociétés minières ont généré des bonus dont le montant global se chiffre à Six milliards cent vingt millions de francs (6.120.000.000) FCFA. La part qui été effectivement encaissée s'établit à 2.206.291.460 FCFA soit 42% et le solde restant à payer est de 3.913.708.540 FCFA.

Exceptées les sociétés URAMIN, K- Mines et Good speed qui ont versé l'intégralité du montant qui leur est fixé, le reste des sociétés bénéficient d'un moratoire pour le paiement des bonus que certains respectent et d'autres non.

Le tableau ci-dessous, présente par société et par année la situation du montant estimé des bonus, des réalisations et des restes à recouvrer.

(En FCFA)

Années	Sociétés	Montant prévu	Montant encaissé	Reste à payer	Observations
2005/2006	DE BEERS	1.500.000.000	754.694.972	745.305.028	
2006	URAMIN	1.000.000.000	1.000.000.000	0	
2007	PANGEA	375.000.000	321.317.883	53.682.117	
	PAN AFRICA	350.000.000	93.098.457	256.901.543	
	ETOILE DIAMANT	500.000.000	146.875.115	353.124.885	
	CAD LTD	625.000.000	75.000.000	550.000.000	
	NOBLES MINERALS	350.000.000	50.000.000	300.000.000	
	IMG		75.000.000		
	K- MINES	40.000.000	40.000.000	0	
	GOOD SPEED	30.000.000	30.000.000	0	
	SODEMINE	800.000.000	0	800.000.000	
	GROUPE PERRIERE	300.000.000	0	300.000.000	
	TAMIJA	250.000.000	0	250.000.000	
	TOTAL	6.120.000.000	2.585.986.427	3.534.013.573	

B - Utilisation des Bonus des conventions minières

En ce qui concerne les emplois, les bonus encaissés sont utilisés au fur et à mesure pour le règlement des dépenses extrabudgétaires au niveau du département. De 2005 à juillet 2007, ces dépenses totalisent un montant de 2.582.299.427 FCFA (deux milliards cinq cent quatre vingt deux millions deux cent quatre vingt dix neuf mille quatre cent vingt sept francs) et leur évolution au regard des montants de bonus perçus se présente comme suit :

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Période	Montant de Bonus encaissé	Dépenses effectuées	Solde
2005	375.000.000	375.000.000	0
2006	1.379.694.972	1.379.694.972	0
2007	831.291.455	827 604 455	3 687 000
Total	2.585.986.427	2.582 299 427	3 687 000

La situation détaillée de ces dépenses ainsi que leur répartition par grande rubrique se résume ainsi qu'il suit :

Etat des dépenses effectuées (2004 à 2007)

Désignation	Montant	Part en %
I- Constructions		
- Siège UNCMCA	25.261.105	
- Réhabilitation bâtiments MMEH, BECDOR et Inspection	27.375.000	
- Réhabilitation Télé Centrafrique	50.000.000	
- Réhabilitation bâtiment Direction Rég. Nord-est	5.000.000	
- Sondage site Bâtiment MMEH,	2.849.000	
- Avance/construction bâtiment MMEH	117.200.120	
- Construction bâtiment Association des bijoutiers	40.000.000	
<i>Sous Total 1</i>	267.685.225	
II- Administrations Publiques		
- Avance au Trésor Public,	600.000.000	
- Avance à la Cellule coton,	350.000.000	
- Avance au trésor Public	150.000.000	
- Appui à la sécurité	250.000.000	
- Appui à Haut commissaire JPN	25.000.000	
<i>Sous Total 2</i>	1.375.000.000	
III- Matériels Roulants		
- Achat (8) véhicules Pick up 4X4	128.000.000	
- Achat 2 motos MMEH	1.000.000	
<i>Sous Total 3</i>	129.000.000	

IV- Missions		
-Mission appui aux coopératives minières,		4.055.000
- Mission de recherche sur le site de BOBASSA,		12.890.000
- Mission de prospection Bakouma		2.209.995
- Mission sur site calcaire		3.895.150
<i>Sous Total 4</i>		23.050.145
V- Equipements divers		
- Achat mobilier		31.945.000
- Achat 56 Motopompes,		28.000.000
- Achat 6 Thuraya pour la DGM,		3.600.000
- Réhabilitation radio des Brigades Minières		4.163.900
- Matériels pour Association des Bijoutiers		20.000.000
<i>Sous Total 5</i>		87.708.900
VI- Autres		
- Commission versée à la Sté MILLERSDALE,		377.374.476
- Honoraires Avocat		19.066.250
-Appui à l' UNCMCA		100.000.000
- Séminaire de formation secrétaires au MALI		6.886.086
- Consultants LTD pour la Police des Mines		35.190.000
- Forages eau potable		63.432.480
-Financement de l' organisation des festivités du 1er Décembre 2007		21 834 000
-Réhabilitation du Cabinet du Ministre Délégué		25 000 000
-Achat Mobiliers du Ministre Délégué		6 300 000
-Acompte Réhabilitation de la Direction Générale des Mines & l' Inspection Centrale des Mines, Energie et Hydraulique		20 000 000
-Achat Matériels Informatique et Photocopieurs du MMEH		16 834 000
-Contribution au Budget de l' Assemblée Generale de l' UNCMCA		8 271 865
		699 855 9157
<i>Sous Total 6</i>		
Total Général (I+II+III+IV+V+VI)		2.582 299 427

IV- CONSTATS ET RECOMMANDATIONS

Les principaux constats relevés par la mission d'audit sont les suivants :

- 1/ l'absence de base objective en matière de fixation ou de détermination des montants des bonus payés par les sociétés minières ;
- 2/ le non respect de moratoire accordé pour le paiement des bonus miniers ainsi que le manque de mécanisme de suivi de recouvrement des restes à payer;
- 3/ le manque de programme d'emploi au niveau de l'exécution des dépenses ;
- 4/ la gestion séparée des produits de bonus alors qu'il existe une régie de recettes et d'avance au sein du Département.

La mission, considérant que les bonus du secteur minier tendent à devenir une source importante de recette pour l'Etat, recommande :

- La mise en place d'un panel d'experts chargés de proposer les mesures visant à réglementer la fixation de montant des bonus ;
- Vu les difficultés de trésorerie de l'Etat, la suppression des moratoires accordés pour le paiement des bonus ;
- Le transfert de compétence en matière de gestion des bonus à la régie d'avance et de recette du Ministère des Mines qui doit procéder :
 - au reversement des 60% des produits au Trésor Public
 - à l'élaboration d'un programme d'emploi approuvé par le Ministre pour l'utilisation des 40% restant par le Département;

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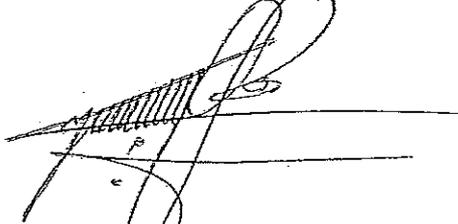
CONCLUSION

L'initiative prise à partir de 2005 par le Ministère de Mines, de l'Energie et de l'Hydraulique en instaurant la signature d'une Convention à toute attribution des permis miniers est une mesure salubre. Elle a permis non seulement la création des recettes additionnelles au profit de l'Etat mais aussi d'améliorer les rendements fiscaux du secteur minier.

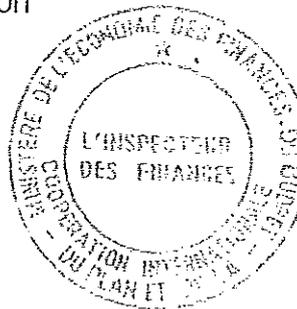
Cependant, quelques lacunes méritent d'être mises en exergue notamment au niveau de l'évaluation des réserves des ressources minérales par les recherches minières, de la détermination des montants des bonus et des modalités de recouvrement de ceux-ci.

A cet effet, la mission a formulé quelques recommandations qui pourraient contribuer à l'amélioration de la situation actuelle.

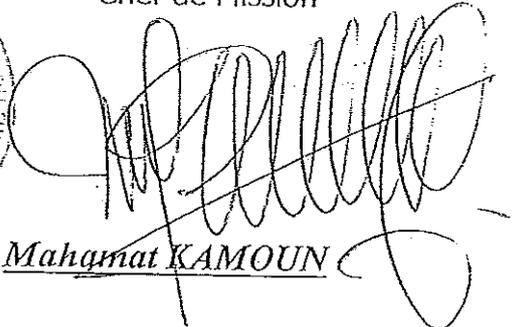
Le Directeur de la Commercialisation
Au Ministère des Mines, Membre



Dominique YOUANE



L'Inspecteur des Finances,
Chef de Mission



Mahamat KAMOUN

ANNEXES

- 1 – Ordre de Mission n°753/MFMEH/DF/DIR-CAB/IGF/C du 02 Octobre 2007
- 2 – Lettre de UraMin Car LTD du 25 Octobre 2006
- 3 – Lettre n°929/06.MMEH.DIR-CAB/DR du 27 Octobre 2006
- 4 – Résumé de Convention Minière entre la République Centrafricaine et la Société de BEERS
- 5 – Résumé de Convention Minière entre l'Etat Centrafricain Et la Société URAMIN CAR LIMITED
- 6 – Deux (2) Chèques de 350.000.000 F et 600.000.000 F Du 28/06/2006
- 7 – Attestation de la Banque CBCA
- 9 – Situation des Recettes exceptionnelles encaissées du Secteur Minier.

MINISTÈRE DES FINANCES, DES MINES,
DE L'ÉNERGIE ET DE L'HYDRAULIQUE

DEPARTEMENT DES FINANCES

DIRECTION DE CABINET

INSPECTION GÉNÉRALE DES FINANCES

COORDINATION

N° 53/MFMEH/DF/DIR-CAB/IGF/C.

REPUBLIQUE CENTRAFRICAINE

Unité- Dignité – Travail

Bangui, le 02 OCT 2007

ORDRE DE MISSION

Il est prescrit aux personnalités ci-dessous citées d'effectuer la Mission citée en objet ;

MM - *Mahamat KAMOUN*, Inspecteur des Finances, chef de Mission

- *Dominique YOUANE*, Directeur de Commercialisation au Ministère des Mines, membre

Objet: Effectuer l'Audit des bonus de signatures des conventions minières, des transferts de parts de capitaux propres, ainsi que leur utilisation, pour la période de 2004 à 2006.

LIEU DE LA MISSION: Bangui

DÉBUT DE LA MISSION : 1^{er} Octobre 2007

DURÉE DE LA MISSION : 30 jours

MOYEN DE TRANSPORT : Personnel

Le Ministre des Finances, des Mines,
de l'Énergie et de l'Hydraulique

LE MINISTRE

Sylvain NDOUTINGAI

Sylvain NDOUTINGAI



URAMIN CAR LTD

Providing clean energy across the world

S.E. le Commandant Sylvain Ndoutingai
Ministre des Mines, de l'Energie et de l'Hydraulique
Ministère des Mines, de l'Energie et de l'Hydraulique
Bangui
République Centrafricaine

03/11/06
BIR-CAB/DREH/DSE
Justificatifs pour
la Banque Mondiale
et autres -

Bangui, le 25 octobre 2006

Excéllence Monsieur le Ministre,

Je viens par la présente confirmer, comme vous le savez bien, que la Société Uramin CAR Ltd a convenu avec le Gouvernement de la République Centrafricaine que le montant du bonus de signature de US\$2m était approuvé au moment de la signature de la Convention minière.

Sincèrement votre,

George Roach
Directeur Général

COURRIER A L'ARRIVEE
Enregistré le *13/11/06*
sous le no. *862/DIACAB*

COURRIER ARRIVEE
LE *16/10/2006*
L'AF *88307/urmel*

URAMIN CAR LTD

BP1125 BANGUI REPUBLIQUE CENTRAFRICAINE A SUBSIDIARY OF

URAMIN INC. REGISTRATION NUMBER: 2006/007422/10

UK OFFICE: 44 DAVIES STREET • LONDON W1K 5JA • UNITED KINGDOM • TEL +44 (0)20 7408 2018 • FAX +44 (0)20 7290 8189

DIRECTORS: SElonz¹ • SR Daniels² • J Stalker³ • I Watson⁴ • NUHarben⁵ • GEMassall⁶ • I.Mor⁷ • P.Mor⁸

MINISTÈRE DES MINES, DE L'ÉNERGIE
ET DE L'HYDRAULIQUE

DIRECTION DE CABINET

DIRECTION DES RESSOURCES

N° 929 /06.MMEH.DIRCAB/DR.

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

BANGUI, LE 27 OCT 2006

LE MINISTRE DES MINES,
DE L'ÉNERGIE ET DE
L'HYDRAULIQUE

A

Monsieur le Président du
Groupe de Banque Mondiale

Objet : Justification de l'utilisation
des Bonus d'engagement des
Conventions Minières.

Dans le cadre de la discussion entre la République Centrafricaine et la Banque Mondiale il a été défini une matrice de politique de République Centrafricaine qui prévoit un programme de réforme à mener par le Gouvernement Centrafricain. Cette matrice définit un certain nombre d'actions prioritaires à réaliser pour le secteur minier dont la justification de l'utilisation de bonus des conventions minières.

A cet égard, j'ai l'honneur de porter à votre connaissance ce qui suit :

- De toutes les conventions minières signées jusqu'à ce jour, deux seulement ont pu générer des recettes à titre de bonus pour le trésor public. Il s'agit des conventions minières RCA-DE BEERS et ETAT-URAMIN CAR LIMITED.

S'agissant de la convention RCA-DE BEERS, l'article 10 a prévu un bonus d'engagement d'un montant total de trois millions (3 000 000) de dollars US soit un milliard cinq cent millions (1 500 000 000) de F CFA repartis sur cinq ans à compter de l'année 2005.

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DIRECTION DE CABINET

=====
DIRECTION DES RESSOURCES

JUSTIFICATION DE L'UTILISATION DES BONUS DES CONVENTIONS MINIERES

I/ Bonus de URAMIN

Montant total	Dépenses effectuées	
	Désignation	Montant
2 Millions de \$ U soit 1 milliard de FCFA	Trésor Public	600.000.000 FCFA
	Païement pour « cellule coton »	350.000.000 FCFA
	Complément frais de réhabilitation de la Télévision Centrafricaine	50.000.000 FCFA
Total :.....		1.000.000.000 FCFA

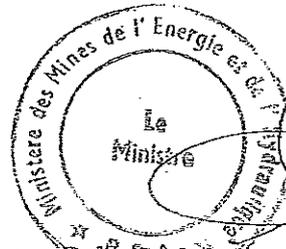
II/ Bonus DE BEERS

Montant total versé en 2005	Dépenses effectuées	
	Désignation	Montant
375.000.000 FCFA	- Versement commission à la Société MILLERSDALE	187.500.000 FCFA
	- Construction siège UNCMCA	25.261.105 FCFA
	- Achat trois véhicules MUTSHIBISHI L 200	48.000.000 FCFA
	- Achat mobilier	31.945.000 FCFA
	- Mission d'appui aux Coopératives Minières	4.055.000 FCFA
	- Réhabilitation du bâtiment du MMEH, du BECDOR et de l'Inspection Centrale	27.375.000 FCFA
	- Achat de 56 motopompes pour les Coopératives Minières	28.000.000 FCFA
	- Mission de recherche sur le site du calcaire de BOBASSA	12.890.000 FCFA
	- Achat de six (6) Thuraya pour la DGM	3.600.000 FCFA
	- Réhabilitation Radio Communication Brigade Minière de Berbérati, Carnot et Bria	4.163.900 FCFA
	- Mission de prospection Bakouma (par avion)	2.209.995 FCFA

A

	- Achat de deux motos pour la Secrétaire Particulière du MMEH et l'Attachée de Presse	1.000.000 FCFA
	- Réhabilitation du bâtiment de la Direction Régionale du Nord-Est (Bria)	5.000.000 FCFA
	- Sondage du site pour la construction du Nouveau bâtiment du MMEH	2.849.000 FCFA
Total :.....		375.000.000 FCFA
Montant total versé en 2006	Dépenses effectuées	
379.694.972 FCFA	Désignation	Montant
	- Versement commission à la société MILLERSDALE	189.874.476 FCFA
	- Honoraire Maître BIZON pour le dossier GRYNBERG	19.066.250 FCFA
	- Appui l'UNCMCA	100.000.000 FCFA
	- Construction bâtiment Association des Bijoutiers	40.000.000 FCFA
	- Mission BOCARANGA sur le site de calcaire de KOUNANG	3.895.150 FCFA
	- Achat de matériels pour l'Association des Bijoutiers	20.000.000 FCFA
	- Séminaire de formation des Secrétaires (Mali)	6.886.086 FCFA
Total :.....		379.694.972 FCFA

27 OCT 2006



Cdt Sylvain NDOUTINGAI

RESUME DE CONVENTION MINIERE ENTRE LA REPUBLIQUE CENTRAFRICAINE ET LA SOCIETE DE BEERS

Le 23 Février 2005, l'Etat Centrafricain agissant par l'intermédiaire du Ministre des Mines, de l'Energie et de l'Hydraulique, le Commandant Sylvain NDOUTINGAÏ a signé une convention avec la société DE BEERS dûment représentée par Monsieur WILLIAM Frédérick Mc KECHNIE et Jonathan MAXMILLIAN Ernest OPPENMEIMER.

L'objet de ladite convention est d'établir une relation contractuelle entre l'Etat et DE BEERS conformément aux termes de l'article 9 du code minier et de définir les conditions juridiques, fiscales, douanières, financières, administratives, économiques et sociales dans laquelle la société DE BEERS mènera les opérations de recherche et d'exploitation minière pour le compte du partenariat.

Cette convention comprend sept (7) titres traitant respectivement de l'objet et de la durée de la convention, de la société de joint venture, de la phase de recherche de la transition de la phase de recherche du régime fiscal et douanier des dispositions diverses.

S'agissant du titre premier, celui-ci précise l'objet de la convention et la durée de la convention conformément au code minier.

Le titre 2 quant à lui définit la constitution de la société de joint venture dans laquelle les actions de DE BEERS représente 60% et 40% sont allouées à l'Etat à titre de participation gratuite ainsi que le bonus d'engagement d'un montant total de trois millions (3 000 000) de dollars US reparti sur cinq (5) ans.

Le titre 3 traite de la phase de recherche minière en indiquant clairement les obligations de l'Etat et le déroulement des opérations.

Le quatrième titre met un accent sur la transition de la phase de recherche à la phase d'exploitation minière qui comporte l'étude de faisabilité et résultats, la transition à la phase d'exploitation la durée du permis d'exploitation conformément à l'article 57 du code minier, la résiliation de ce permis conformément aux dispositions des articles 28 à 33 du code minier et des 17 et 18 des textes d'application, le déroulement des opérations d'exploitations, les engagements de la société de joint venture le financement du développement et de l'exploitation des mines et des infrastructures de cette société ainsi que les sûretés.

Le titre quant à ce qui le concerne définit le régime fiscal et douanier applicable en prévoyant des clauses de stabilité.

Le régime douanier reprend en son compte, les dispositions de l'article 90 du code minier.

Le régime fiscal est définie conformément aux article 7 à 12 de l'ordonnance n° 88/009 du 24 février 1988, fixant le régime fiscal applicable aux activités de recherche, d'exploitation et de commercialisation à l'exception des minerais d'uranium et substances connexes et des hydrocarbures.

Les taxes et impôts dus au titre des opérations d'exploitations sont les suivant :

1- Taxe ord Valorem (Royalty) :

- 2% attendant le service dans son entièreté de la dette privilégiée et de la dette subordonnée ;
- 3% dès le service dans son entièreté de la dette privilégiée et de la dette subordonnée jusqu'à l'expiration de la 15^{ème} exercice suivant la 1^{ère} production commerciale ;
- 4,25% dès la 16^{ème} exercice suivant la 1^{ère} production commerciale jusqu'à extinction du permis.

2- Impôt sur les sociétés à compte de l'année suivant celle de la 1^{ère} production commerciale avec son acompte c'est à dire l'impôt minimum forfaitaire ;

3- La taxe sur la valeur ajoutée (TVA) à compter de l'année suivant cette de la 1^{ère} production commerciale ;

- 4- La patente ;
- 5- La taxe à l'exportation ;
- 6- Impôt sur les revenus y compris ceux des expatriés ;
- 7- Impôt fonciers au taux de droit commun au cas où celle-ci serait propriétaire ;
- 8- Les droits d'enregistrement et de timbre pour les actes de mutations, de constitution de société, d'augmentation du capital conformément à l'article 93 du code minier ;
- 9- Contributions diverses telles que la contribution de développement social, la contribution de sécurité sociale. S'agissant, du titre 6, celui-ci traite des dispositions diverses applicables aux titres miniers telles que la tenue de la comptabilité, l'emploi du personnel qui doit accorder la préférence aux centrafricains en cas de qualifications, compétences et expériences professionnelles égales, la sous traitante avec les sociétés locales, la libre circulation du personnel expatrié, la protection de l'environnement conformément aux dispositions des articles 82 et à 84 du code minier et des articles 49 à 57 des textes d'application, la santé et la sécurité sur les lieux où se déroule les opérations, l'inspection, ainsi que les données et rapports des opérations, la confidentialité et la propriété intellectuelle, les garanties accordées par l'Etat pour le déroulement de toute les opérations minières. La clause de stabilité ainsi que le droit applicable le règlement des litiges, la force majeure le respect du Processus de Kimberley sont également pris en compte dans ce titre 6.

Enfin, le titre des dispositions finales en abordant les questions de la bonne foi dans la signature de cette convention, du domicile des deux parties, de la langue et du système de mesure ainsi que des divers.

Tel est le résumé de la convention minière entre l'Etat Centrafricain et la Société DE BEERS.

MINISTERE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

DIRECTION DE CABINET

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

RESUME RELATIF A LA CONVENTION
MINIERE ENTRE L'ETAT CENTRAFRICAINE
ET LA SOCIETE URAMIN CAR LIMITED

Le 28 février 2006, l'Etat Centrafricain représenté par le **Commandant Sylvain NDOUTINGAI**, Ministre des Mines, de l'Energie et de l'Hydraulique, a signé une convention de développement minier avec la Société **URAMIN CAR LIMITED**. La est constituée aux Iles vierges Britanniques selon le BVI Business Companies Act 2004 sous le n° 1005340, dont le siège social est sis à Walkers Chambers, Po Box 92, Road Town, Tortola, British Virgin Islands dûment représentée par Monsieur **George Roach**.

La convention a pour objet de définir les conditions générales, juridiques, financières, fiscales, douanières, administratives, économiques et sociales applicables à la société ou ses affiliées pour les activités d'exploration de recherches et d'exploitation du gisement des minerais d'uranium au sein du périmètre du permis qui se situe à **BAKOUMA**. La convention demeurera en vigueur jusqu'à la date d'expiration du permis d'exploitation renouvelé.

Dans les trois mois suivant la date de signature de la convention, il sera constitué une société d'exploitation de droit Centrafricain dans laquelle la société accorde à l'Etat 10% du capital social à titre de participation gratuite.

Après l'évaluation des réserves du gisement déclarés économiquement exploitable, la société s'engagera également à transférer à l'Etat 10% de participation gratuite.

L'Etat s'engage à octroyer à la société un permis d'exploitation qui porte sur la zone du gisement d'uranium et ses substances connexes dans la Sous-Préfecture de **BAKOUMA**.

Quant aux droits et obligation des parties. Les questions relatives aux cessions, à l'emploi du personnel expatrié et au Bonus d'engagement ont été prises en compte. Un bonus d'engagement de 2 000 000 US \$ a été fixé d'un commun accord et devrait être exécuté dans un délai de 30 jours après la signature de la convention.

Enfin, dans les engagements et garantis de l'Etat, il est clairement indiqué que l'Etat facilitera, dans toute la mesure du possible, les opérations minières de la société, de la société d'exploitation, de leurs sociétés affiliées et/ou leurs sous-traitants.

Concernant les dispositions économiques et fiscales, une petite dérogation au régime général des droits d'entrée et de sortie et des impôts directs et indirects en République Centrafricaine et ce à compter de la date de la première production est accordée à la société d'exploitation. Ces dérogations sont valables pour les dispositions douanières, économiques, financières et sociales.

Les impôts et taxes dus sont les suivants :

- taxe ad valorem ;
- droit fixe;
- redevance superficielle;
- impôt sur les sociétés avec son acompte l'impôt minimum forfaitaire (IMF) à compter du premier exercice suivant la première production commerciale ;
- la contribution et développement social ;
- la patente exploitation ;
- la contribution foncière ;
- l'impôt sur les revenus des capitaux mobiliers ;
- taxes et cotisations sur la main d'œuvre ;
- taxe sur la valeur ajoutée (TVA) sur les achats et prestations locaux aux taux de 19%.

S'agissant des dispositions douanières, la convention reprend a son compte les régimes douaniers prévus par l'article 90 du code minier.

Pour terminer, les dispositions diverses relatives au droit applicable et à la stabilité des conditions, à la confidentialité, au règlement des litiges, aux modifications, aux cas de force majeure, à l'entrée en vigueur ainsi qu'aux vérifications ont été débattues dans cette dernière partie de la convention.

Tel est le résumé de la convention entre l'Etat Centrafricain et la société URAMIN CAR LIMITED.

 Commercial Bank Centrafrique

Payez contre ce chèque
Pay against this cheque

Trois cent cinquante millions
somme en toutes lettres en francs CFA / Amount in letters in FCFA

A l'ordre de
to the order of

Cellule COTON ACDA

Payable à / Payable at:
République CENTRAFRICAINE

BANGUI

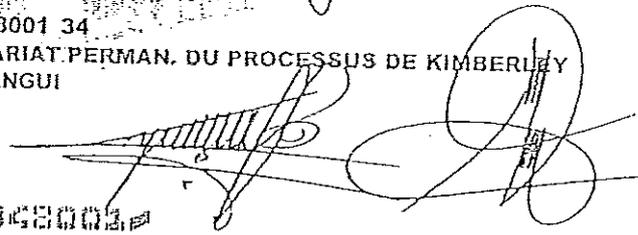
A
At

Bangui, le 28/06/06
the

BANGUI Tél. : 61 29 90
BOUAR Tél. : 31 41 05

37124348001 34

SECRETARIAT PERMAN. DU PROCESSUS DE KIMBERLEY
BP 26 BANGUI
R C A



90795350 000200A 037124348001

Chèque N°

Série A

CBCA 90795351

B.P. FCFA 600.000.000

 Commercial Bank Centrafrique

Payez contre ce chèque
Pay against this cheque

Six cent millions
somme en toutes lettres en francs CFA / Amount in letters in FCFA

A l'ordre de
to the order of

Tresor Public Centrafricain

Payable à / Payable at:
République CENTRAFRICAINE

BANGUI

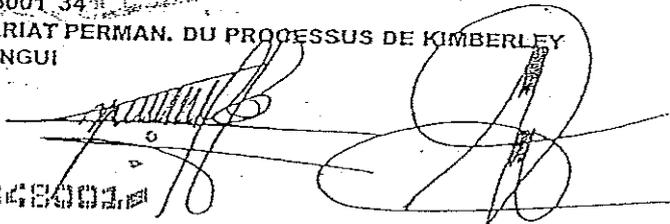
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At

Bangui, le 28/06/06
the

BANGUI Tél. : 61 29 90
BOUAR Tél. : 31 41 05

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SECRETARIAT PERMAN. DU PROCESSUS DE KIMBERLEY
BP 26 BANGUI
R C A



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Commercial Bank Centrafrique

Réf.: DC/0624/11/2006/JN/NCC.

ATTESTATION

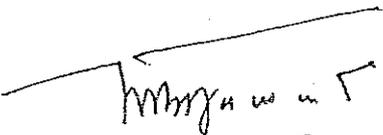
Nous soussignés, Commercial Bank-Centrafrique, Société Anonyme au capital de 1,5 milliard de FCFA, siège Social Rue de Brazza, BP. 59 BANGUI, représentée par Messieurs Daniel NDIRITIFEÏ-BOYSSEMBE, Directeur Général Adjoint et Richard BORONG LIVE, Directeur Général, certifions avoir encaissé deux chèques N°90795350 et N°90795351 émis par le Secrétariat Permanent du Processus de Kimberley respectivement de CFA 350.000.000 (Trois Cent Cinquante Millions de Francs CFA) et de CFA 600.000.000 (Six Cent Millions de Francs CFA) en faveur de la Cellule COTON ACDA et du Trésor Public Centrafricain.

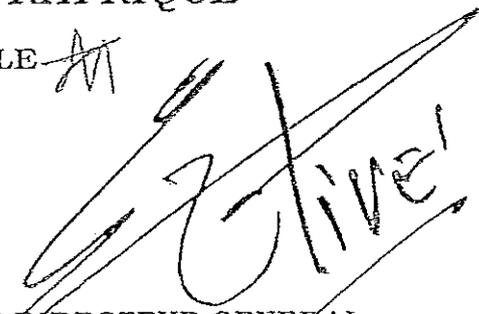
En foi de quoi, cette attestation est établie pour servir et valoir ce que de droit.

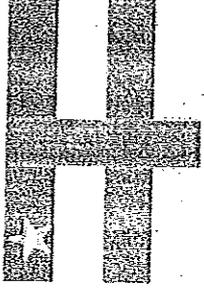
Fait à BANGUI, le dix novembre 2006.

P/COMMERCIAL BANK-CENTRAFRIQUE

LA DIRECTION GENERALE


LE DIRECTEUR GENERAL ADJOINT
D. NDIRITIFEÏ-BOYSSEMBE


LE DIRECTEUR GENERAL
R. BORONG LIVE



MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

SITUATION DES RECETTES EXCEPTIONNELLES ENCAISSEES DU SECTEUR MINIER

MINISTERE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

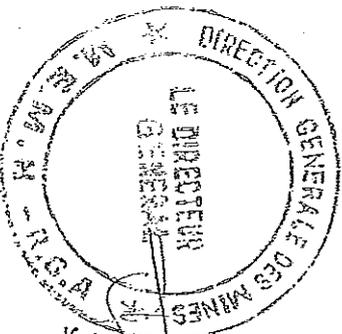
N° _____/07/MMEH/MIDCE/DIRCAB/DGM.-

Société Minière : TAMISA /

Montant total Bonus	1 ^{er} versement	2 ^e versement	3 ^e versement	4 ^e versement	5 ^e versement
250 000 000	Non	Non	Non	Non	Non
RAS	RAS	RAS	RAS	RAS	RAS

Fait à Bangui, le 22 OCT 2007

LE DIRECTEUR GENERAL DES MINES



Jean Sylvain FEIGOUZOZOU

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

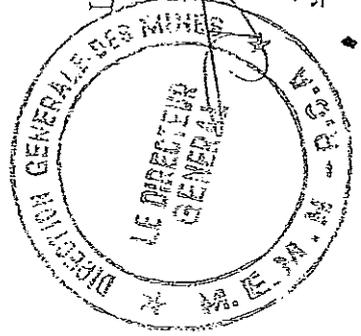
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SITUATION DES RECETTES EXCEPTIONNELLES ENCAISSEES DU SECTEUR MINIER

Société Minière : GOOD SPEED /

Montant total Bonus (FCFA)	1 ^{er} versement (17/02/07)	2 ^e versement (13/04/07)	OBSERVATIONS
30 000 000	15 000 000	15 000 000	RAS

Fait à Bangui, le 22 JUI 2007.



LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGOUZOZOU

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

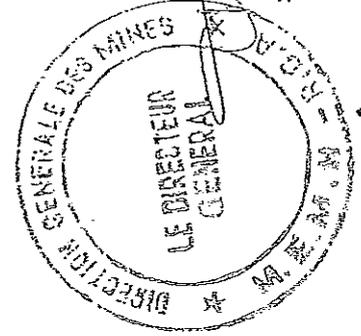
REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

N° 07/MMEH/MDCE/DIRCAB/DGM.-

Société Minière : Groupe PERRIERE /

Montant total Bonus (FCFA)	1 ^{er} versement	2 ^e versement	3 ^e versement	4 ^e versement	5 ^e versement
300 000 000	RAS	RAS	RAS	RAS	RAS

Fait à Bangui, le 22 OCT 2007



LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGOUZOZOU

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE
MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET
DIRECTION GENERALE DES MINES

REPUBLIQUE CENTRAFRICAINE
Unité -- Dignité -- Travail

N° 07/MMEH/MDCE/DIRCAB/DGM.-

Société Minière : SODEMINES

	1 ^{er} versement	2 ^e versement	3 ^e versement	4 ^e versement	5 ^e versement
Montant total Bonus (FCFA)					
800 000 000	RAS	RAS	RAS	RAS	RAS

Fait à Bangui, le 22 OCT 2007



LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGOUZOZOU

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

RÉPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

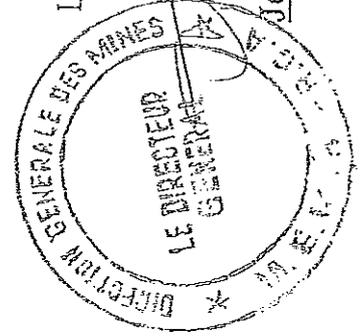
N° 643/07/MMEH/MDCE/DIRCAB/DGM.-

SITUATION DES RECETTES EXCEPTIONNELLES ENCAISSEES DU SECTEUR MINIER

Société Minière : URAMIN

	1 ^{er} versement (27/06/06)	OBSERVATIONS
Montant total Bonus (FCFA)	1 000 000 000	RAS

Fait à Bangui, le 22 OCT 2007



LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGOUZOZOU

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

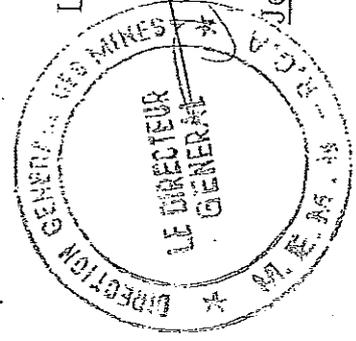
REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

N° 07/MMEH/MDCE/DIRCAB/DGM.

Société Minière : DE BEERS

Montant total Bonus (FCFA)	1 ^{er} versement	2 ^e versement	3 ^e versement	4 ^e versement	5 ^e versement

Fait à Bangui, le 22 OCT 2007



LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGOUZOUI

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

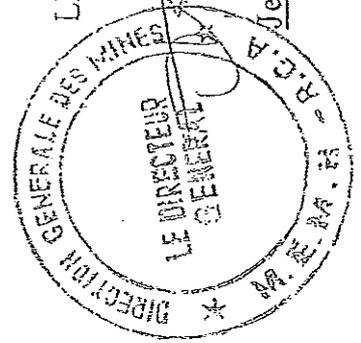
N° 644/07/MMEH/MDCE/DIRCAB/DGM.-

Société Minière : CAD LTD /

	OBSERVATIONS
Montant total Bonus (FCFA)	1 ^{er} versement (06/07/2007)
625 000 000	75 000 000
	RESTE A PAYER

Fait à Bangui, le 22 OCT 2007

LE DIRECTEUR GENERAL DES MINES



Jean Sylvain FEIGOUZOUI

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

REPUBLIQUE CENTRAFRICAINE
Unité – Dignité – Travail

N° 645/07/MMEH/MDCE/DIRCAB/DGM.-

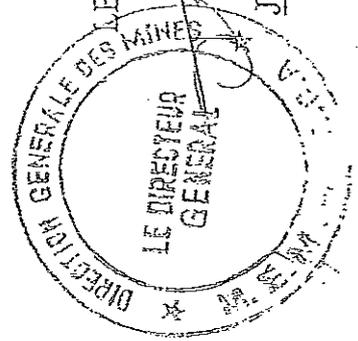
SITUATION DES RECETTES EXCEPTIONNELLES ENCAISSEES DU SECTEUR MINIER

Société Minière : PAN AFRICAN /

	OBSERVATIONS
Montant total Bonus (FCFA) 350 000 000	1 ^{er} versement (22/02/07) 93 098 457 RESTE A PAYER

NB : Les frais de transfert sont à la charge de l'Etat Centrafricain

Fait à Bangui, le 22 OCT 2007



LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGOUZOZOU

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

N°46/07/MMEH/MDCCE/DIRCAB/DGM.-

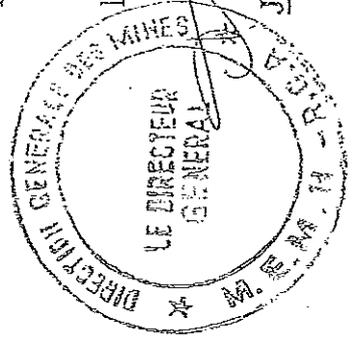
SITUATION DES RECETTES EXCEPTIONNELLES ENCAISSEES DU SECTEUR MINIER

Société Minière : PANGEA/

Montant total Bonus (FCFA)	1 ^{er} versement (19/02/2007)	2 ^e versement (12/04/07)	3 ^e versement (13/07/07)	OBSERVATIONS
375 000 000	186 244 057	68 372 457	66 701 369	RESTE A PAYER

NB : Les frais de transfert sont à la charge de l'Etat Centrafricain

Fait à Bangui, le 27 OCT 2007



LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGOUZOUI

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

N° 47/07/MMEH/MDCE/DIRCAB/DGM.-

SITUATION DES RECETTES EXCEPTIONNELLES ENCAISSEES DU SECTEUR MINIER

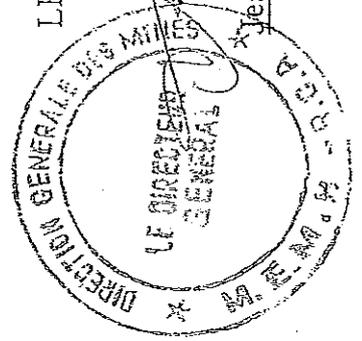
Société Minière : ETOILE DIAMANT /

Montant total Bonus (FCFA)	1 ^{er} versement (13/04/07)	2 ^e versement (03/05/07)	OBSERVATIONS
500 000 000	56 999 245	89 875 870	RESTE A PAYER

NB : Les frais de transfert sont à la charge de l'Etat Centrafricain.

Fait à Bangui, le 22 OCT 2007

LE DIRECTEUR GENERAL DES MINES



Jean Sylvain FEIGOUZOUI

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

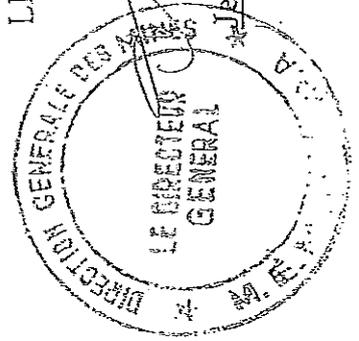
N° 07/MMEH/MDCE/DIRCAB/DGM.-

Société Minière : GETRAD

	1 ^{er} versement	2 ^e versement	3 ^e versement	4 ^e versement	5 ^e versement
Montant total Bonus (FCFA)					
RAS	RAS	RAS	RAS	RAS	RAS

Fait à Bangui, le 22 OCT 2007

LE DIRECTEUR GENERAL DES MINES



Jean Sylvain FEIGOUZOUI

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

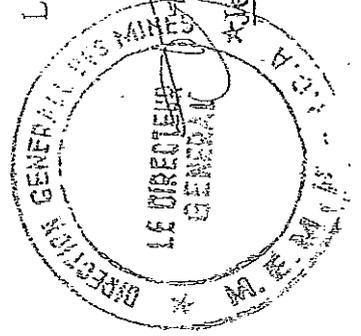
REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

N° ___/07/MMEH/NDCE/DIRCAB/DGM.-

Société Minière : BELAFRIQUE

	1 ^{er} versement	2 ^e versement	3 ^e versement	4 ^e versement	5 ^e versement
Montant total Bonus (FCFA)					
?	RAS	RAS	RAS	RAS	RAS

Fait à Bangui, le 22 OCT 2007



LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGOUZOUI

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

MINISTRE DELEGUE CHARGE DE L'ENERGIE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

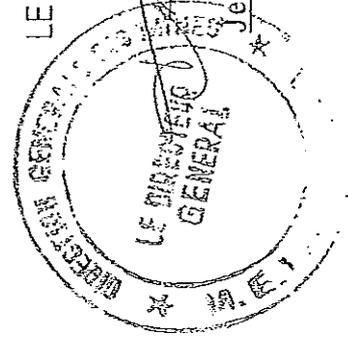
N° ____/07/MMEH/MDCE/DIRCAB/DGM.-

Société Minière : VAALDIAM

Montant total Bonus (FCFA)	1 ^{er} versement	2 ^e versement	3 ^e versement	4 ^e versement	5 ^e versement
?	RAS	RAS	RAS	RAS	RAS

Fait à Bangui, le 27 OCT 2017

LE DIRECTEUR GENERAL DES MINES



Jean Sylvain FEIGOUZOUI

REPUBLIQUE CENTRAFRICAINE
Unité – Dignité – Travail

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE
MINISTRE DELEGUE CHARGE DE L'ENERGIE
DIRECTION DE CABINET
DIRECTION GENERALE DES MINES

N° 648/07/MMEH/MDCE/DIRCAB/DGM.-

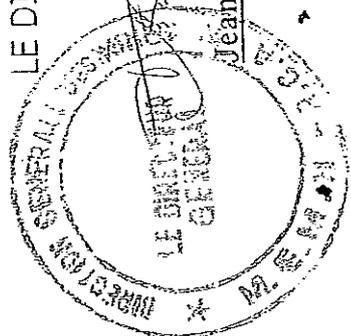
SITUATION DES RECETTES EXCEPTIONNELLES ENCAISSEES DU SECTEUR MINIER

Société Minière : K-MINES

Montant total Bonus (RCFA)	1 ^{er} versement (18/07/07)	2 ^e versement (1 ^e /10/07)	OBSERVATIONS
40 000 000	20 000 000	20 000 000	RAS

Fait à Bangui, le 12 OCT 2007

LE DIRECTEUR GENERAL DES MINES



Jean Sylvain FEIGOUZOZOU

MINISTRE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE
MINISTRE DELEGUE CHARGE DE L'ENERGIE
DIRECTION DE CABINET
DIRECTION GENERALE DES MINES

REPUBLIQUE CENTRAFRICAINE
Unité - Dignité - Travail

N° ____/07/MMEH/MDCE/DIRCAB/DGM.-

SITUATION DES RECETTES EXCEPTIONNELLES ENCAISSEES DU SECTEUR MINIER

Société Minière : SOCIETE IMG

Montant total Bonus (FCFA)	1 ^{er} versement	OBSERVATIONS

Fait à Bangui, le _____

LE DIRECTEUR GENERAL DES MINES

Jean Sylvain FEIGODOZOU

Jean Sylvain FEIGODOZOU



Annex N° 6

Documents collected

SITUATION DES RECETTES GENEREES DANS LE SECTEUR MINIER AU PROFIT DE L'ETAT SUR L'EXPORTATION DE DIAMANT

PERIODE : ANNEE 2004

RAISONS SOCIALES	PRODUCTION (en Carats)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	TAXE D S 3%	IMF 3%	TAXE I D V 2%	TAXE 3% COLLECT	CASDOR 0,75%	TAXE R I D T 0,50%	Recettes Versées au Trésor
										3%DS+0,50%RIDT +3%COLL+3%IMF
BADICA	38 420,65	3 701 169 246	4 299 774 514	128 993 235	128 993 235	85 995 490	111 035 077	32 248 309	21 498 873	390 520 421
PRIMO	88 385,76	4 822 285 500	5 783 729 176	173 511 875	173 511 875	115 674 584	144 668 565	43 377 969	28 918 646	520 610 961
SODIAM	64 089,27	5 579 740 900	5 734 336 844	172 030 105	172 030 105	114 686 737	167 392 227	43 007 526	28 671 684	540 124 122
SOPICAD	46 650,17	3 564 001 500	3 942 944 726	118 288 342	118 288 342	78 858 895	106 920 045	29 572 085	19 714 724	363 211 452
D D C	98 524,71	4 596 338 863	6 303 523 233	189 105 697	189 105 697	126 070 465	137 890 166	47 276 424	31 517 616	547 619 176
COMIGEM	3 007,85	351 809 000	360 100 250	10 803 008	10 803 008	7 202 005	10 554 270	2 700 752	1 800 501	33 960 786
ADC	2 604,36	227 166 000	232 005 327	6 960 160	6 960 160	4 640 107	6 814 980	1 740 040	1 160 027	21 895 326
CONCEDIA	8 390,88	488 233 000	673 689 721	20 210 692	20 210 692	13 473 794	14 646 990	5 052 673	3 368 449	58 436 822
ORDICA	1 121,44	104 000 000	144 762 018	4 342 861	4 342 861	2 895 240	3 120 000	1 085 715	723 810	12 529 531
SANFAMI	1902,74	199 695 500	223 706 469	6 711 194	6 711 194	4 474 129	5 990 865	1 677 799	1 118 532	20 531 785
CMC	341,32	45 000 000	51 164 676	1 534 940	1 534 940	1 023 294	1 350 000	383 735	255 823	4 675 704
UNCMCA	45,4	12 800 000	13 571 358	407 141	407 141	271 427	384 000	101 785	67 857	1 266 138
TOTAL	353484,55	23692239509	27763308312	832899312	832899312	555266166	710767185	208224812	138816542	2515322226

Nota Bene

DS= Droit de Sortie (3%) perçu par la Douane au profit du Trésor Public

IMF= Impôt Minimum Forfaitaire (3%) perçu par la Douane au bénéfice des Impôts

TSD = Taxe sur l'achat des collecteurs (3%) perçue les impôts les Impôts au bénéfice du Trésor

CASDOR = Caisse d'Avance spéciale sur le Diamant et Or (0,75) au bénéfice des Mines

RIDT = Redevance Informatique Douane Trésor (0,5%) perçue par la Douane au bénéfice du bloc Finance

IDV = International Diamond Valor (2%) perçu par la Société Privé IDV pour son propre compte

PERIODE : ANNEE 2005

au Trésor
3%DS+0,50%RIDT

RAISONS SOCIALES BUREAUX	PRODUCTION (en Carats)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	Taxe imposable 3,25-5,50-4,25-6%	Taux de change	Valeur en dollars	TAXE D S 3-1,75-3%	IMF 3%	TAXE I D V 2-1,25-1%	TAXE 3% COLLECT	CASDOR 0,75 et 1 %	TAXE R I D T 0,25 et 0,50 %	SPPK 0,25%et 0,50%	+3%COLL+3%IMF
BADICA	38 528,63	4 588 628 000	4 987 471 074	236 311 072	529	9 428 111,67	109 692 901	149 626 134	51 216 949	149 577 189	38 703 044	24 937 355	13 765 686	433 833 579
PRIMO	79 625,20	4 663 004 500	5 764 848 305	271 695 601	527	10 938 991,09	121 021 720	159 016 361	59 333 572	172 943 450	38 611 378	28 824 241	14 412 121	481 805 772
SODIAM	94 590,65	9 212 787 400	9 480 984 654	445 979 969	528	17 956 410,33	214 416 470	284 429 538	96 087 186	263 102 043	73 837 944	47 404 924	26 433 021	809 352 975
SOPICAD	60 896,95	4 526 851 200	4 849 474 378	229 657 101	529	9 167 248,35	104 607 981	145 484 232	48 673 645	139 009 353	37 529 010	24 247 373	12 873 093	413 348 939
DDC	83 896,62	4 070 406 472	4 694 313 251	222 523 453	530	8 857 194,81	92 221 633	128 586 996	47 618 425	128 586 996	36 896 957	23 471 556	11 384 990	372 867 181
ADC	2 464,79	416 196 373	510 895 183	22 425 210	526	971 283,62	9 652 831	15 326 857	6 608 218	15 326 857	3 831 712	2 554 477	1 277 238	42 861 022
DIAMSTAR	14 381,33	1 143 817 750	1 337 088 904	61 813 172	526	2 541 994,11	28 081 888	40 112 666	13 472 244	40 112 668	10 028 166	6 685 445	3 342 723	114 992 667
ORDICA	975,74	128 050 000	152 951 866	6 500 454	529	289 133,96	2 893 651	4 588 556	1 529 519	4 588 556	1 147 139	764 760	382 380	12 835 523
CONCEDIA	6 962,37	324 127 000	658 537 743	27 987 854	509	1 293 787,31	17 439 960	19 756 132	7 974 054	19 756 132	4 939 033	3 292 689	1 644 344	60 244 913
BELDIAM	313,51	124 043 000	143 142 739	6 083 566	547	261 686,91	2 504 998	4 294 282	1 431 427	4 294 282	1 073 571	715 714	357 856	11 809 276
BELAFRIQUE	445,57	56 013 476	65 928 511	2 801 962	538	122 544	980 236	1 977 855	659 285	1 977 855	494 464	329 643	164 821	5 439 102
UNCMCA	213,23	71 165 000	71 165 000	3 517 325	524	135 811	1 245 388	2 134 950	711 650	2 134 950	533 738	355 825	177 913	6 363 925
TOTAL 1	383 294,59	29 325 090 171	32 716 801 608	1 537 296 740	530	61 729 814,35	704 759 656	955 334 559	335 316 174	941 410 331	247 626 155	163 584 002	86 216 186	2 765 754 874

Nota Bene

DS= Droit de Sortie (allant de3% en passant par 1,75% pour revenir à 3%) perçu par la Douane au profit du Trésor Public
IMF= Impôt Minimum Forfaitaire (3%) perçu par la Douane au bénéfice des Impôts
TSD = Taxe sur l'achat des collecteurs (3%) perçue les impôts les Impôts au bénéfice du Trésor
CASDOR = Caisse d'Avance spéciale sur le Diamant et Or (allant 0,75% à 1%) au bénéfice des Mines
RIDT = Redevance Informatique Douane Trésor (allant de 0,25% à 0,5%) perçue par la Douane au bénéfice du bloc Finance
IDV = Intrenational Diamond Valor (allant 2% en passant par 1,25% pour finir à 1%) perçu par la Société Privé IDV pour son propre compte
SPPK = Secretariat Permanent de Processus de Kimberley (allant de 0,25% à 0,5%) pour son propre compte

PERIODE : ANNEE 2006

	PRODUCTION	VALEUR	VALEUR	Taux de change	Valeur en dollars	TAXE D S	IMF	TAXE SD	PDSM	RIEF	SPPK	Contribution au Budget 12%
RAISONS SOCIALES BUREAUX	(en Carats)	ACHAT (en FCFA)	EXPERTISE (en FCFA)			4,00%	3%	3%	1,00%	0,50%	0,50%	Ds 4% + PDSM 1% + IMF 3% + TSD 3%+RIEF 0,50% SPPK 0,50%
BADICA	39 723,48	5 202 613 000	5 658 482 112	531	10 656 275,16	226 339 284	169 754 463	169 754 463	56 584 821	28 292 411	28 292 411	679 017 853
PRIMO	54 963,52	3 924 687 500	5 033 811 893	532	9 462 052,43	201 352 476	151 014 357	151 014 357	50 338 119	25 169 059	25 169 059	604 057 427
SODIAM	195 490,80	13 072 491 050	13 203 872 897	531	24 866 050,65	528 154 916	396 116 187	396 116 187	132 038 729	66 019 364	66 019 364	1 584 464 748
SOPICAD	0,00	0	0	0	0	0	0	0	0	0	0	0
D D C	114 885,14	5 727 819 600	6 736 244 651	530	12 709 895,57	269 449 786	202 087 340	202 087 340	67 362 447	33 681 223	33 681 223	808 349 358
A D C	2 275,79	503 210 000	546 029 551	533	1 024 445,69	21 841 182	16 380 887	16 380 887	5 460 296	2 730 148	2 730 148	65 523 546
ORDICA	286,24	160 100 000	160 100 000	536	298 694,03	6 404 000	4 803 000	4 803 000	1 601 000	800 500	800 500	19 212 000
DIAMSTAR	0,00	0	0	0	0	0	0	0	0	0	0	0
BELDIAM	4 678,66	410 730 000	471 343 229	535	881 015,38	18 853 729	14 140 297	14 140 297	4 713 432	2 356 716	2 356 716	56 561 187
MEX	267,15	56 047 000	57 637 866	551	104 605,93	2 305 515	1 729 136	1 729 136	576 379	288 189	288 189	6 916 544
UNCMCA	2 745,61	751 839 995	779 461 668	532	1 465 153,51	31 178 467	23 383 850	23 383 850	7 794 617	3 897 308	3 897 308	93 535 400
SOCEMINE	213,03	12 730 480	19 619 024	534	36 739,75	784 761	588 571	588 571	196 190	98 095	98 095	2 354 283
TOTAL	415 529,42	30 123 940 625	32 666 602 891	534	61 173 413,65	1 306 664 116	979 998 087	979 998 087	326 666 029	163 333 014	163 333 014	3 919 992 347

NB : DS = Droit de Sortie (4%) perçu par la Douane au bénéfice du Trésor public

IMF= Impôt Minimum Forfaitaire (3%) perçu par la Douane au bénéfice des Impôts

TSD = Taxe sur l'achat des collecteurs (3%) perçue les impôts

PDSM = Projet de Développement du Secteur Minier (1%) au bénéfice des Mines (ancien CASDOR)

RIEF = Redevance Equipement Informatique et Finance (0,5%) perçue par la Douane au bénéfice du bloc Finance (ancien RIDT)

SPPK :Secretariat Permanent de Processus de Kimberley (0,5%) pour son propre compte

PERIODE : ANNEE 2007

RAISONS SOCIALES BUREAUX	PRODUCTION (en Carats)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	Taxe imposable 6,00%	Taux de change	Valeur en dollars	TAXE D S 4,00%	IMF 3%	TAXE 3% COLLECT	CASDOR 1,00%	TAXE R I D T 0,50%	SPPK 0,50%	tribution au Budget 12% = Ds 4% + PDSM 1% + IMF 3% + TSD 3%+RIEF 0,50% SPPK 0,50%
BADICA	27 127,03	3 085 418 000	3 272 543 009	196 352 581	477	6 860 677,17	130 901 720	98 176 290	98 176 290	32 725 430	16 362 715	16 362 715	392 705 161
PRIMO	60 284,65	4 058 011 000	4 942 869 327	296 572 160	470	10 516 743,25	197 714 773	148 286 080	148 286 080	49 428 693	24 714 347	24 714 347	593 144 319
SODIAM	152 430,97	9 656 425 900	9 686 299 571	581 177 974	473	20 478 434,61	387 451 983	290 588 987	290 588 987	96 862 996	48 431 498	48 431 498	1 162 355 949
DDC	141 542,46	7 202 466 229	8 544 866 985	512 692 019	469	18 219 332,59	341 794 679	256 346 010	256 346 010	85 448 670	42 724 335	42 724 335	1 025 384 038
ADR	12 984,19	890 628 906	977 209 666	58 632 580	468	2 088 054,84	39 088 387	29 316 290	29 316 290	9 772 097	4 886 048	4 886 048	117 265 160
ADC	5 818,08	612 846 511	647 306 346	38 838 381	470	1 377 247,54	25 892 254	19 419 190	19 419 190	6 473 063	3 236 532	3 236 532	77 676 762
BELDIAM	6 668,23	626 455 000	706 557 779	42 393 467	473	1 493 779,66	28 262 311	21 196 733	21 196 733	7 065 578	3 532 789	3 532 789	84 786 933
CODIORCA	6 183,03	566 593 000	588 266 247	35 295 975	470	1 251 630,31	23 530 650	17 647 987	17 647 987	5 882 662	2 941 331	2 941 331	70 591 950
LIONS	328,02	57 435 288	57 445 288	3 446 717	487	117 957,47	2 297 812	1 723 359	1 723 359	574 453	287 226	287 226	6 893 435
IAS	0,00	0	0	0	0	0,00	0	0	0	0	0	0	0
MEX	0,00	0	0	0	0	0,00	0	0	0	0	0	0	0
ORDICA	309,30	59 210 000	59 210 000	3 552 600	473	125 179,70	2 368 400	1 776 300	1 776 300	592 100	296 050	296 050	7 105 200
VAALDIAM	43,70	6 191 302	8 082 702	484 962	490	16 495,31	323 308	242 481	242 481	80 827	40 414	40 414	969 924
PANGEA	3 673,30	182 863 047	220 318 667	13 219 120	477	461 884,00	8 812 747	6 609 560	6 609 560	2 203 187	1 101 593	1 101 593	26 438 240
I M G	102,21	3 697 172	3 697 172	221 830	483	7 654,60	147 887	110 915	110 915	36 972	18 486	18 486	443 661
UNCMCA	195,81	40 120 000	40 120 000	2 407 200	449	89 354,12	1 604 800	1 203 600	1 203 600	401 200	200 600	200 600	4 814 400
TOTAL	417 690,98	27 077 289 437	29 754 782 759	1 785 286 966	474	62 773 803,29	1 190 191 710	892 643 783	892 643 783	297 547 928	148 773 964	148 773 964	3 570 575 131

NB : DS = Droit de Sortie (4%) perçu par la Douane au bénéfice du Trésor public

IMF= Impôt Minimum Forfaitaire (3%) perçu par la Douane au bénéfice des Impôts

TSD = Taxe sur l'achat des collecteurs (3%) perçue les impôts

PDSM = Projet de Développement du Secteur Minier (1%) au bénéfice des Mines (ancien CASDOR)

REIF = Redevance Equipement Informatique et Finance (0,5%) perçue par la Douane au bénéfice du bloc Finance (ancien RIDT)

SPPK :Secretariat Permanent de Processus de Kimberley (0,5%) pour son propre compte

L'EXPERT EVALUATEUR PRINCIPAL

PERIODE : JANVIER à MAI 2008

RAISONS SOCIALES BUREAUX	PRODUCTION (en Carats)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	Taxe imposable 6,00%	Taux de change	Valeur en dollars	TAXE D S 4,00%	IMF 3%	TAXE 3% COLLECT	CASDOR 1,00%	TAXE R I D T 0,50%	SPPK 0,50%	tribution au Budget 12% = Ds 4% + PDSM 1% + IMF 3% + TSD 3%+RIEF 0,50% SPPK 0,50%
BADICA	16 611,09	1 469 594 000	1 499 747 530	89 984 852	429	3 495 914,99	59 989 901	44 992 426	44 992 426	14 997 475	7 498 738	7 498 738	179 969 704
PRIMO	34 161,80	1 675 141 000	2 036 627 902	122 197 674	429	4 747 384,39	81 465 116	61 098 837	61 098 837	20 366 279	10 183 140	10 183 140	244 395 348
SODIAM	88 927,96	4 594 912 850	4 622 657 568	277 359 454	430	10 750 366,44	184 906 303	138 679 727	138 679 727	46 226 576	23 113 288	23 113 288	554 718 908
DDC	41 023,51	1 224 013 000	1 441 277 452	86 476 647	431	3 344 031,21	57 651 098	43 238 324	43 238 324	14 412 775	7 206 387	7 206 387	172 953 294
ADR	8 124,31	476 470 500	486 987 393	29 219 244	429	1 135 168,75	486 987 393	19 479 496	14 609 622	4 869 874	2 434 937	2 434 937	58 438 487
ADC	444,26	50 315 000	52 830 924	3 169 855	423	124 895,80	2 113 237	1 584 928	1 584 928	528 309	264 155	264 155	6 339 711
BELDIAM	614,58	67 911 000	76 903 344	4 614 201	448	171 659,25	3 076 134	2 307 100	2 307 100	769 033	384 517	384 517	9 228 401
CODIORCA	4 419,30	318 424 000	365 060 127	21 903 608	432	845 046,59	14 602 405	10 951 804	10 951 804	3 650 601	1 825 301	1 825 301	43 807 215
LIONS	0,00	0	0	0	0	0,00	0	0	0	0	0	0	0
IAS	0,00	0	0	0	0	0,00	0	0	0	0	0	0	0
MEX	0,00	0	0	0	0	0,00	0	0	0	0	0	0	0
ORDICA	2 864,54	214 500 000	271 193 990	16 271 639	422	642 639,79	10 847 760	8 135 820	8 135 820	2 711 940	1 355 970	1 355 970	32 543 279
KHORDIA	0,00	0	0	0	0	0,00	0	0	0	0	0	0	0
VAALDIAM	0,00	0	0	0	0	0,00	0	0	0	0	0	0	0
PANGEA	1 539,36	72 520 316	72 897 303	4 373 838	436	167 195,65	2 915 892	2 186 919	2 186 919	728 973	364 487	364 487	8 747 676
I M G	0,00	0	0	0	0	0,00	0	0	0	0	0	0	0
UNCMCA	402,02	164 890 000	164 890 000	9 893 400	434	379 930,88	6 595 600	4 946 700	4 946 700	1 648 900	824 450	824 450	19 786 800
TOTAL	199 132,73	10 328 691 666	11 091 073 533	665 464 412	431	25 722 498,18	443 642 941	332 732 206	332 732 206	110 910 735	55 455 368	55 455 368	1 330 928 824

NB : DS = Droit de Sortie (4%) perçu par la Douane au bénéfice du Tresor public

IMF= Impôt Minimum Forfaitaire (3%) perçu par la Douane au bénéfice des Impôts

TSD = Taxe sur l'achat des collecteurs (3%) perçue les impôts

PDSM = Projet de Developpement du Secteur Minier (1%) au bénéfice des Mines (ancien CASDOR)

REIF = Redevance Equipement Informatique et Finance (0,5%) perçue par la Douane au bénéfice du bloc Finance (ancien RIDT)

SPPK :Secretariat Permanent de Processus de Kimberley (0,5%) pour son propre compte

SITUATION DES RECETTES GENEREES DANS LE SECTEUR MINIER AU PROFIT DE L'ETAT SUR L'EXPORTATION DE L'OR

PERIODE : ANNEE 2004

RAISONS SOCIALES BUREAUX	PRODUCTION (en Grammes)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	VALEUR TAXABLE (en FCFA)	TAXE D S 1,00%	IMF 3%	PDSM 0,75%	R I E F 0,50%	bution au Budget 5,25 % s 1% + PDSM 0,75% + IMF 3% + RIEF 0,50%
D D C	516,50	2 840 750	2 840 750	2 840 750	28 408	85 223	21 306	14 204	149 139
CONCEDIA	190,30	951 500	951 500	951 500	9 515	28 545	7 136	4 758	49 954
A D C	21,70	108 500	108 500	108 500	1 085	3 255	814	543	5 696
SANFAMI	2 367,90	11 839 500	11 839 500	11 839 500	118 395	355 185	88 796	59 198	621 574
TOTAL	3 096,40	15 740 250	15 740 250	15 740 250	157 403	472 208	118 052	78 701	826 363

PERIODE : ANNEE 2005

RAISONS SOCIALES BUREAUX	PRODUCTION (en Grammes)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	VALEUR TAXABLE (en FCFA)	TAXE D S 1,00%	IMF 3%	PDSM 0,75%	R I E F 0,50%	bution au Budget 5,25 % s 1% + PDSM 0,75% + IMF 3% + RIEF 0,50%
CONCEDIA	54,70	273 500	273 500	273 500	2 735	8 205	2 051	1 368	14 359
A D C	2 484,20	13 015 000	13 015 000	13 015 000	130 150	390 450	97 613	65 075	683 288
D D C	4 134,20	20 671 000	20 671 000	20 671 000	206 710	620 130	155 033	103 355	1 085 228
ORDICA	3 445,10	20 670 000	20 670 000	20 670 000	206 700	620 100	155 025	103 350	1 085 175
BELDIAM	253,80	1 348 850	1 348 850	1 348 850	13 489	40 466	10 116	6 744	70 815
TOTAL	10 372,00	55 978 350	55 978 350	55 978 350	559 784	1 679 351	419 838	279 892	2 938 863

PERIODE : ANNEE 2006

RAISONS SOCIALES BUREAUX	PRODUCTION (en Grammes)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	VALEUR TAXABLE (en FCFA)	TAXE D S 1,00%	IMF 3%	PDSM 0,75%	R I E F 0,50%	ution au Budget 5,25 % s 1% + PDSM 0,75% + IMF 3% + RIEF 0,50%
MEX	1 782,30	9 796 000	9 796 000	9 796 000	97 960	293 880	73 470	48 980	514 290
ORDICA	4 353,70	22 175 450	22 175 450	22 175 450	221 755	665 264	166 316	110 877	1 164 211
BELDIAM	49,50	249 000	249 000	249 000	2 490	7 470	1 868	1 245	13 073
UNCMCA	2 484,20	12 421 000	12 421 000	12 421 000	124 210	372 630	93 158	62 105	652 103
TOTAL	8 669,70	44 641 450	44 641 450	44 641 450	446 415	1 339 244	334 811	223 207	2 343 676

PERIODE : ANNEE 2007

RAISONS SOCIALES BUREAUX	PRODUCTION (en Grammes)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	TAXE D S 1,00%	IMF 3%	PDSM 0,75%	R I E F 0,50%	ution au Budget 5,25 % s 1% + PDSM 0,75% + IMF 3% + RIEF 0,50%
KHORDIA	1 494,50	12 555 000	12 555 000	125 550	376 650	94 163	62 775	659 138
CODIORCA	96,92	580 000	580 000	5 800	17 400	4 350	2 900	30 450
A D C	8 291,00	46 231 000	46 231 000	462 310	1 386 930	346 733	231 155	2 427 128
SOCEMINE	715,50	3 577 500	3 577 500	35 775	107 325	26 831	17 888	187 819
MEX	1 908,10	13 930 600	13 930 600	139 306	417 918	104 480	69 653	731 357
TOTAL	12 506,02	76 874 100	76 874 100	768 741	2 306 223	576 556	384 371	4 035 890

PERIODE : JANVIER à MAI 2008

RAISONS SOCIALES BUREAUX	PRODUCTION (en Grammes)	VALEUR ACHAT (en FCFA)	VALEUR EXPERTISE (en FCFA)	VALEUR TAXABLE (en FCFA)	TAXE D S 1,00%	IMF 3%	PDSM 0,75%	R I E F 0,50%	bution au Budget 5,25 % s 1% + PDSM 0,75% + IMF 3% + RIEF 0,50%
KHORDIA	3 934,72	37 410 375	19 673 600	37 410 375	374 104	1 122 311	280 578	187 052	1 964 045
UNCMCA	1 562,90	7 087 500	7 814 500	7 814 500	78 145	234 435	58 609	39 073	410 261
I A S	3 186,70	25 862 055	15 933 500	25 862 055	258 621	775 862	193 965	129 310	1 357 758
I A S	5 124,20	28 594 270	25 621 000	28 594 270	285 943	857 828	214 457	142 971	1 501 199
I A S	8 068,69	40 385 000	40 343 450	40 385 000	403 850	1 211 550	302 888	201 925	2 120 213
UNCMCA	793,40	3 973 500	3 967 000	3 973 500	39 735	119 205	29 801	19 868	208 609
I A S	2 499,00	12 502 000	12 502 000	12 502 000	125 020	375 060	93 765	62 510	656 355
ORDICA	2 369,90	11 867 500	11 867 500	11 867 500	118 675	356 025	89 006	59 338	623 044
KHORDIA	1 765,70	16 303 320	16 303 320	16 303 320	163 033	489 100	122 275	81 517	855 924
UNCMCA	3 948,80	29 250 000	29 250 000	29 250 000	292 500	877 500	219 375	146 250	1 535 625
TOTAL	33 254,01	213 235 520	183 275 870	213 962 520	2 139 625	6 418 876	1 604 719	1 069 813	11 233 032

NB : Droit de Sortie (DS) = 1% perçu par la Douane au bénéfice du Trésor Public

Impôt Minimum Forfaitaire (IMF) = 3% perçu par la Douane au bénéfice des Impôts

projet de développement du secteur minier (PDSM) = 0,75% perçu par les Mines dont 55% du montant sont reversé au Trésor

Redevance Equipement Informatique et Finance (REIF) = 0,5% perçue par la Douane au profit du bloc Finance

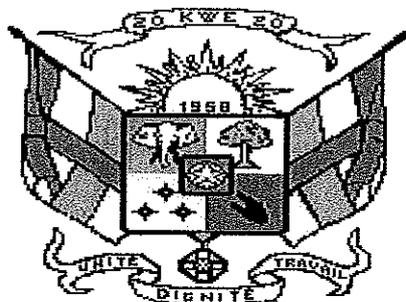
COMMENTAIRE

Il mérite de signaler qu' en dehors des PDSM qui sont perçus au niveau des Mines comme taxes dont une partie (55%) du montant sont reversés au Trésor public, tous les autres Droits et Taxes sont versé pour le compte des Institutions dont on a fait mention ci- haut. Par contre en ce qui concerne les patentes des Bureaux d'Achat, Collecteurs et les Artisans miniers ainsi que les droit des permis miniers, les taxes superficielles sur ces permis et les cautions de garantie d'ouverture des Bureaux d'Achat sont versés directement soit au Trésor ou Impôt selon le cas sur l'avis d'encaissement établi par le Service des Mines aux intéressés au profit des Institutions précitées.

Quant à ce qui est de bonus perçu sur les activités minières, je vous demanderai de voir avec les autorités des Mines et des Finances car c'est des situations qui se traite conjointement que je ne maîtrise pas bien les données.

République Centrafricaine

UNITE - DIGNITE - TRAVAIL



DOCUMENT DE TRAVAIL

MISSION DU FONDS MONETAIRE INTERNATIONAL
FMI

DU 06 AU 20 MARS 2008

COMITE TECHNIQUE PERMANENT DE SUIVI DES PROGRAMMES D'AJUSTEMENT
STRUCTUTREL

(CTP/PAS)

BP 1014 BANGUI TEL : 21-61-58-36 / 21-61-32-66 FAX : 21-61 62 35

- *Veillez indiquer les progrès accomplis dans l'amélioration de la réglementation et de la communication des données dans le secteur forestier (y compris l'adoption d'un nouveau code forestier et le lancement d'une campagne de sensibilisation) (conditions de passage au point d'achèvement PPTE).*

Dans le cadre des réformes structurelles engagées par le gouvernement centrafricain en vue du point d'achèvement de l'Initiative des Pays Pauvres Très Endettés (PPTE), le Ministère en charge du secteur forestier a reçu mission de mettre en œuvre les deux déclencheurs suivants :

- i- Adoption par le Parlement d'un nouveau Code Forestier et adoption de décrets d'application avec la mise en œuvre satisfaisante ;
- ii- Réalisation d'une campagne de sensibilisation pour les communautés et mise en œuvre d'un système permanent d'information sur la réglementation forestière.

Concernant le Code Forestier, le Ministère en charge des forêts a eu à échanger sur les différents aspects du projet de code forestier dans le cadre d'une démarche participative avec l'ensemble des parties prenantes ainsi que les partenaires au développement. Les derniers commentaires de la Banque Mondiale et de l'Union Européenne ont été examinés au sein d'un Comité restreint et intégrés au dit document. Des échanges avec tous les partenaires ont permis aussi de prendre en compte les avis pour ne pas oublier les points importants.

Concernant le deuxième déclencheur, il a vu un début de mise en œuvre, notamment des informations relatives à l'appel d'offres pour l'attribution des deux nouveaux permis. Le Département en charge des forêts a également réalisé les publications sur le site Internet du gouvernement les données sur les recettes provenant de l'exploitation des ressources forestières et cynégétiques pour l'information de la communauté.

B. Secteur minier

- *Veillez décrire l'activité et tous les types de permis attribués (y compris les permis exceptionnels) dans le secteur du diamant en 2007, ainsi que le montant des droits ou permis Ces paiements apparaissent-ils dans le budget ? Veillez illustrer à l'aide du budget 2008*

En vue d'améliorer la performance du secteur minier afin qu'il serve dans les mains du Gouvernement centrafricain comme l'un des outils, à l'augmentation des recettes publiques et à réduire le taux de pauvreté, un bilan diagnostique a été dressé dans le cadre des États Généraux du Secteur Minier qui se sont tenus du 08 au 11 juillet 2003.

Ces États Généraux, ont débouché sur des recommandations dont l'application, se concrétise par des actions, certaines déjà entreprises, les unes en cours de réalisation et les autres en attente d'être réalisée.

1) Attribution des Permis

En 2007 quatre vingt treize (93) permis ont été octroyés et se répartissent de la manière suivante (Les catégories de permis attribués se trouvent dans le tableau ci-dessous) : i) **51** Permis Spéciaux d'Exploitation (PSE) ; ii) **19** Permis de Reconnaissance Minière (PRM) ; iii) **22** Permis Généraux de Recherche de Type "A" (PGRA) ; iv) **1** Permis d'Exploitation pour une superficie de 381, 50 Km².

Ces permis ont rapporté à la caisse de l'Etat **79 064 900 FCFA, dont 50 560 000 FCFA** de droits de délivrance et **28 504 900 FCFA** de taxes sur les superficies y relatives.

Les détails, notamment les noms des sociétés et coopératives, leurs lieux d'activité et les différents types de permis figurent en annexe.

2) Situation des Permis attribués en 2007

i- Permis Spéciaux d'exploitation

Dénominations	Droit d'attribution	Lieu d'activité
1- COMINYA Président : OUEIFIO FEIBONAZOUI	120 000	Ouham bac
2- COOPERAMINE Président : Jean René MALIZOKAMA	120 000	Sud Ngotto
3- CEDIOR : Président : Joseph KPALE MONGOLO	60 000	Lobaye Yawa
4- CEDOC-SOLEIL Président : DOBOT ZERO Paulin	60 000	Lopo
5-DANGAWESSE GEMMES Président : Pierre KOULA DARMAN	300 000	Abba : Kpanguida Lissime Gom Zerngourou Kpandé
6- COOPERATIVE BOUNGOU RONDE	300 000	Bria (confluence Kébi)
7- CAMBO	300 000	Ouadda
8-CODEXDIOR	300 000	Bania (aval)
9- CADOK	300 000	
10- Bé Africa Mobimba	120 000	Ngola Nganda
11- KOUAZO MINES	180 000	
12- CAMCA 2	300 000	Fouka Nana
13- NDINGA	240 000	
14- CPEMCA	120 000	Ngoéré Yobe
15- COODIAMCA	120 000	Bossoui
16- GENERAL MINES CENTRAFRIQUE	120 000	
TOTAL	3 060 000 F	

ii- Permis de Reconnaissance

Dénominations	Titres	Superficie en Km ²	Lieux d'activité
1-CAD Mining	1 PRM	901,2	Kotto-Ndji
2-COGEN	1- PRM	988,9	Paoua
3-Cooper Mining Corp	1- PRM	963	Ngadé
4-Cristal Mining	1- PRM	918	La Mbi
5-Int Mining Group	2- PRM	381,5 802	Bania Gadzi
6- Etoile Diamant	2- PRM	922	Nzako
		1950	Kotto- Bangana
7-Tamija Ressource Cent	2- PRM	1000	Bria
		1000	Ndji
8- Kamach Mines	2- PRM	4000	Carnot
9- K B TOPIA	3- PRM	3000	Topia
10- K B BATOURI	1- PRM	1000	Batouri
11- NOBLES MINERALS	3- PRM	202	Guingala
		1000	Amadagaza
		1000	Abba
TOTAL	19 PRM	20 028,6	

iii- Permis Général de recherche de type A

Dénomination	Titre	Superficie (Km ²)	Lieu d'activité
1-PANGEA DIAMOND FIELD	1 PGRA	1000	DIMBI
2-PAN AFRICAN RESOURCES	1 PGRA	969,1	BOGOIN
3-CAD Mining	1 PGRA	901,2	Kotto-Ndji
4-COGEN	1 PGRA	988,9	Paoua
5-Cooper Mining Corp	1 PGRA	963	Ngadé
6-Cristal Mining	1 PGRA	918	La Mbi
7-Int Mining Group	2 PGRA	381,5	Bania
		802	Gadzi
8- Etoile Diamant	3 PGRA	992	Nzako
		988	Kotto-Bangana
		962	
9-Tamija Ressource Cent	2 PGRA	1000	Bria
		1000	Ndji
10- Carmines	2 PGRA	1000	Bria
		1000	Ndji
11-Kamach Mines	4 PGRA	1000	PAMA
		1000	GAMBOULA-MBONE
		1000	GAMBOULA-MBOUMBE
		1000	GAMBOULA-KADEÏ
		202	GUINGALA
12- NOBLES MINERALS	3 PGRA	1000	AMADAGAZA
		1000	ABBA
TOTAL	22 PGR	20067,7	

iv- Permis d'exploitation

Dénomination	Titre	Superficie (Km ²)	Lieu d'activité	Frais de délivrance
1- Int Mining Group	1 PE	381,50	Bania	5 000 000
TOTAL	1 PE	381,50		5 000 000

v- Récapitulatif

Type de permis	Frais d'attribution en F CFA	Taxes superficielles en F CFA	Total
Permis Spéciaux d'Exploitation	3 060 000		3 060 000
Permis de Reconnaissance Minière	9 500 000		9 500 000
Permis Généraux de Recherche	33 000 000	20 874 900	53 874 900
Permis d'Exploitation	5 000 000	7 630 000	7 630 000
Total	50 560 000	28 504 900	79 064 900

Tous ces frais et taxes sont payés directement aux impôts sur présentation d'un ordre d'encaissement délivré par la Direction Générale des Mines.

- *Veillez décrire l'activité dans le secteur de l'uranium*

Activité dans Le secteur se l'uranium

En exécution des recommandations des États Généraux du secteur minier relatives à la diversification de la production minière, reprises par le dialogue national, le Gouvernement a mis en œuvre un certain nombre d'actions :

- Signature d'une Convention minière avec la société URAMIN Inc, le 28 février 2006 ;
- Promulgation de la Loi n°06 031 du 27 septembre 2006 sur les minerais radioactifs de la République Centrafricaine

De 1959 à 1961, la recherche a permis la découverte du premier gisement d'uranium Centrafricain à M'PATOU, près de la ville de Bakouma.

L'État Centrafricain et la Compagnie Française des Minerais d'Uranium (CFMU) ont constitué une société d'exploitation d'uranium dénommée « Compagnie des Mines d'Uranium de Bakouma » en abrégé URBA en 1969.

Les résultats des recherches et les études de faisabilité n'ont pas été concluants, ce qui a entraîné l'arrêt des travaux de ladite Société.

Entre 1973 et 1974, la Société Aluminium Suisse a repris les études et une nouvelle société dénommée Société de l'Uranium Centrafricain (URCA) a vu le jour. Les conclusions de l'étude de faisabilité remises en février 1977 à l'État centrafricain étaient favorables et le projet d'exploitation devrait démarrer en 1978, si une source de financement était trouvée. A défaut de cette source de financement, le Gouvernement de l'époque a décidé de l'arrêt de la mise en exploitation des gisements d'uranium de Bakouma en 1981, suite à l'effondrement du cours de l'uranium sur le marché international.

A cette époque, la réserve était estimée à 20 000 tonnes d'uranium métal. Devant la forte demande énergétique mondiale actuelle, on assiste à un regain d'intérêt pour l'uranium dont celui de la République Centrafricaine.

C'est à ce titre que plusieurs offres de mise en valeur de cette substance ont été adressées au Gouvernement Centrafricain par plusieurs sociétés au nombre desquelles, Areva, Uramin Inc, Paladin. Après examen des différentes propositions, l'offre de la société URAMIN Inc (société sud africaine, cotée à la bourse de Londres et Toronto) a été retenue parce qu'elle prenait en compte tous les aspects sociaux et environnementaux, eu égard aux activités antérieures d'exploitation. Ce qui a abouti à la signature le 28 février 2006, d'une Convention minière entre l'État Centrafricain et la société URAMIN CAR Limited (filiale d'URAMIN Inc).

Il convient de rappeler qu'URAMIN CAR Limited est une société de droit centrafricain dans laquelle l'État détient 10% du capital social. Dans le cadre de ses activités de recherches, cette société a mis en évidence l'existence d'une réserve estimée à plus 23 000 tonnes d'uranium métal.

Le problème qui se pose aujourd'hui est que la société URAMIN Inc a vendu ses actions depuis le 31 juillet 2007, dans le cadre d'une Offre Publique d'Achat (OPA) lancée par AREVA. Ces opérations se sont malheureusement réalisées à l'insu de la partie Centrafricaine en violation de l'article 4.1.1 de la Convention qui énonce : « Les droits et obligations résultant de la présente Convention et du Permis d'Exploitation ne peuvent être Cédés, en partie ou en totalité, par la Société ou la Société d'Exploitation sans l'approbation préalable du Ministre (à l'exception des Cessions à des Sociétés Affiliées).

Si dans les soixante (60) jours suivant la notification au Ministre du projet de Cession, accompagnée en particulier du projet d'acte de Cession, celui-ci n'a pas notifié son opposition motivée, cette Cession sera réputée avoir été approuvée par le Ministre ». Cette vente a rapporté à URAMIN Inc une somme de 2,5 milliards de dollars US, soit 1 250 milliards de francs CFA.

C'est pourquoi, en considération du caractère stratégique et non renouvelable de ce minerai, État centrafricain se réserve le droit de dénoncer la cession faite par URAMIN CAR à AREVA et marque sa disponibilité à résoudre ce litige à l'amiable conformément aux dispositions de l'article 6 3 1 de la Convention. Il est à noter que les travaux de recherche se poursuivent jusqu'à ce jour à Bakouma

- *Veuillez fournir des données sur la production et les exportations de diamants et d'or (par entreprise si possible) en 2007*

Situation des exportations de diamant brut par bureaux d'achat et/ou sociétés minières en 2007

BUREAUX OU SOCIETES	POIDS EN CARAT	VALEUR EN F CFA	PRIX AU CARAT	TAXES EN F CFA
BADICA	27 127,03	3 272 543 009	120 638	196 352 582
PRIMO	60 284,65	4 942 869 327	81 992	296 572 161
SODIAM	152 430,97	9 686 299 571	63 545	581 177 975
D D C	141 542,46	8 544 866 985	60 370	512 692 021
A D R	12 984,19	977 209 666	75 262	58 632 580
A D C	5 818,08	647 306 346	111 258	38 838 380
BELDIAM	6 668,23	706 557 779	105 959	42 393 466
CODIORCA	6 183,03	588 266 247	95 142	35 295 974
LIONS INVESTMENTS	328,02	57 435 288	175 097	3 446 117
VAALDIAM	43,7	8 082 702	184 959	484 962
DIMBI DIAMANT (PANGEA)	3 673,30	220 318 667	59 978	13 219 120
I M G	102,21	3 697 172	36 172	221 830
ORDICA	309,3	59 210 000	191 432	3 552 600
UNCMCA	195,81	40 120 000	204 892	2 407 200
TOTAL	417 690,98	29 754 782 759	71 236	1 785 286 968

Situation des exportations d'or brut par bureaux d'achat et/ou sociétés minières en 2007

BUREAUX OU SOCIETES	POIDS EN GRAMME	VALEUR EN F CFA	PRIX AU GRAMME	TAXES EN F CFA
A D C	8 291,00	46 231 000	5 576	1 040 198
MEX SARL	1 908,10	13 930 600	7 301	313 439
SOCEMINE	715,5	3 577 500	5 000	80 494
KHORDIA	1 494,50	12 555 000	8 401	282 488
CODIORCA	96,92	580 000	5 984	13 050
TOTAL	12 506,02	76 874 100	6 147	1 729 669

Observations

DIAMANT

Les Bureaux SODIAM et D D C sont des Bureaux référentiels qui ont fait une production moyenne de 293 973,43 carats soit 70,38% de la production totale, pour une valeur moyenne de 18 231 166 556 F CFA soit 61,27% de la valeur totale ;

Par contre les Bureaux moyens comme PRIMO et BADICA ont produit de leur côté une moyenne de 87 411,68 carats soit 20,93% de la production totale pour une valeur de 8 215 412 336 F CFA soit 27,61% de la valeur totale ;

Pour les petits Bureaux comme ADR, ADC, BELDIAM, CODIORCA, LIONS INVESTISSEMENTS et ORDICA, toute leur production regroupée s'élève à 32 290,85 carats soit 7,73 % de la production totale pour une valeur de 3 035 985 326 F CFA soit 10,20% de la valeur totale ;

En ce qui concerne les SOCIETES MINIERES, trois seulement entre elles (DIMBI DIAMANT, VAALDIAM et I M G) ont produit en moyenne 3 819,21 carats soit 0,91% de la production totale pour une valeur de 232 098 541 F CFA soit 0,78% de la valeur totale ;

Quant aux Coopératives Minière durant toute l'année, une seule d'entre elles a exporté 195,81 carats soit 0,05% pour une valeur de 40 120 000 f CFA soit 0,13% de la valeur totale.

OR

Pour ce minerai, les Bureaux d'achat ADC, KHORDIA, MEX SARL et CODIORCA ont produit une quantité moyenne de 11 790,52 grammes représentant 94,27% de la production totale ;

Quant aux SOCIETES MINIERES, il n'y a que la SOCEMINE qui a produit 715,50 g représentant 5,72% de la production totale pour une valeur de 3 577 500 F CFA soit 4,65% de la valeur totale.

- *Veillez donner les noms des entreprises qui opèrent en RCA par minéral, en indiquant l'endroit, la taille du projet et son état*

Les entreprises qui opèrent en République Centrafricaine

N° D'ORDRE	DENOMINATIONS	TYPES DE PERMIS	MINRERAIS	Observations
01-	AURAFRIQUE	PGRA	Or	En activité
02-	AXMIN- RCA	PGRA	Or	En activité
03-	BELAFRIQUE	PGRA		Pas d'activité
04-	CAD MINING	PGRA		Pas d'activité
06-	CENTROR CORPORATION CENTRAFRIQUE	PGRA	Diamant et or	Pas d'activité
07-	COGEM	PGRA	Diamant et or	Pas d'activité
08-	COPPER MINING CORP	PGRA (Cuivre de Ngadé)	Cuivre	Pas d'activité
09-	CRISTAL MINING	PGRA	Diamant et or	Pas d'activité
10-	ETOILE DIAMANT	PGRA	Diamant et or	En activité
11-	GEM DIAMOND	PGRA	Diamant et or	En activité
12-	GOOD SPEED	PGRA	Diamant et or	En activité
13-	INTER MINING GROUP	PGRA	Diamant et or	En activité
14-	KAMACH MINES	PGRA	Diamant et or	En activité
15-	NOBLES MINERALS	PGRA	Diamant et or	En activité
16-	PAN AFRICAN RESSOURCES	PGRA	Diamant et or	En activité
17-	PANGEA DIAMOND FIELDS	PGRA	Or	En activité
18-	SINO Central African Mining Comp	PGRA	Diamant et or	Pas d'activité
19-	URAMIN	PGRB	Uranium	En activité
20-	VAALDIAM	PGRA	Diamant et or	Pas d'activité

- *Veillez mettre à jour les perspectives du diamant industriel et de l'exploitation de l'or*

Les perspectives d'exploitation industrielle

Les sociétés à but industriel sont à pied d'œuvre :

La société Aurafrique filiale de AXMIN spécialisée dans la production d'or est en phase de l'étude d'impact environnementale et la construction de la mine Sa première production est attendue pour 2009.

Il est de même pour la société Uramin qui progresse très bien dans ses travaux de recherche dans la zone de Bakouma et a déjà déposé son rapport d'études de faisabilité.

Les sociétés Gem-Diamond, Pangea et Panafrican sont aussi très avancées dans leurs travaux de recherche dans leurs zones respectives.

La société Hydro-finances est très avancée dans la négociation pour la construction de barrage de la KOTTO qui produirait 50 MW susceptible d'alimenter toute la zone Est du pays.

- *Veillez indiquer les progrès accomplis dans l'amélioration de la réglementation et de la communication des données dans le secteur minier (y compris la publication du rapport de l'administrateur chargé de l'initiative pour la transparence des industries extractives et l'adoption d'un accord sur un formulaire-type) (conditions de passage au point d'achèvement PPTE)*

Etat d'avancement EITI

L'adhésion à l'ITIE, exige la mise en œuvre d'un plan d'action. Cette initiative est un cycle dont le démarrage commence par un atelier de lancement précédé ou pas de la mise en place d'un comité de pilotage. Les structures institutionnelles devront comprendre les administrations, la cour des comptes, le conseil économique et social, l'assemblée nationale, la société civile (ONG, syndicat,...).

Au niveau de l'organisation, on devra retrouver :

un conseil de supervision qui est l'instance politique de l'ITIE, composé de membres du Gouvernement ;

un comité de pilotage, composé de personnalités seniors.

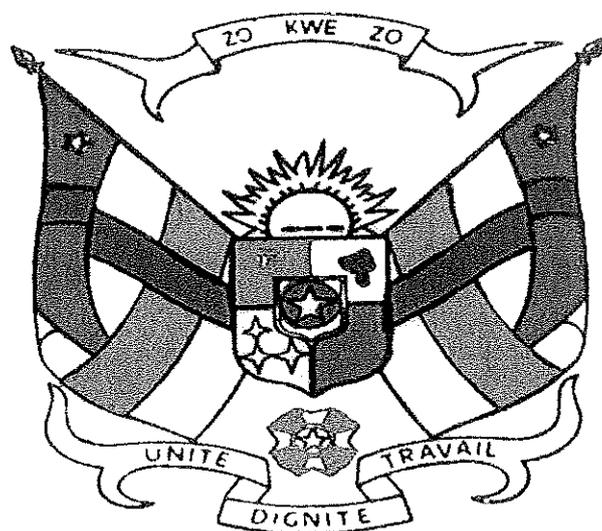
Le processus est déjà amorcé par l'envoi de la lettre d'adhésion du Gouvernement au Président de l'Initiative pour la Transparence des Industries Extractives en date du 30 août 2007 et l'ouverture des discussions avec les partenaires pour la prise en charge. Un consultant désigné par la BAD est à pied d'œuvre avec le comité ad hoc qui sera chargé des travaux de l'atelier de lancement.

L'exécution du plan d'action de l'ITIE sera consacrée par l'organisation d'un atelier dans la deuxième quinzaine du mois de mars 2008, selon le chronogramme arrêté en commun accord avec le consultant en vue de respecter l'échéance d'achèvement des actions du secteur minier fixée par le Gouvernement au mois de juin 2008. L'atelier a été déjà précédé d'un pré-atelier qui a eu lieu le 08 février 2008.

Le budget de l'atelier de lancement de ITIE est soumis au PNUD, à la BAD et à la Banque Mondiale. C'est après l'atelier que les structures de l'ITIE (Administrateur...) seront mises en place par Décret.

République Centrafricaine

Unité - Dignité - Travail



DOCUMENT DE TRAVAIL

**MISSION
FONDS MONETAIRE
INTERNATIONAL
(FMI)**

BANGUI, DU 29 AVRIL AU 06 MAI 2006

BIVAC EXPORT RCA a des équipes d'inspecteurs qualifiés: (i) au niveau des sociétés forestières, (ii) au niveau des postes frontières, (iii) au port bois à Douala.

Pour la période de mai à décembre 2005, la BIVAC a sécurisé 1.118.675.685 F CFA en recettes d'exportation sur le bois.

Les détails sur la production se trouvent en annexe.

Secteur Minier

- *Pour le secteur minier, présenter une note explicative sur les réformes envisagées, y compris du code minier, et du BECDOR. Faire le point de l'application du Processus de Kimberley pour l'enregistrement de diamants. Est-il transféré au gouvernement ? Faire le point des permis révoqués et des nouveaux permis attribués en 2005 et depuis janvier 2006 (diamant et or).*

Dans le cadre de la politique d'assainissement du secteur minier, le Gouvernement à travers le Ministère des Mines, a entrepris un certain nombre d'actions de réformes dudit secteur qui se poursuit jusqu'à ce jour. Le but poursuivi est d'amener le secteur minier fort de sa potentialité avérée, à jouer un rôle majeur dans l'économie nationale.

Parmi ces actions, on citera:

- le contrôle de la régularité des titres miniers
- la tenue des Etats Généraux du secteur minier
- l'adaptation du code minier au contexte de la mondialisation
- le renforcement de la position de la RCA dans le processus de Kimberley
- l'attribution des nouveaux permis à des sociétés de renom

Du contrôle des titres miniers

En avril 2003 il a été mis en place une Commission Mixte de Contrôle et de Vérification de la régularité d'attribution des autorisations personnelles minières et Permis Généraux de Recherche. Ces travaux ont consisté à répertorier tous les titres miniers attribués par le précédent régime et en contrôler la régularité d'octroi.

Fort de ce constat, le Gouvernement a décidé du retrait pur et simple des Autorisations personnelles Minières pour irrégularité d'octroi et l'inobservation par les titulaires de leurs obligations conformément au code minier centrafricain.

Poursuivant cette réforme, le Gouvernement a décidé de la tenue des Etats Généraux du secteur minier.

Organisation des Etats Généraux du secteur minier

En juillet 2003, il a été organisé les états généraux du secteur minier auxquels ont pris part entre autres les représentants des différents acteurs du secteur.

De cette importante assise, plusieurs recommandations fortes ont été faites parmi lesquelles l'on notera :

- La relecture du code minier pour le rendre attrayant à l'investissement privé ;
- L'organisation des coopératives minières dans une grande union ;
- La conquête des sociétés de renom pour le développement du secteur ;

En application desdites recommandations, dans le cadre de la réforme du secteur, les points suivants ont été mis en œuvre :

De l'organisation de l'assemblée Générale ordinaire de l'Union Nationale des Coopératives Minières de Centrafrique (UNCMCA)

Du 20 au 22 octobre 2005, a été organisée l'assemblée générale ordinaire des Coopératives Minières de Centrafrique laquelle ont pris part entre autres les représentants des différents acteurs du secteur.

De cette importante assise, plusieurs recommandations fortes ont été faites parmi lesquelles l'on notera :

- la création de la police minière pluridisciplinaire;
- la mise en place du bureau du comité de gestion de l'UNCMCA;
- la lutte contre la fraude et la contrebande;
- la non implication des autorités politico administratives et militaires dans les activités minières ;

En application desdites recommandations, dans le cadre de la réforme du secteur, ses points feront l'objet de nos projets de l'année en cours.

De la création de la police des mines

De l'analyse menée à ce jour et confortée par les conclusions des états généraux du secteur minier, il a été mis en évidence la persistance de la fraude et de la contre bande multiforme dues à l'inefficacité constatée de la brigade minière dans sa structure et son mode de fonctionnement actuel. C'est ainsi qu'une commission chargée des travaux préparatoire de la création d'une police des mines vient de clore ses premiers travaux sur la proposition des textes statutaires qui sera bientôt soumis au Gouvernement pour approbation.

Des travaux de relance de la bourse internationale de diamant de Bangui

Les Etats Généraux du Secteur Minier, tenus à Bangui du 08 au 11 Juillet 2003, ont exigé la relance de la Bourse Internationale de Diamants de Bangui qui a été instituée par la Loi n° 63/433 du 03 Décembre 1963 et le Décret n° 95.151 du 08 Mai 1995.

Cette Bourse a fonctionné pendant Sept (7) ans pour être suspendue en 2002.

C'est pourquoi, dans sa politique de reforme du Secteur Minier le Gouvernement, a mis dans son programme la relance de cette Bourse de diamant.

C'est ainsi que la Commission mise en place, est chargée des travaux préparatoires et a statué sur l'élaboration des textes (Décrets, Statuts, Règlement Intérieur) relatifs à l'organisation et au fonctionnement de la Bourse de Diamants Centrafricains.

Ces documents seront bientôt remis au Gouvernement pour adoption et dont la date sera fixée ultérieurement.

Des mesures

- la suspension de certaines sociétés minières
- la suspension de la délivrance des titres miniers
- la suspension de la délivrance des autorisations de circulation en zones minières.
- les mesures de performance minimale aux bureaux d'achats d'import export de diamant et or

Des suspensions et performances

Ces mesures s'étaient justifiées par une circulation abusive des étrangers dans les zones minières, laquelle circulation donnait l'occasion à ceux-ci de se livrer à l'achat illicite des pierres précieuses. Ces lots collectés font généralement l'objet de sortie frauduleuse entraînant des pertes fiscalo douanières pour l'Etat. Et beaucoup de titres ont été attribués à des sociétés, qui malheureusement ne fonctionnent pas comme une société au regard des textes réglementaires en vigueur en République Centrafricaine.

Dix sociétés ont reconnu leurs manquements respectifs et ont manifesté leur désir de collaborer après ces sanctions avec la nouvelle législation que leur impose la situation.

Ces mesures ont été prises dans le sens de lutter contre la fraude, afin d'améliorer les recettes de l'Etat.

De la signature de conventions

convention d'une étude de faisabilité avec la Chine

Le Département en charge des mines conformément aux recommandations des états généraux du secteur, dont l'objectif vise la diversification de ses travaux de recherches, vient d'obtenir un financement d'une étude de faisabilité des gisements calcaires, de Bobassa auprès du Gouvernement Chinois afin de voir les possibilités de la création d'une cimenterie dans le pays.

convention de développement minier avec la société Aurafrique

Le Gouvernement vient de signer une convention de développement minier entre l'Etat Centrafricain, représenté par les Départements des mines, des Finances et la société Aurafrique

filière de la société AXMIN qui bientôt passera à la phase d'exploitation du gisement aurifère dans la région de Ndassima (Bambari) préfecture de la Ouaka. Ce fait sera la première depuis plus de 40 années. Une étude de faisabilité à hauteur de 6 millions de dollars américains est en exécution pour enfin arriver à la phase d'exploitation proprement dite.

convention de développement minier avec la société GEM DIAMOND

Le Département vient de signer une convention avec la société GEM DIAMOND spécialisée dans l'exploitation du diamant alluvionnaire.

Situation du BECDOR

S'agissant du BECDOR, ce service de la Direction Générale des Mines qui n'avait pour mission que d'expertiser et d'évaluer les lots de diamants et or destinés à l'exportation, aujourd'hui, a le pouvoir de délivrer le certificat d'origine appelé certificat du processus de Kimberley.

- *Données sur les activités d'exportation des bureaux d'achat de diamant depuis janvier 2005 jusqu'à mars 2006 par mois et par bureau).*

les données statistiques ainsi que les prévisions de 2006 et plus en annexe

ANALYSES

Malgré la fermeture de certains Bureaux d'Achat, l'insécurité sur les grands axes routiers et dans quelques zones minières, la perturbation des marchés par les produits de DE BEERS et la faiblesse du dollar, la production au premier trimestre 2006 est en hausse par rapport au premier trimestre 2005 tant en poids (+ 16,43%) qu'en valeur (11,68%)

Cette hausse est due, en poids, à l'Exportation de pierre de mauvaise qualité par les Bureaux d'Achat D.D.C et SODIAM (20.223,39 Carats pour SODIAM et 1913,28 Carats pour le compte de D.D.C soit au total, 22.136,67 Carats).

En valeur, elle est due à la révision en hausse de la taxe à l'Exportation (4,25% à 6 % et de la mercuriale des grosseurs (+ 10%)

En fin, les prévisions pour l'année 2006 peuvent être atteints en tenant compte des mesures de quota exigées aux Bureaux d'Achat par le Gouvernement et Les Coopérative Minières.

Ces prévisions peuvent être atteintes sinon dépassées pour peu que des mesures soient prises pour :

- Garantir la sécurité dans l'arrière - pays
- Ravitailler les chantiers miniers en carburant
- Renforcer la lutte contre la fraude
- Réviser la mercuriale en vue de l'améliorer ainsi que la taxe sur le diamant.
- La nécessité de la création de la police minière pour une lutte efficace contre la fraude et la contrebande de diamants et or ;

- Appliquer strictement la mesure de performance minimale ;
- Arrêter une stratégie de lutte contre la sortie frauduleuse de nos pierres et métaux précieux par un accord de partenariat avec le HRD à Anvers.

S'agissant de l'or la production au premier trimestre 2006 est en baisse, en poids (- 86,82%) et en valeur (- 84,44%) par rapport au premier trimestre 2005 à cause de la contrebande.

▪ **De l'application du processus de Kimberley**

A ce jour, la RCA est citée parmi les pays ayant le meilleur mécanisme de Traçabilité de diamant conformément à la règle du processus de Kimberley.

Un secrétariat permanent du processus de Kimberley instauré au sein de la Direction Générale des mines est chargé de :

- Recueillir et conserver les données officielles sur la production, l'importation et l'exportation ;
- rassembler et échanger ces données avec les autres pays membres par le biais du président du processus pour de meilleures opérations de transparence ;
- effectuer des missions de contrôle et d'évaluation de la Traçabilité des diamants bruts ;
- lutter contre le diamant de sang ou de guerre ;
- appliquer très strictement les lois anti-blanchiment d'argent sale dans le secteur diamantaire ;
- délivrer et suivre les certificats d'origine pouvant accompagner tous lots de diamants exportés.

Sur ces certificats, figurent les informations suivantes :

- Le numéro du certificat ;
- le nombre de lots ;
- le poids en carats ;
- la valeur en dollars américains ;
- l'identité de l'exportateur ;
- la date de délivrance ;
- la date d'expiration

- sensibiliser et encadrer les coopératives des artisans miniers au respect du système international du processus.

Cette position de la République Centrafricaine vient récemment d'être renforcée lors de la réunion statutaire dudit processus tenue dernièrement à Moscou en Russie.

▪ **Des Permis miniers attribués**

1- 2005

En 2005, le Département a attribué : 32 Permis de reconnaissance par arrêté du Ministre en charge des Mines, lesquels ont un caractère non exclusif et 46 permis de recherche dont 41 au profit de la société De Beers octroyés par Décret pris en conseil des Ministres.

2- 2006

Permis de reconnaissance : 12

Permis de recherche : 3

Permis d'exploitation : 1

▪ Des Permis révoqués

En 2006, 12 permis généraux de recherche ont été retirés pour les motifs suivants:

- Absence de rapports d'activités ;
- Absence d'activités sur le terrain

- *Pour le secteur des hydrocarbures, faire le point sur les attributions de permis et l'activité des sociétés dans le secteur.*

Le 24 Novembre 2000 a été signé un contrat entre la République Centrafricaine et une compagnie pétrolière américaine, **RSM Production Corporation**. Le contrat est assorti d'un permis de recherche, octroyé par décret n° 00/272 du 24 Novembre 2000, et couvrant une superficie de 55.504 km², sur les bassins de **DOSSEO** et **SALAMAT**.

En Janvier 2004, le Gouvernement de transition a assumé ses responsabilités en suspendant le cours du contrat, eu égard à l'insécurité qui prévalait à l'époque.

RSM PC espère obtenir des nouvelles autorités, la levée de la suspension sur son contrat pour lui permettre de reprendre les travaux d'exploration, notamment l'acquisition de 2.000 à 2.500 km de lignes sismiques additionnelles, d'un coût d'environ 2,8 milliards de francs CFA, et le forage de huit (8) puits.

- *Mettre à jour les perspectives pour les secteurs du diamant industriel, de l'or et des hydrocarbures ainsi que les explorations en cours.*

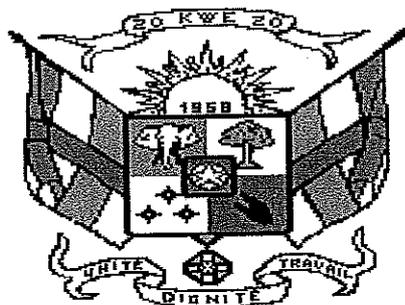
Plusieurs autres compagnies pétrolières ont pris contacte avec les autorités centrafricaines, mais seule la demande d'octroi de permis formulée par la société "OKAPI" est en cours d'examen par le Gouvernement.

Perspectives de l'année 2006 pour le secteur des Mines

Le Gouvernement Centrafricain entend poursuivre ses actions, en mettant un accent particulier sur la lutte contre la fraude d'une part et d'autre part sur le développement des travaux de recherche pour la découverte de nouveaux gisements. Les activités de la Société DE BEERS dans le Mbomou offrent de belles perspectives pour le pays, la présence de cette importante société pourrait attirer d'autres sociétés minières de renom. Il en est de même pour la société AURAFRIQUE spécialisée dans l'exploitation de l'or. Les résultats de ses travaux de recherche étant concluants, une convention a été signée le 27 janvier 2006.

République Centrafricaine

UNITE - DIGNITE - TRAVAIL



DOCUMENT DE TRAVAIL

MISSION DU FONDS MONETAIRE INTERNATIONAL
FMI

DU 24 FEVRIER AU 03 MARS 2007

COMITE TECHNIQUE PERMANENT DE SUIVI DES PROGRAMMES D'AJUSTEMENT
STRUCTUREL

(CTP/PAS)

BP 1014 BANGUI TEL : 61-58-36 / 61-32-66 FAX : 61 62 35

Tableau synthétique des financements en 2006

Bailleurs	Réal. 1er semestre				Réal. 3ème trimestre 2006				Project. 4ème trimestre 2006			Est. Réal 2006
	Invest.	Aide budg.	Autres fin.	Total	Invest.	Aide budg.	Autres fin.	Total	Invest.	Appuis budg.	Total	
U.E	1 110	2 591	470	4 171						0	0	4 171
A.F.D	806	740	0	1 546	612	984	0	1 596	1 226	0	1 226	4 368
F.A.O	350	0	0	350				0		0	0	350
FNUAP	660	0	0	660	946			946	355	0	355	1 961
UNICEF	935	0	0	935				0	1 645	0	1 645	2 580
H.C.R	4	0	207	211				0		0	0	211
UNESCO	24	0	0	24				0		0	0	24
O.M.S	216	0	0	216				0		0	0	216
CHINE	3 000	486	0	3 486				0		0	0	3 486
PNUD	764			764	108			108	1 804	0	1 804	2 676
Banque Mondiale	1 538			1 538	563			563	1 725	37 960	39 685	41 786
Fonds Mondial	3 585	0	0	3 585	1 735			1 735	2 211	0	2 211	7 531
BAD/FAD	0	0	0	0					0	24 470	24 470	24 470
								0				
Total	12 992	3 817	677	17 487	3 964	984		4 948	8 966	62 430	71 396	93 831

Recettes et administration douanières

3- Évolution durant l'année 2006, y compris résultats par rapport aux objectifs annuels; résultats de janvier 2007.

Partant de la dernière revue de la mission du Fonds Monétaire International (FMI) du 28 Octobre au 11 Novembre 2006, période de Janvier à fin Septembre 2006 et du quatrième trimestre 2006, les recettes globales de l'Administration Douanière pour l'année 2006 ainsi que les résultats de janvier 2007 se présentent comme suit :

Janvier à Septembre 2006		Octobre à Décembre 2006 (Trimestre 4)	
Prévisions	Réalisations	Prévisions	Réalisations
18 931 695 310	17 677 095 884	6 821 999 998	6 996 332 548

Synthèse année 2006

Prévisions	Réalisations	Ecart	Taux de réal.
25 753 695 308	24 673 428 432	-1 080 266 876	96 %

La situation détaillée est la suivante :

Nomenclature des recettes	Prévisions (P)	Réalisations (R)	Ecart (R-P)	Taux De réal.
I - Droits et taxes à l'importation				
Droit de douane (y compris D.A.)	7 266 911 616	10 381 784 277	+3 114 872 661	143 %
Taxe sur la Valeur Ajoutée (TVA)	8 765 783 692	5 052 043 934	-3 713 739 858	58 %
Taxe pétrolière	4 621 000 000	5 239 712 338	+618 712 338	113 %
Autres perceptions (contentieux)	700 000 000	504 730 388	-195 269 612	72 %
Sous total 1 (st1)	21 353 695 308	21 178 270 837	-175 424 471	99 %
II- Droits et taxes à l'Exportation				
Droit de sortie / diamant et or	1 709 500 000	1 308 214 307	-401 285 693	77 %
Droit de sortie/ bois	2 690 000 000	2 186 856 756	-503 143 244	81 %
Autres droits de sortie	500 000	86 532	-413 468	17 %
Sous total 2 (st2)	4 400 000 000	3 495 157 595	-904 842 405	79 %
TOTAL BUDGET (st1 + st2)	25 753 695 308	24 673 428 432	-1 080 266 876	96 %

Ainsi, les services douaniers ont réalisés de janvier à fin Décembre 2006, au titre des recettes budgétaires, **vingt quatre milliard six cent soixante treize millions quatre cent vingt huit mille quatre cent trente deux (24 673 428 432) francs CFA**, soit 96 % des prévisions fixées à 25 753 695 308 francs CFA.

En rapportant ce montant à celui de l'année 2005, soit **21 454 211 744 francs CFA**, il se dégage une variation positive de **+ 3 219 216 688 F CFA** soit une hausse de 15 % par rapport à l'année 2005.

Cette hausse s'explique par les réformes en cours, entreprises par la Douane visant à canaliser à la fois les importations et les exportations.

L'analyse rubrique par rubrique, permettra d'apprécier les efforts accomplis :

I -IMPORTATIONS

Il est à signaler de prime à bord que, le Guichet Unique de Douala n'ayant pas procédé à l'éclatement des droits perçus par **nature des droits** (soit en "droit de douane" (DD) et en "Taxe sur la Valeur Ajoutée" TVA), le montant réalisé de 10 381 784 277 F.CFA comprend les recettes confondues D.D. + TVA générées par le Guichet Unique ainsi que celles enregistrées à Bangui et dans les provinces.

Néanmoins ces préoccupations ont été prises en compte pour l'année 2007.

Le volet "taxe pétrolière"

Avec 5 239 712 338 F CFA soit 113 % des prévisions fixées à 4 621 000 000 F CFA, on observe une bonne tenue de ce volet dans l'ensemble.

Le volet "contentieux "

Pour une prévision 700 000 000 F CFA la Douane a réalisé 504 730 388 F CFA soit 72 % des prévisions.

D'une manière générale sur une prévision de 21 353 695 308 F CFA la Douane a réalisé 21 178 270 837 F CFA soit 99 % des objectifs. Cette bonne performance s'explique par les mesures prises, parmi lesquelles, nous citerons à titre indicatif :

- le renforcement de la lutte contre la fraude par une synergie des entités chargées du contrôle à posteriori que sont la Direction Nationale de la Surveillance et des Enquêtes Douanières et de la Cellule Mixte Impôts/Douanes (CEMIDO) ;
- la suspension de l'entrée des marchandises en entrepôts fictifs ;
- l'installation du Guichet Unique de Douala en vue de la maîtrise des corridors légaux de transit des marchandises entre Douala et Bangui ;
- le démarrage effectif du SYDONIA ++ ;
- la mise en réforme de la Douane, placée sous tutelle d'un Comité Technique de la Réforme de l'Administration des Douanes et Droits Indirects, suite à sa dissolution.

II - EXPORTATIONS

Les réalisations de Janvier à fin Décembre 2006 se sont élevées à 3 495 157 595 F CFA contre 2 537 646 153 F CFA en 2005 pour la même période soit une augmentation de 137,73 %.

Ces recettes se décomposent comme suit :

- a) **Droit de sortie / diamant et or** = 1 308 214 307 sur une prévision de 1 709 500 000 soit 77 % des prévisions. Ce résultat est nettement meilleur par rapport à celui de 2005 qui était de 691 271 540 soit un taux d'accroissement de 89,24 %. Les mesures d'assainissement du secteur, prises par le Département des Mines ainsi que l'imposition obligatoire par le Gouvernement, d'un quota mensuel minimum pour pouvoir prétendre à une exportation de diamant, expliquent en grande partie, cette embellie.
- b) **Droit de sortie / bois** = 2 186 943.288 soit 81,28 % des prévisions fixées à 2 690.000.000. Comparé aux chiffres de l'année 2005 (1 846 374 613), il se dégage une variation positive de + 340 568 675, ce qui augure d'une reprise timide de ce secteur où, à une période récente on a constaté la disparition de beaucoup de sociétés forestières ou la mise en redressement judiciaire de certaines d'entre elles.

Résultats de janvier 2007

Nomenclature des recettes	Prévisions	Réalisations	Ecart	Tx de réal.
Droits et taxes à l'import				
Droit de douane (y compris DA)	823 564 124	573 285 259	-250 828 649	70%
TVA	734 444 147	831 889 226	97 445 079	113%
Taxes pétrolières	562 998 685	541 023 893	-21 974 792	96%
Autres perceptions	71 329 510	8 253 149	-63 076 361	12%
Sous total 1	2 192 336 466	1 954 710 954	-237 625 512	89%
II Droits et taxes à l'exportation				
Droit de sortie / Diamant et or	139 432 648	71 420 813	-68 011 835	51%
Droit de sortie / bois et autres	227 115 828	231 065 466	3 949 638	102%
Sous total 2	366 548 476	302 486 279	-64 062 197	83%
Total général	2 558 884 942	2 257 197 233	-301 687 709	88%

Pour une prévision de 2.558.884.942 FCFA, les services douaniers ont réalisé 2 257 197 233 FCFA soit un taux de 88%.

A l'importation, on note une bonne performance de la TVA qui, pour une prévision de 734.444.147 la Douane a réalisé 831.889.226 soit 113%. On note également la bonne tenue de la taxe pétrolière, ceci

grâce à une sensible baisse du prix du baril de pétrole sur le marché mondial ; ce qui a contribué à l'amélioration de la TUPP qui est redevenue positive sur le super.

Au niveau des exportations : les réalisations sur les exportations de bois soit 231.065.466 FCFA ont été supérieures aux prévisions fixées à 227.115.828 soit un taux de 102% ; par contre le volet export diamant et or, la baisse des cours mondiaux surtout sur le diamant a influé négativement sur les recettes (71.420.813 FCFA), lesquelles ont à peine atteint 51% des prévisions (139.432.648 FCFA).

En somme, le volet importation tend à s'améliorer tandis qu'au niveau des exportations, des facteurs exogènes indépendants ont contribué à la baisse des recettes sur ce volet.

4- Résultats enregistrés par le Guichet unique et état d'avancement de l'audit, y compris examen des recommandations/conclusions préliminaires.

Pour l'année 2006 le Guichet Unique de Transit RCA à Douala a réalisé **sept milliard cent vingt quatre millions cent trente quatre mille trente sept (7.124.134.037) F.CFA**, décomposée comme suit :

MOIS	DROITS ET TAXES DE DOUANES	ACOMPTE IS/IR	REDEVANCES PORTUAIRES	TOTAL
JANVIER	327 377 182	83 335 489	14 341 000	425 053 671
FEVRIER	508 360 489	102 349 662	17 013 000	627 723 151
MARS	460 248 738	68 694 358	26 777 700	555 720 796
AVRIL	401 464 754	66 304 954	16 188 000	483 957 528
MAI	533 944 734	81 979 909	22 707 928	638 632 571
JUIN	379 818 789	66 635 660	16 314 000	462 768449
JUILLET	508 473 698	85 579 548	20 306 000	614 359 246
AOUT	482 610 019	155 669 471	29 996 070	668 275 560
SEPTEMBRE	558 707 403	98 699 233	22 256 000	679 662 736
OCTOBRE	527 843 365	92 507 102	21 555 000	641 905 467
NOVEMBRE	571 918 388	112 466 693	30 122 000	714 507 081
DECEMBRE	486 136 301	99 133 940	26 297 540	611 567 781
TOTAL	5 746 903 860	1 113 356 119	263 874 238	7 124 134 037

Comme nous l'avons souligné au point A, le Guichet Unique de Douala n'ayant pas procédé à l'éclatement des droits perçus par **nature des droits** (soit en "droit de douane" DD et en "Taxe sur la Valeur Ajoutée" TVA), les recettes D.D. + TVA générées par le Guichet Unique sont confondues dans la colonne droits et taxes de douane ci-dessus.

EVOLUTION DE L'ACTIVITE DANS LE SECTEUR DES MINES

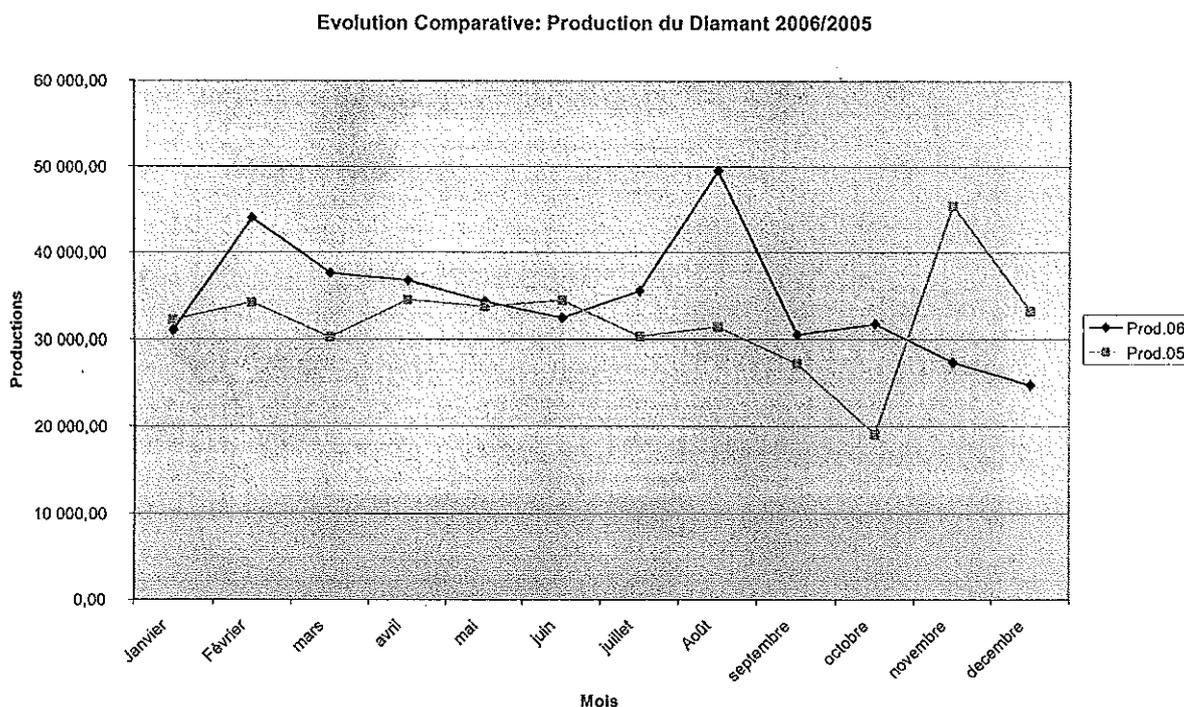
La RCA, dispose d'énormes potentialités en minerais dont certains ont fait l'objet d'études approfondies.

Le diamant occupe une place non négligeable en terme de mobilisation de devises. Ce secteur aurait pu être le moteur de la croissance économique et contribuer fortement à la réduction de la pauvreté, cependant, l'on constate que plusieurs aléas tant endogènes qu'exogènes empêchent son développement et réduisent sa contribution à la richesse nationale. Le diamant fait partie des minerais exploités à l'heure actuelle, la presque totalité de la production se fait de manière artisanale à 95% avec des techniques archaïques.

Ainsi, la présente note se propose d'analyser l'évolution du secteur diamant en 2006, comparée à celle de l'année 2005. Aussi, sera-t-il examiné son poids dans l'économie centrafricaine

1. Production de diamant en 2006

Graphique 1 : Evolution de la Production du Diamant Brut en 2006



Source : BECDOR

Globalement, la production du diamant est passée de 383 297,59 carats en 2005 à 415 529,42 carats en 2006, soit une hausse de 8,41% (voir tableau en annexe). Le volume exporté a également augmenté dans les mêmes proportions. Cette performance est imputable à l'évolution des cours du dollar et le raffermissement des matières premières.

Même si une amélioration par rapport à 2005 est visible, il faut remarquer que la tendance en 2006 est baissière vers la fin de l'année et continue au début de l'année 2007. Cette baisse concerne aussi bien les productions que les recettes d'exportation.

On remarque un pic dans la production du mois d'Août 2006, ceci s'explique par une augmentation de la production de carbone.

Le graphique ci-dessus montre une production mensuelle évoluant en trois phases :

- Une première phase de chute (mars à juin), caractérisée par une baisse de la production, atteignant un niveau bas en juin (soit 32 442,86 carats) ;
- Une phase de reprise entre juillet et août caractérisée par une hausse de la production de diamant qui est passée de 35 547,87 à 49 519,19 carats la même année. Cette performance est le fait des bureaux d'achat comme SODIAM et DDC qui ont produits respectivement 195 490, 80 et 114 885, 14 carats ;
- Une dernière phase allant de septembre à décembre avec une production à la baisse et qui se poursuit en début 2007.

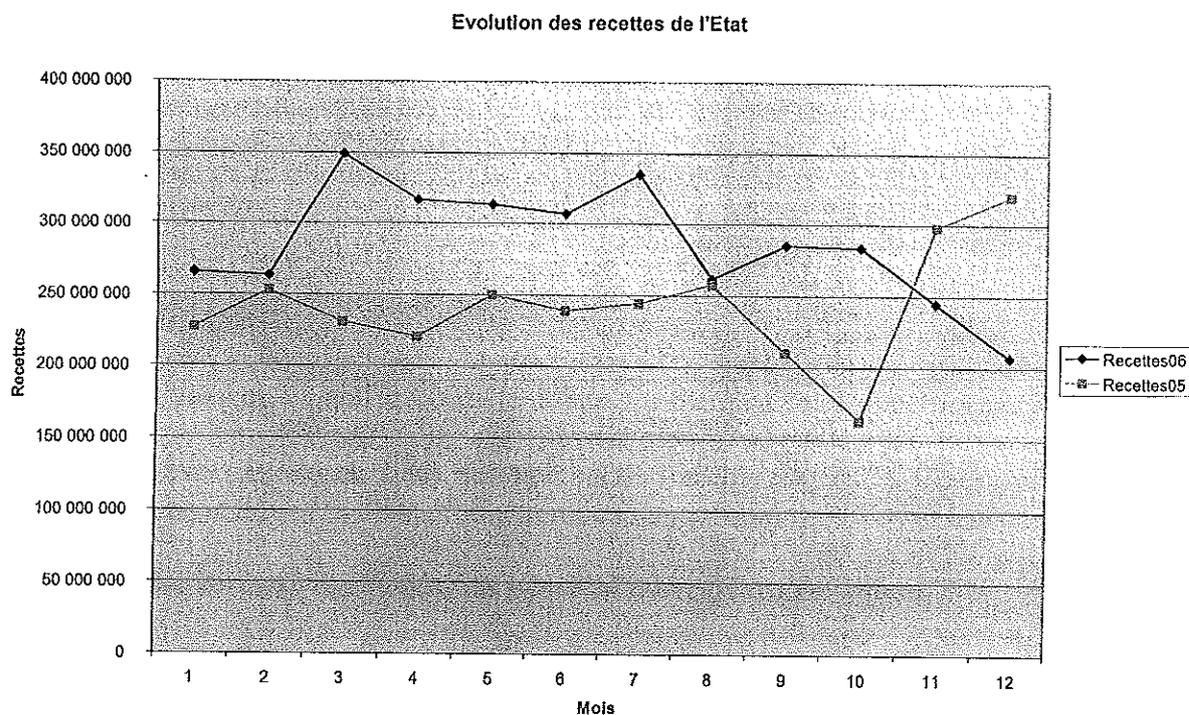
La tendance baissière observée en 2006 est due à plusieurs facteurs notamment :

- Le développement de l'exploitation clandestine ;
- La fraude et ;
- L'insécurité dans certaines zones minières.

2. Recettes publiques produites par le secteur Diamant (en FCFA)

Les recettes générées par le diamant se composent de i) patentes payées par les artisans, les collecteurs et les bureaux d'achat ; ii) l'impôt sur les sociétés supporté par les bureaux d'achat et ; iii) les taxes à l'exportation du diamant.

Graphique 2 : Evolution des recettes du diamant en 2006



Source : BECDOR

Les recettes mobilisées par l'Etat suite à l'exploitation du diamant sont de 3 429 993 303,56 FCFA en 2006 contre 2 765 754 874 FCFA en 2005, soit une hausse

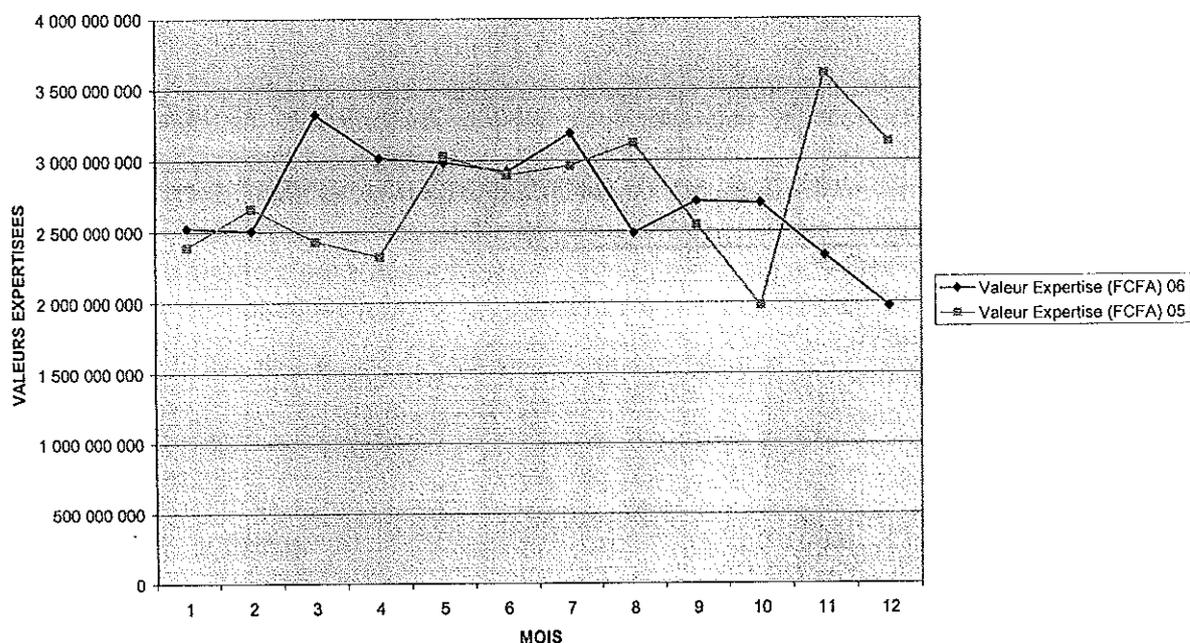
globale de 24,07%. Cependant, une tendance baissière, au cours des deux derniers mois de l'année 2006 est à noter. Toutefois, l'amélioration des recettes publiques produites par le secteur du diamant en 2006 s'explique par :

- La taxe à l'exportation qui est passée de 4,25 à 6% ;
- La création de la police des Mines ;
- La relance de la Bourse Internationale de diamant de Bangui et ;
- Le renforcement de la position de la République Centrafricaine dans le processus de Kimberley.

Les recettes au mois d'août sont à la baisse malgré qu'on a enregistré un pic dans la production, cela peut s'expliquer par la faible valeur du carbone.

3. Les Valeurs du Diamant Expertisées

Evolution Comparative du Diamant Expertisé en 2006/2005



Source : BECDOR

Comparativement à l'année 2005, la valeur du diamant total expertisé en RCA n'a pas connu une progression. Elle est passée de 32 716 801 608 FCFA en 2005 à 32 666 602 891 FCFA en 2006, soit une baisse sensible de 0,15%. Cette chute s'explique par la tendance baissière de la production du diamant aux mois d'avril à décembre.

4. Impacts sociaux des politiques mises en œuvre dans ce secteur

Le constat fait dans ce secteur est que les artisans miniers sont peu organisés au sein des groupements, peu éduqués et formés sur les méthodes d'évaluation des pierres précieuses. Ils sont très souvent exploités par les collecteurs, les bureaux d'achat ainsi que les intermédiaires (demandeurs ou coxeurs).

De plus, il apparaît que les ressources tirées de ces exploitations profitent pour la plupart du temps aux détenteurs des capitaux qui financent ces activités ainsi que les quelques

acteurs du secteur. L'effet induit sur la population environnante ne se fait pas très souvent sentir.

Notons par ailleurs qu'en 2006, quelques mesures ont été prises par le Gouvernement notamment :

- L'organisation des artisans en coopératives, leur permettant ainsi de se passer des circuits traditionnels de production, c'est-à-dire de gérer leur propre exploitation et d'exporter et ;
- Le financement des centres médicaux et la construction des écoles rurales par les sociétés minières.

5. Situation des permis et licences attribués dans ce secteur ainsi que celle des emplois

Plusieurs acteurs interviennent dans ce secteur. Il s'agit principalement :

- a. Des artisans miniers qui s'organisent en équipes de 10 ou 15 personnes ou en coopératives pour exploiter les gisements alluvionnaires ;
- b. Des collecteurs qui exercent un contrôle de fait sur les marchés et réalisent les achats, des bureaux d'achat (qui financent les collecteurs qui, à leur tour, financent les artisans) et;
- c. Des sociétés minières qui achètent la production artisanale, l'exportent et fournissent un appui logistique et financier aux artisans. Toutes les zones minières sont couvertes de titres miniers appartenant aux sociétés minières, entraînant parfois des conflits entre ces derniers et les artisans ;

Ainsi, le diamant produit prend le chemin inverse pour être finalement exporté par les bureaux d'achat et le niveau de dépendance dans le secteur est proportionnel au schéma de financement.

Les acteurs de la filière

En ce qui concerne l'effectif des acteurs, on relève pour l'année 2006 environ deux cent quatre vingt et huit (298) collecteurs toutes nationalités confondues, contre trois cent quarante huit (348) en 2005, soit une baisse de 14,36%. Sur les dix (10) bureaux d'achat enregistrés en 2006, six (6) seulement sont opérationnels.

Ces situations s'expliquent par i) la faillite de certains collecteurs ; ii) l'insécurité dans les zones minières; iii) l'absence de préfinancement des collecteurs par les Bailleurs de Fonds et ; iv) le non empressement des collecteurs à se mettre conformément aux nouvelles mesures d'assainissement du secteur.

Par ailleurs, les sociétés de production fonctionnent selon les types de permis qu'elles détiennent. On en distingue 3 types :

- Le permis de reconnaissance encore appelé Autorisation Personnelle Minière délivrée contre la somme de 500 000 FCFA valable pour une durée de deux (2) ans ;
- Le permis général de recherche, d'une valeur de 1 500 000 FCFA pour le droit de délivrance et des frais variables et ;
- Le permis général d'exploitation.

Outre les permis attribués en 2005, la situation du domaine minier se présente ainsi qu'il suit :

- Permis de reconnaissance : 23 pour une valeur de : 11 500 000 FCFA
- Permis de recherche : 18 pour une valeur de 27 000 000 FCFA
Taxes superficielles : 24 760 470
- Permis spéciaux d'exploitation : 29 pour une valeur de 1 740 000 FCFA
- Permis d'exploitation : 02 pour une valeur de 10 000 000 FCFA
Taxes superficielles : 49 000 000 FCFA

En 2006, aucun permis n'a été attribué. Cependant, il faut noter que 12 Permis Généraux de recherche ont été retirés pour les motifs suivants:

- Absence de rapports d'activités et ;
- Absence d'activités sur le terrain.

6. Perspectives et stratégies de développement du secteur

6.1 Perspectives

Les perspectives d'avenir du secteur portent sur une amélioration de la production du diamant à cause des mesures d'assainissement mise en place ou à mettre en œuvre.

Il faut aussi noter, par ailleurs qu'après le renforcement de la position de la République Centrafricaine dans le Processus de Kimberley, on s'attend à une amélioration des exportations, notamment à travers la lutte contre la fraude.

6.2 Stratégies à moyen terme

En effet, pendant longtemps, les autorités ont été impliquées dans l'exploitation et la commercialisation du diamant en RCA. Elles ont aussi procuré des licences d'exportations à des individus et/ou entreprises qui ont pu accéder au diamant centrafricain sans faire face aux mêmes obligations que les bureaux d'achat résidents. Ce qui a rendu difficile par moment, les conditions de travail dans ce secteur.

Pour une amélioration des activités du secteur et sa contribution efficace au développement, il est souhaitable que des actions soient menées pour lever une bonne partie des principales contraintes auxquelles il fait face. Il s'agit notamment :

En outre, les stratégies à mettre en œuvre à moyen terme, dont les effets directs ou indirects pourraient être bénéfique pour l'accroissement de la production nationale (PIB), l'amélioration des recettes fiscales ainsi que le niveau de vie de la population rurale sont :

- Mettre en œuvre des mécanismes permettant aux miniers d'apporter une contribution significative au développement de leurs localités, par le strict de cahier de charge ;
- Accompagner le développement des mines artisanales et ;
- Créer de l'emploi par la promotion de l'investissement privé.

CONCLUSION

Au terme de cette étude, il est à noter que ce secteur ne profite qu'aux acteurs directs intervenant dans le secteur, il est également pourvoyeur de devises, c'est-à-dire qu'il, occupe une place non négligeable dans les recettes d'exportation.

Ainsi, pour qu'il contribue efficacement aux revenus des pauvres, il est impératif de repenser ce secteur, impliquant véritablement les natifs des régions dans les activités.

DOCUMENT DE STRATEGIE POUR LA REDUCTION DE LA PAUVRETE

Etat d'avancement du Cadre Stratégique de Lutte contre la Pauvreté (CSLP)

I. Contexte

Dans le cadre du réengagement de la communauté internationale, la Banque mondiale et la BAD viennent d'adopter une stratégie conjointe en appui à la RCA. Par ailleurs, le FMI vient de conclure une Facilité pour la Réduction de la Pauvreté et la Croissance (FRPC) avec le Gouvernement centrafricain à la suite du deuxième programme post-conflit. Ces programmes qui viennent en appui aux réformes enclenchées par les autorités centrafricaines en matière de consolidation de la paix et de la sécurité ainsi que de la reconstruction nationale devraient s'appuyer sur une stratégie nationale globale et inclusive, en l'occurrence le document de Stratégie de Réduction de la Pauvreté. En l'absence de la disponibilité actuelle de ce cadre de référence, le Gouvernement a élaboré le « Document Cadre de Politique Economique et Sociale (DCPES) » qui sert de feuille de route avant la finalisation du DSRP. Eu égard à ces nouvelles opportunités et notamment aux traitements dans les tous prochains jours de la dette extérieure centrafricaine au niveau des instances internationales, et soucieux de mettre en cohérence sa stratégie de croissance et de réduction de la pauvreté afin d'atteindre les objectifs de reconstruction nationale, le Gouvernement centrafricain s'est doté d'un chronogramme de finalisation du DSRP assortis d'objectifs et de résultats précis.

L'objectif premier étant de finaliser le DSRP d'ici juin 2007. Pour atteindre ce résultat, un agenda opérationnel a été élaboré afin de disposer d'un draft amélioré d'ici la fin avril qui facilitera les procédures d'adoption du document. La présente note a pour objet de faire le point des travaux déjà réalisés de décembre 2006 à ce jour, ceux qui sont en cours ainsi que les perspectives.

II. Etat d'avancement du processus.

Par rapport aux composantes essentielles du processus à savoir, le dispositif institutionnel, le diagnostic de la pauvreté, la participation, les politiques et plans d'action sectoriels, le cadrage macroéconomique, le suivi-évaluation, et enfin les travaux de rédaction, les activités se présentent comme suit :

Sur le plan du dispositif institutionnel qu'il faut renforcer, sous la supervision technique directe du Ministre de l'Economie, du Plan et de la Coopération Internationale, un projet de renforcement du dispositif institutionnel du DSRP a été élaboré et soumis aux différents partenaires comme la Banque mondiale et le PNUD. L'objectif recherché l'accélération du processus DSRP à travers le

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DOMAINES

DIRECTION GENERALE ADJOINTE DES IMPOTS
ET DES DOMAINES

DIRECTION DE LA FISCALITE DES MOYENNES
ENTREPRISES

SERVICE DE GESTION

N° 041 / MFB / DIR. CAB / DGID / DGAID / DFME / SG.

NG.Huguette
REPUBLIQUE CENTRAFRICAINE

UNITE - DIGNITE - TRAVAIL

**SITUATION DE LA PATENTE DES COLLECTEURS,
ARTISANS ET COOPERATIVES MINIERES DE LA
DIRECTION DE LA FISCALITE DES MOYENNES
ENTREPRISES / SERVICE DE GESTION.**

Janvier à Juin 2008

Nature de la patente	Nombre	Montant payé
Collecteurs Miniers	248	246.826.500
Artisans Miniers	132	4.626.600
Coopératives Minières	08	237.882
Total Général	388	251.690.982

LE CHEF DE SERVICE DE GESTION


Prudence Bénédicte Larissa BECKONDY

MINISTERE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

DIRECTION DE LA COMMERCIALISATION,
DE L'INDUSTRIE ET DU FICHIER MINIER

SERVICE DE LA COMMERCIALISATION
ET DU FICHIER MINIER

N° 07/MMEH/DIRCAB/DGM/DCIFM/SCFM.-

REPUBLIQUE CENTRAFRICAINE
Unité – Dignité - Travail

RAPPORT D'ACTIVITES DU SERVICE DE LA COMMERCIALISATION, ET DU FICHIER MINIER

ANNEE 2006

*

I- SITUATION DES BUREAUX D'ACHATS IMPORT – EXPORT

Le Service de la Commercialisation et du Fichier Minier a enregistré onze (11) Bureaux d'Achat pour l'année en cours parmi lesquels cinq (5) seulement exportent tous les mois comme prévoit les textes réglementaires liés à l'exportation du diamant en République Centrafricaine.

Il s'agit de :

- Société Centrafricaine du Diamant (SODIAM) ;
- Diamond Distributors Centrafrique (DDC) ;
- Bureau d'Achat de Diamant Centrafricain (BADICA) ;
- PRIMO B.A.D.O ;
- Antwerpen Diamond Centrafrique (ADC).

Certains Bureaux d'Achats n'ont pas exporté au courant de l'année 2006, excepté la Société **BELLO DIAMANT (BELDIAM)** qui a commencé ses exportations au mois de Septembre jusqu'à la fin de l'année.

Les Bureaux non fonctionnels sont :

- Société Pituach Centrafricaine de Diamant (SOPICAD) ;
- **DIAMSTAR** ;
- **Or Diamant Centrafrique (ORDICA)** ;
- **Consolidated Centrafrican Diamonds (CONCEDIA)** ;
- **MEX.**

STATISTIQUE ANNUELLE D'EXPORTATION (voir annexe)

II-SITUATION DES AGENTS ACHETEURS

Par la note circulaire n° 221 du 18 Juillet 2006, il a été porté à la connaissance de tous les Bureaux d'Achats Import et Export de faire parvenir au Service du Fichier Minier, les noms de leurs Acheteurs agréés ainsi que le nombre et la localité des centres secondaires de leurs Bureaux respectifs, mais aucun Bureau ne s'est manifesté pour répondre à nos préoccupations si bien que le Fichier Minier se trouve dans l'impossibilité de donner une information fiable à cet effet.

*l'annexe n'est pas jointe
mais ces données
peuvent être trouvées
dans les données fournies par
le Service*

III- SITUATION DES AGENTS COLLECTEURS D'OR ET DE DIAMANTS BRUTS

Il a été créé au sein du Ministère des Mines, de l'Énergie et de l'Hydraulique par Arrêté n° 016/06.MMEH.DIRCAB du 03 Février 2006, une commission spéciale chargée de l'examen des demandes et de renouvellement d'agrément des Agents Collecteurs d'or et de diamants bruts qui a pour attribution de :

- Réceptionner toutes les demandes d'agrément et de renouvellement
- délivrer l'avis d'encaissement assujéti par l'avis favorable de la commission spéciale.
- émettre des avis motivés sur chaque demande ;
- examiner et de vérifier la régularité des pièces jointes conformément aux dispositions des Articles 99 et 100 du Code Minier Centrafricain.

En effet, la Commission Spéciale avait mené ses travaux du 28 Février au 20 Mai 2006. Elle s'était beaucoup appesantie sur l'investissement des Agents Collecteurs Etrangers qui, dans l'ancien Code Minier Centrafricain était prévu à **vingt cinq millions (25.000.000) de francs CFA**. Après la promulgation du nouveau Code Minier Centrafricain par l'ordonnance n°04.001 du 01 Février 2004, l'investissement des Agents Collecteurs Etrangers a été revu à **cinquante millions (50.000.000) de francs CFA** ; à cet effet, tout investisseur doit se conformer à l'article 157 du Code Minier qui stipule que :

Article 157 : « Tout investisseur, Opérateur du secteur minier ayant bénéficié des droits acquis antérieurement à l'entrée en vigueur du présent Code dispose d'un délai d'un (1) an pour se conformer à ces dispositions ».

Ainsi, vingt six (26) Agents Collecteurs Etrangers ont rempli toutes ces conditions requises, par contre onze (11) Agents Collecteurs Etrangers dont les investissements frôlent les cinquante millions ont signé un engagement d'un délai de trois mois afin de combler ces manquements.

Il s'agit de :

- **JAWAD FAWZI MOHAMED LB06/001 ;**
- **SALEH HILAL AREF BG06/021 ;**
- **ZAYAT NIZAR SAÏD SM06/009 ;**
- **ALI ALI KAWAJA MK06/115 ;**
- **GUISSE ABDOULAYE MK06/123 ;**
- **GUISSE AMADOU BG06/035 ;**
- **FACKIH MOUEIN MK06/068 ;**
- **HASSAN SOUEID MOHAMAD MK06/069 ;**
- **AWADA AMAD SALIM MK06/071 ;**
- **IBRAHIM BASSAM BG06/017 ;**
- **MOHAMED SHARARA HK06/014.**

Finallyment la Commission Spéciale a agréé deux cent trente six Agents Collecteurs dont trente deux Etrangers.

Après la cessation des activités de la Commission Spéciale, la Direction Générale des Mines a suivi le canevas de travail initié par ladite commission et a agréé soixante et un Agents Collecteurs dont dix neuf Agents Collecteurs Etrangers.

Le Service du Fichier Minier a enregistré en tout deux cent quatre vingt sept Agents Collecteurs dont cinquante et un Agents Collecteurs Etrangers et deux cent quarante six Agents Collecteurs Centrafricains, pour un montant de patente qui s'élève à **DEUX CENT QUATRE VINGT DIX SEPT MILLIONS DEUX CENT QUATRE VINGT SEPT MILLE CINQ CENTS (297.287.500) DE FRANCS CFA.**

LISTE DES AGENTS COLLECTEURS 2006 (voir l'annexe) **IV-SITUATION DES EXPLOITANTS ARTISANS MINIERS**

Pour l'année 2006, le Service de la Commercialisation et du Fichier Minier présente brièvement la situation exacte des Exploitants Artisans qui ont payé leur patente à Bangui, à Berbérati et à Bouar. Il y a lieu de signaler qu'il y'a trois Directeurs Régionaux qui ont envoyé la liste des Exploitants Artisans de leur localité respective ; il s'agit du Directeur Régional du Sud – Ouest, le Directeur Régional du Nord-Est et celui du Nord-Ouest.

Dans tous les cas, le montant de la patente est fixé à **trente cinq mille cinquante (35.050) de francs CFA** et demeure le même durant toute l'année.

Ainsi donc, durant l'année en cours, cent soixante quatre (164) Exploitants Artisans ont été enregistrés au niveau de Bangui, soit pour un montant total de **cinq millions sept cent quarante huit mille deux cents (5.748.200) de francs CFA** .

La Direction Régionale des Mines du Sud-Ouest a enregistré pour sa part, trois cent soixante dix (370) Exploitants Artisans, soit pour un total de **douze millions neuf cent soixante huit mille cinq cents (12.968.500) de francs CFA**

La Direction Régionale des Mines du Nord-Est a enregistré trois cent soixante huit (368) Exploitants Artisans pour un total de **douze millions huit cent quatre vingt dix huit mille quatre cents (12.898.400) de francs CFA**.

La Direction Régionale des Mines du Nord-Ouest, quant à elle, a eu trente six (36) Exploitants Artisans, soit pour un montant total **d'un million deux cent soixante un mille huit cents (1.261.800) de francs CFA**.

TABLEAU RECAPITULATIF

REGION	MONTANT DE LA PATENTE	NOMBRE D'ARTISANS AGREES	MONTANT
BANGUI	35.050 F CFA	164	5.748.200 F CFA
SUD-OUEST	35.050 F CFA	370	12.968.500 F CFA
NORD-EST	35.050 F CFA	368	12.898.400 F CFA
NORD-OUEST	35.050 F CFA	36	1.261.800 F CFA
TOTAL		938	32876900 F CFA

REMARQUE : Il paraît indispensable de déplorer le comportement des éléments de la Brigade Minière de Bangui, qui d'une manière délibérée accordent des agréments aux Exploitants Artisans, alors qu'ils ne sont pas habilités à le faire.

De ce fait, je souhaiterais que ce conflit de compétence entre le Service de la Commercialisation et du Fichier Minier et la Brigade Minière cesse.

Fait à Bangui, le

LE CHEF DE SERVICE DE LA
COMMERCIALISATION ET DU FICHER MINIER

Annick MAKOLET.-

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LISTE DES COLLECTEURS PATENTES DE L'ANNEE
2006

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ET DU FICHER MINIER

N° _____ /06/MMEH/DIRCAB/DGM/DCI/SCFM.-

LISTE DES COLLECTEURS PATENTES
DE L'ANNEE 2006

	NOMS ET PRENOMS	N° DE CARNET	ZONE D'ACTIVITE	NATIONALITE	MONTANT PATENTE
1	ABDOULAHY NANA	MK06/001	BERBERATI	CAMEROUNAISE	1 009 500
2	ZOUBAIROU	MK06/002	BERBERATI	CENTRAFRICAINE	1 009 500
3	ABOUBAKAR BELLO	MK06/003	BERBERATI	CENTRAFRICAINE	1 009 500
4	IBRAHIM ADAMOU	MK06/004	BERBERATI	CENTRAFRICAINE	1 009 500
5	HAMADOU NASSOUROU	MK06/005	CARNOT	CENTRAFRICAINE	1 009 500
6	YAYA BABA BELLO	MK06/006	BERBERATI	CENTRAFRICAINE	1 009 500
7	ABDOULAZIZ HAMOUA	MK06/009	BERBERATI	CENTRAFRICAINE	752 500
8	KASSEM GAZI	MK06/010	BERBERATI	LIBANAISE	1 009 500
9	ALIM IYAWA	MK06/011	CARNOT	CENTRAFRICAINE	1 009 500
10	SY ISSA	MK06/012	BERBERATI	CENTRAFRICAINE	1 009 500
11	IDRISS TAMBOURA	MK06/013	CARNOT	CENTRAFRICAINE	1 009 500
12	MAHAMAT ROUFAY NAÏM	MK06/014	CARNOT	CENTRAFRICAINE	1 009 500

13	HAMADOU NGUIDADO	MK06/016	CARNOT	CENTRAFRICAINE	1 009 500
14	ABDOUL MONTALIB MAHAMAT ZENE	MK06/017	BERBERATI	CENTRAFRICAINE	1 009 500
15	OUMAR	MK06/019	BERBERATI	CENTRAFRICAINE	1 009 500
16	OUSMANOU MOUSSA	MK06/020	BERBERATI	CENTRAFRICAINE	1 009 500
17	IBRAHIM SOUNOUSSI	MK06/021	BERBERATI	CENTRAFRICAINE	1 009 500
18	OUSMAN ABDOU LAYE	MK06/022	CARNOT	CENTRAFRICAINE	1 009 500
19	BAKARI HAMEY	MK06/023	BERBERATI	CENTRAFRICAINE	1 009 500
20	FAWAZ ASSAN ALI	MK06/024	CARNOT	LIBANAISE	1 009 500
21	ADAM ASSAN	MK06/025	CARNOT	CENTRAFRICAINE	1 009 500
22	ABDOULAY MAHAMAT	MK06/026	CARNOT	CENTRAFRICAINE	1 009 500
23	MAHAMAT SALLY	MK06/027	CARNOT	CENTRAFRICAINE	1 009 500
24	AOUDA OUSMAN	MK06/028	CARNOT	CENTRAFRICAINE	1 009 500
25	HAMAT ISMAIL	MK06/029	BERBERATI	CENTRAFRICAINE	1 009 500
26	IBRAHIM	MK06/030	BERBERATI	CENTRAFRICAINE	1 009 500
27	MAYADINE MAHAMOUD	MK06/031	AMADA - GAZA	CENTRAFRICAINE	1 009 500
28	HADMOU ALAZI	MK06/032	BERBERATI	CENTRAFRICAINE	1 009 500
29	ABDOULKARIM MAMADOU	MK06/033	BERBERATI	CENTRAFRICAINE	1 009 500
30	BOBOYE MOUHAMADOU	MK06/034	BERBERATI	CENTRAFRICAINE	1 009 500
31	AHAMAT ABAKAR	MK06/035	CARNOT	CENTRAFRICAINE	1 009 500
32	KASSIM MAHAMAT	MK06/036	CARNOT	CENTRAFRICAINE	1 009 500
33	GONI HAMADOU	MK06/037	BERBERATI	CENTRAFRICAINE	1 009 500
34	ABDOULKARIM IDRISSE	MK06/038	CARNOT	CENTRAFRICAINE	1 009 500
35	ALIM GARBA	MK06/039	BERBERATI	CENTRAFRICAINE	1 009 500
36	AYOUBA ABAKAR	MK06/040	BERBERATI	CENTRAFRICAINE	1 009 500
37	AZARAC MAHAMAT	MK06/041	BERBERATI	CENTRAFRICAINE	1 009 500
38	OUMAROU DAOU DA	MK06/042	NAN DOBO	CENTRAFRICAINE	1 009 500
39	IBRAHIM HASSAN	MK06/043	CARNOT	CENTRAFRICAINE	1 009 500
40	NGBAKONGO Chance Léonard	MK06/044	GADZI	CENTRAFRICAINE	1 009 500
41	GOUDJA HASSAN RAMAT	MK06/045	CARNOT	CENTRAFRICAINE	1 009 500
42	IDRISSA MAHAMAT	MK06/046	CARNOT	CENTRAFRICAINE	1 009 500
43	HAROUN ADAMOU	MK06/047	BERBERATI	CENTRAFRICAINE	1 009 500
44	SAMSOUNDINE SY	MK06/048	BERBERATI	CENTRAFRICAINE	1 009 500
45	HASSANE	MK06/049	CARNOT	CENTRAFRICAINE	1 009 500
46	MBASSAKOU JEAN PROSPER	MK06/050	CARNOT	CENTRAFRICAINE	1 009 500

47	HAMAT KALIT	MK06/051	BERBERATI	CENTRAFRICAINE	1 009 500
48	BICHAR BAHARE	MK06/052	CARNOT	CENTRAFRICAINE	1 009 500
49	MAHAMADOU SAYIR	MK06/053	CARNOT	CENTRAFRICAINE	1 009 500
50	ABAKAR ABBA	MK06/054	GADZI	CENTRAFRICAINE	1 009 500
51	ABIBE ADAM	MK06/055	CARNOT	CENTRAFRICAINE	1 009 500
52	HISSENE SOULEMANE	MK06/056	CARNOT	CENTRAFRICAINE	1 009 500
53	ABDOURAMANE	MK06/057	CARNOT	CENTRAFRICAINE	1 009 500
54	OUMAROU HAMADOU	MK06/058	CARNOT	CENTRAFRICAINE	1 009 500
55	GAZI	MK06/059	CARNOT	CENTRAFRICAINE	1 009 500
56	PATE GREGOIRE	MK06/060	GADZI	CENTRAFRICAINE	1 009 500
57	ABDRAMANE	MK06/061	CARNOT	CENTRAFRICAINE	1 009 500
58	ISSENE EMIMA	MK06/062	CARNOT	CENTRAFRICAINE	1 009 500
59	SENOUSSI DJIBRIL	MK06/063	CARNOT	CENTRAFRICAINE	1 009 500
60	ZACHARIA MAHAMAT	MK06/064	CARNOT	CENTRAFRICAINE	1 009 500
61	ABAKAR ABDRAMAN	MK06/065	CARNOT	CENTRAFRICAINE	1 009 500
62	ABDEL MOTALIB IDRIS	MK06/066	BERBERATI	CENTRAFRICAINE	1 009 500
63	ABDOULAYE	MK06/067	CARNOT	CENTRAFRICAINE	1 009 500
64	FAKIH MOUJIN	MK06/068	BERBERATI	BRITANIQUE	1 009 500
65	HASSAN SOUEID MOHAMAD	MK06/069	BERBERATI	LIBANAISE	1 009 500
66	SKAIKI KHAIKALLAH MOHAMED ALI	MK06/070	BERBERATI	LIBANAISE	1 009 500
67	AWADA AMAD SALIM	MK06/071	BERBERATI	LIBANAISE	1 009 500
68	MAHAMAT AHAMAT	MK06/072	CARNOT	CENTRAFRICAINE	1 009 500
69	MAHAMAT	MK06/073	CARNOT	CENTRAFRICAINE	1 009 500
70	OUMAR CHALTOU	MK06/074	CARNOT	CENTRAFRICAINE	1 009 500
71	AMODI FADILE	MK06/075	CARNOT	CENTRAFRICAINE	1 009 500
72	HAMAT MAHAMAT	MK06/076	CARNOT	CENTRAFRICAINE	1 009 500
73	ALIOU	MK06/077	BERBERATI	CENTRAFRICAINE	1 009 500
74	ABDEL MAKAZAM RACHID	MK06/078	BERBERATI	CENTRAFRICAINE	1 009 500
75	THOASSIN URBAIN BOSS	MK06/079	BERBERATI	CENTRAFRICAINE	1 009 500
76	ISSIAKOU ALI	MK06/080	BERBERATI	CENTRAFRICAINE	1 009 500
77	MAMADOU OUMAROU	MK06/081	GADZI	CENTRAFRICAINE	1 009 500
78	NGANZA NGBANDONGO JEREMIE	MK06/082	CARNOT	CENTRAFRICAINE	1 009 500
79	ZAMEL MOHAMED CHARLES	MK06/083	BERBERATI	CENTRAFRICAINE	1 009 500
80	NGARWOGNESSE SIMON	MK06/084	BERBERATI	CENTRAFRICAINE	1 009 500

81	REDA ALI ATWI		MK06/085	CARNOT	LIBANAISE	1 009 500
82	EMA SOULEMANE		MK06/086	BERBERATI	CENTRAFRICAINE	1 009 500
83	ADAMOU BABBA		MK06/087	BERBERATI	CENTRAFRICAINE	1 009 500
84	DAÏROU ABDOU		MK06/088	BERBERATI	CENTRAFRICAINE	1 009 500
85	MAHAMAT ADOUM		MK06/089	CARNOT	CENTRAFRICAINE	1 009 500
86	BRAHIM YOUNOUS		MK06/090	CARNOT	CENTRAFRICAINE	1 009 500
87	GARKA ALIM		MK06/091	CARNOT	CENTRAFRICAINE	1 009 500
88	DOUMBIA IBRAHIM		MK06/093	CARNOT	CENTRAFRICAINE	1 009 500
89	ABO SALLE		MK06/094	BERBERATI	CENTRAFRICAINE	1 009 500
90	ALIBE MOUSTAPHA		MK06/095	BANJA	CENTRAFRICAINE	1 009 500
91	ASSANE ABDELKARIM		MK06/096	BERBERATI	CENTRAFRICAINE	1 009 500
92	ABOUBAKAR HAMOUJA		MK06/097	CARNOT	BRITANIQUE	1 009 500
93	KALIL ABDOULA		MK06/098	BERBERATI	CENTRAFRICAINE	1 009 500
94	OULD MOHAMED JIDDOU MOHAMED		MK06/099	GADZI	CENTRAFRICAINE	1 009 500
95	SALLE IDRIS		MK06/100	CARNOT	CENTRAFRICAINE	1 009 500
96	NAMA SSO CHAÏBOU		MK06/101	CARNOT	CENTRAFRICAINE	1 009 500
97	OUSSENI OUSMAN		MK06/103	SASSELE	CENTRAFRICAINE	1 009 500
98	OUMAROU BAKARI		MK06/104	CARNOT	CENTRAFRICAINE	1 009 500
99	ALISSENE DARWAL		MK06/105	ERBERATI	CENTRAFRICAINE	1 009 500
100	BANGA BRUNO		MK06/106	BERBERATI	CENTRAFRICAINE	1 009 500
101	ZAKARIA MAMADOU		MK06/107	CARNOT	CENTRAFRICAINE	1 009 500
102	ALI AMAT ATAÏR		MK06/108	CARNOT	CENTRAFRICAINE	1 009 500
103	ABDAR - HAMANE		MK06/109	CARNOT	CENTRAFRICAINE	1 009 500
104	ÏSMAIL MOUSSA		MK06/110	CARNOT	CENTRAFRICAINE	1 009 500
105	BEABO MICHEL		MK06/111	CARNOT	CENTRAFRICAINE	1 009 500
106	IBRAHIM		MK06/112	CARNOT	CENTRAFRICAINE	1 009 500
107	IBRAHIM MATAR		MK06/113	CARNOT	LIBANAISE	1 009 500
108	ALI ALI KAWAJA		MK06/115	CARNOT	CENTRAFRICAINE	1 009 500
109	MORESE REMY		MK06/116	CARNOT	CENTRAFRICAINE	1 009 500
110	IBRAHIM HALIL		MK06/117	GADZI	CENTRAFRICAINE	1 009 500
111	BOUYEMBE RENE MARTIN		MK06/118	CARNOT	CENTRAFRICAINE	1 009 500
112	DJIBO HODI		MK06/119	GADZI	CENTRAFRICAINE	1 009 500
113	SOULEYMANOU BABA		MK06/120	CARNOT	CENTRAFRICAINE	1 009 500
114	MAHAMAT KALLYLE		MK06/121	BERBERATI	CENTRAFRICAINE	1 009 500

115	BAR KULOSSE	MK06/122	CARNOT	CENTRAFRICAINE	1 009 500
116	GUISSE ABDOULAYE	MK06/123	CARNOT	CENTRAFRICAINE	1 009 500
117	MAHAMADOU	MK06/124	BERBERATI	CENTRAFRICAINE	1 009 500
118	ABACH	MK06/125	CARNOT	CENTRAFRICAINE	1 009 500
119	ALLY BABA	MK06/126	CARNOT	CENTRAFRICAINE	1 009 500
120	MAMADOU NAINA	MK06/127	CARNOT	CENTRAFRICAINE	1 009 500
121	GBANAM RENE	MK06/128	GADZI	CENTRAFRICAINE	1 009 500
122	HALIDOU HAMADOU	MK06/129	GADZI	CENTRAFRICAINE	1 009 500
123	SALLE	MK06/130	GADZI	CENTRAFRICAINE	1 009 500
124	HAMADAMA	MK06/131	CARNOT	CENTRAFRICAINE	1 009 500
125	ADAMOU	MK06/132	CARNOT	CENTRAFRICAINE	1 009 500
126	MOHAMADOU BAJIKA	MK06/133	BERBERATI	CENTRAFRICAINE	1 009 500
127	ABBA DJIME	MK06/134	BERBERATI	SENEGALAISE	1 009 500
128	BOUBA HASSANA	MK06/135	BERBERATI	CENTRAFRICAINE	1 009 500
129	TAHIB	MK06/136	BERBERATI	LIBANAISE	1 009 500
130	HOUBALLAH ADNAN	MK06/137	CARNOT	CENTRAFRICAINE	1 009 500
131	ATALLAH ALI MOUSSA	MK06/138	CARNOT	CENTRAFRICAINE	1 009 500
132	ABDOULAYE MAHDI	MK06/139	CARNOT	CENTRAFRICAINE	1009500
133	DJAZEN DANA	MK06/140	CARNOT	CENTRAFRICAINE	1262500
134	KAMAL RIBAI	MK06/142	BERBERATI	GUINEENNE	505500
135	ABAKAR MAHAMAT	MK06/143	CARNOT	CENTRAFRICAINE	1009500
136	HAMIT OUMAR	MK06/144	CARNOT	CENTRAFRICAINE	1262500
137	ALIM ABOUBAKAR	MK06/145	CARNOT	CENTRAFRICAINE	253 500
138	DAHABE HAMID YAKOUB	MK06/146	CARNOT	CENTRAFRICAINE	1262500
139	ABDALLAH ALI MOUSSA	MK06/147	CARNOT	LIBANAISE	1 263 500
140	MAHAMAT HASSAN	MK06/148	CARNOT	CENTRAFRICAINE	1 263 500
141	HASSAN HASSAN	MK06/149	CARNOT	CENTRAFRICAINE	1 263 500
142	SEIDOU MAMADOU	MK06/150	CARNOT	CENTRAFRICAINE	253 500
143	BABA IBRAHIM	MK06/152	CARNOT	CENTRAFRICAINE	253 500
144	ASSANA HAMADOU	MK06/153	CARNOT	CENTRAFRICAINE	1 263 500
145	HAMODI CHECK	MK06/154	CARNOT	CENTRAFRICAINE	253 500
				TOTAL	144 367 500
BANGUI					
146	GUIMALE CAMILLE	BG06/001	BANGUI	CENTRAFRICAINE	1 009 500

147	MAHAMAT ATAMERE		BG06/002	BANGUI	CENTRAFRICAINE	1 009 500
148	SAÏ FIZANE		BG06/003	BANGUI	CENTRAFRICAINE	1 009 500
149	ADNAN MOHAMED ALI AHMED		BG06/004	BANGUI	LIBANAISE	1 009 500
150	MAHAMAT ALKOZAFE		BG06/005	BANGUI	CENTRAFRICAINE	1 009 500
151	ABAKAR BELLO		BG06/006	BANGUI	CENTRAFRICAINE	1 009 500
152	CHAÏBOU KEDESSI		BG06/007	BANGUI	CENTRAFRICAINE	1 009 500
153		0	BG06/008	BANGUI	CENTRAFRICAINE	1 009 500
154	DEMBA ALI		BG06/009	BANGUI	CENTRAFRICAINE	1 009 500
155	KIBOYINDI David		BG06/010	BANGUI	CENTRAFRICAINE	1 009 500
156	DACKO MAKAVO CLEMENT PATRICK		BG06/011	BANGUI	CENTRAFRICAINE	1 009 500
157	RAMAT EMMA		BG06/012	BANGUI	CENTRAFRICAINE	1 009 500
158	MBOUNDOU YAZARA GERY KEVIN		BG06/014	BANGUI	CENTRAFRICAINE	1 009 500
159	IBRAHIM BASSAM		BG06/017	BANGUI	LIBANAISE	1 009 500
160	MAHAMAT OUMAR		BG06/018	BANGUI	CENTRAFRICAINE	1 009 500
161	KOUNDE CHRISTOPHE FELIX		BG06/019	BANGUI	CENTRAFRICAINE	1 009 500
162	HAMZA DIAGOROGA		BG06/020	BANGUI	CENTRAFRICAINE	1 009 500
163	SALEH HILAL AREF		BG06/021	BANGUI	LIBANAISE	1 009 500
164	BADIAGA HAMET		BG06/022	BANGUI	CENTRAFRICAINE	1 009 500
165	CARDON PIERRE RODOLPHE		BG06/023	BANGUI	FRANCAISE	1 009 500
166	GHAMIDA MOHSINE		BG06/024	BANGUI	CENTRAFRICAINE	1 009 500
167	OURONFEÏ FEGBIA ARMEL ARTHE		BG06/025	BANGUI	CENTRAFRICAINE	1 009 500
168	MAHAMAT AMINE DJIBRINE		BG06/026	BANGUI	MALIENNE	1 009 500
169	MAKAÏ MAHAMAT		BG06/027	BANGUI	CENTRAFRICAINE	751.500
170	AKELELO TITAGA ELYSEE MAXIMIN		BG06/028	BANGUI	MAROCAINE	1 009 500
171	KONZI MONZEMBELET Gildas Roméo		BG06/029	BANGUI	CENTRAFRICAINE	253 500
172	KOYATRO CHARLES		BG06/030	BANGUI	CENTRAFRICAINE	751.500
173	INADO DIMASSE CYRILLE APPOLINAIRE		BG06/031	BANGUI	CENTRAFRICAINE	1 009 500
174	SEGA GABRIEL		BG06/032	BANGUI	CENTRAFRICAINE	1 009 500
175	GOHI NGAHALLY AUBIN		BG06/033	BANGUI	CENTRAFRICAINE	751.500
176	KOUNDE SYLVAIN		BG06/034	BANGUI	CENTRAFRICAINE	751.500
177	GUISSE AMADOU		BG06/035	BANGUI	SENEGALAISE	1 009 500
178	MAÏMOUNA OUSMAN ABDRAMAN		BG06/036	BANGUI	CENTRAFRICAINE	1 009 500
179	MAHAMAT AHAMAT		BG06/037	BANGUI	CENTRAFRICAINE	751500
180	ZOUNIMBIAT CHRISTIAN ALEX RAYMOND		BG06/038	BANGUI	CENTRAFRICAINE	505500

181	MAMADOU ALIOU	BG06/039	BANGUI	CENTRAFRICAINE	1262500
182	IBRAHIM ABDOULAYE	BG06/040	BANGUI	CENTRAFRICAINE	1 263 500
183	NGASSIMA TATIANA ELEONORE	BG06/041	BANGUI	CENTRAFRICAINE	505500
184	MOHAMAD MUSTAPHA HAÏDAR	BG06/042	BANGUI	LIBANAISE	1262500
185	EKENE Innocent NWEKE	BG06/043	BANGUI	NIGERIANE	253 500
186	FEÏTON HAÏNAT Ulrich Yvon Fortuné	BG06/44	BANGUI	CENTRAFRICAINE	253 500
TOTAL					37 583 000
LOBAYE					
187	JAWAD FAWZI MOHAMED	LB06/001	BODA	LIBANAISE	1 009 500
188	DJIBRILLA NOUHOU	LB06/002	BODA	CENTRAFRICAINE	1 009 500
189	MOUSSA TAHER	LB06/003	BOGANANGUINE	CENTRAFRICAINE	1 009 500
190	WAYERE WALTER ACHILLE	LB06/004	BODA	CENTRAFRICAINE	1 009 500
191	OUMAROU BAKARI	LB06/005	BODA	CENTRAFRICAINE	1 009 500
192	MOUSSA ABASS	LB06/006	BODA	CENTRAFRICAINE	1 009 500
193	DAYOUIROU SHERIF	LB06/007	BODA	CENTRAFRICAINE	1 009 500
194	ADAMOU HAMADOU	LB06/008	BODA	CENTRAFRICAINE	1 009 500
195	MAHAMAT BAKITE	LB06/009	BODA	CENTRAFRICAINE	1 009 500
196	ADAMOU	LB06/010	BODA	CENTRAFRICAINE	1 009 500
197	ALBACHAR MAHAMAT	LB06/011	BODA	CENTRAFRICAINE	1 009 500
198	ADAMOU ALI	LB06/012	BODA	CENTRAFRICAINE	1 009 500
199	DJABARA KAÏB	LB06/013	BODA	CENTRAFRICAINE	1 009 500
200	ALI KASSALA	LB06/014	BODA	CENTRAFRICAINE	1 009 500
201	ALMADI AHAMAT	LB06/015	BOGANANGONE	CENTRAFRICAINE	1 009 500
202	ADOUM HAMID	LB06/016	BODA	CENTRAFRICAINE	1 009 500
203	MAHAMAT HAMIT	LB06/017	BODA	CENTRAFRICAINE	1 009 500
204	HISSENE TAHIROU	LB06/018	BODA	CENTRAFRICAINE	1 009 500
205	NIMIRE MAHAZAC	LB06/019	BODA	CENTRAFRICAINE	1 009 500
TOTAL					19 180 500
HAUTE -- KOTTO					
206	MAHAMAT SALLEH OUMAR	HK06/001	BRIA	CENTRAFRICAINE	1 009 500
207	ABDOULAYE HASSANE	HK06/002	BRIA	CENTRAFRICAINE	1 009 500
208	MAHAMAT ADOUM	HK06/003	BRIA	CENTRAFRICAINE	1 009 500
209	GREBAYE ALI	HK06/005	BRIA	CENTRAFRICAINE	1 009 500

210	MAHADJOUJ ASSANE	HK06/006	BRIA	CENTRAFRICAINE	1 009 500
211	DALKIA GILBERT	HK06/007	BRIA	CENTRAFRICAINE	1 009 500
212	OUMAR IBRAHIM	HK06/008	BRIA	CENTRAFRICAINE	1 009 500
213	MAHAMAT ABAKAR	HK06/009	BRIA	CENTRAFRICAINE	1 009 500
214	AHMED OULD ALEYA	HK06/010	BRIA	CENTRAFRICAINE	1 009 500
215	COLICO JEAN PIERRE	HK06/011	BRIA	CENTRAFRICAINE	1 009 500
216	TALLO DJANGA MICHEL	HK06/012	BRIA	CENTRAFRICAINE	1 009 500
217	IBRAHIM SALLEH	HK06/013	BRIA	CENTRAFRICAINE	1 009 500
218	MOHAMED SHARARA	HK06/014	BRIA	LIBANAISE	751 500
219	MOHAMED OULD BARTY	HK06/015	BRIA	MAURITANIENE	1 009 500
220	MOHAMADOU SAKO	HK06/016	BRIA	CENTRAFRICAINE	1 009 500
221	SIDY MOHAMED	HK06/017	BRIA	MALIENNE	1 009 500
222	HAMED OULD MOHAMED	HK06/018	BRIA	MAURITANIENE	1 009 500
223	OULD EIDA MOHAMED VALL	HK06/019	BRIA	MAURITANIENE	1 009 500
224	GARBA HABOUBAKAR	HK06/021	BRIA	CENTRAFRICAINE	1 009 500
225	ISSA BOURNA	HK06/022	BRIA	CENTRAFRICAINE	1 009 500
226	OUIJIA ANDRE	HK06/023	BRIA	CENTRAFRICAINE	1 009 500
227	OULD MOHAMED AHMED JIDDOU	HK06/024	BRIA	MAURITANIENE	1 009 500
228	BASSEM AHMED EL TAKAJI	HK06/025	BRIA	MAURITANIENE	1 009 500
229	CHEICK BOUYA OULD MOHAMED EL MOC.	HK06/026	BRIA	NIGERIENE	1 009 500
230	SIDI OULD HAIDARA	HK06/027	BRIA	MAURITANIENE	1 009 500
231	AHMEDOU OULD LESSYAD	HK06/028	BRIA	CENTRAFRICAINE	1 009 500
232	IBRAHIM MOULAYE	HK06/029	BRIA	CENTRAFRICAINE	1 009 500
233	IBRAHIM HAROUN	HK06/030	BRIA	CENTRAFRICAINE	751500
234	ANGUIMATE BENJAMIN	HK06/031	BRIA	CENTRAFRICAINE	751500
235	ADAM IBRAHIM MAHAMAT	HK06/032	BRIA	CENTRAFRICAINE	1 009 500
236	MOUSSA BANA	HK06/033	BRIA	CENTRAFRICAINE	1 009 500
237	MOHAMED AHMAD EL TAKAJI	HK06/034	BRIA	MAURITANIENE	1 009 500
238	SIDI EL MOKHTAR OULD SALEM	HK06/035	BRIA	MAURITANIENE	1 009 500
239	OULD NAGI MOHAMED MAHFOUDH	HK06/036	BRIA	MAURITANIENE	1 009 500
240	OULD MOHAMED YAHYA ITAWAL OUMAROU	HK06/037	BRIA	MAURITANIENE	1 009 500
241	BAKARY ALI	HK06/038	BRIA	MAURITANIENNE	1 009 500
242	MAHAMAT NDELE ASSAN	HK06/039	BRIA	CENTRAFRICAINE	1 009 500
243	OUSMANE GUEYE	HK06/040	BRIA	CENTRAFRICAINE	1 009 500

244	ASSANE EMELESS		HK06/041	BRIA	CENTRAFRICAINE	1 009 500
245	HAMIT DJIBRINE		HK06/042	BRIA	CENTRAFRICAINE	1 009 500
246	MAHAMAT SALLE YOUSOUF		HK06/043	BRIA	CENTRAFRICAINE	1 009 500
247	IDRISS ANO		HK06/044	BRIA	CENTRAFRICAINE	1 009 500
248	BEDDY OULD MOHAMED JIDDOU		HK06/045	BRIA	MALIENNE	1 262 500
249	CHEICK ADJA		HK06/046	BRIA	NIGERJENNE	1 262 500
250	FALI OULD BABA		HK06/047	BRIA	NIGERJENNE	1 262 500
251	SOULEYMANE MOHAMED LAKOUF		HK06/048	BRIA	NIGERJENNE	1 262 500
252	M'HADI OULD SIDMATT		HK06/049	BRIA	MAURITANIENNE	1 262 500
253	BOUBAKAR OUMAR		HK06/050	BRIA	NIGERJENNE	1 262 500
254	OULD SIDI MOHAMED		HK06/051	BRIA	MAURITANIENNE	1 262 500
255	MOHAMED MAHMOUD OULD MOHAMED		HK06/052	BRIA	MAURITANIENNE	1 262 500
256	HAMAT MAHAMAT		HK06/053	BRIA	CENTRAFRICAINE	1 263 500
257	BA HASSAN		HK06/054	BRIA	CENTRAFRICAINE	1 263 500
258	MOHAMED ACHACK		HK06/055	BRIA	NIGERJENNE	253 500
					TOTAL	54 505 500

MBOMOU						
259	ABOUNA ISSENE		MB06/001	N'ZACKO	CENTRAFRICAINE	1 009 500
260	DRAME MOUSTAPHA		MB06/002	N'ZACKO	CENTRAFRICAINE	1 009 500
261	DJAFAR BELLO		MB06/003	N'ZACKO	CENTRAFRICAINE	1 009 500
262	ABAKAR AKACH		MB06/004	N'ZACKO	CENTRAFRICAINE	1 009 500
263	MAMAT IBRAHIM		MB06/005	N'ZACKO	CENTRAFRICAINE	1 009 500
264	NAMA DOUKOURE		MB06/006	N'ZACKO	CENTRAFRICAINE	1 009 500
265	NDIAYE HAMEY		MB06/007	N'ZACKO	CENTRAFRICAINE	1 009 500
266	BOUBA BAKARI		MB06/008	N'ZACKO	CENTRAFRICAINE	1 009 500
267	ABDOUL KADRE NDIAYE		MB06/009	N'ZACKO	CENTRAFRICAINE	1 009 500
268	MAHAMADOU NDIAYE		MB06/010	N'ZACKO	CENTRAFRICAINE	1 009 500
269	HAMAT OUMAR		MB06/011	N'ZACKO	CENTRAFRICAINE	1 262 500
270	RAMADAN ISSENE		MB06/012	N'ZACKO	CENTRAFRICAINE	1 262 500
271	SOUMARE MAKAN		MB06/014	N'zacko	CENTRAFRICAINE	253 500
					TOTAL	13 127 000
				NANA - MAMBERE		

272	ABOUBAKARI	NM06/001	BOUAR	CENTRAFRICAINE	1 009 500
273	MOUMINI OUSMAN	NM06/002	BOUAR	CENTRAFRICAINE	1 009 500
274	AMADOU	NM06/003	BAORO	CENTRAFRICAINE	1 009 500
275	KOYRANGA HAMADOU	NM06/004	BAORO	CENTRAFRICAINE	1 009 500
276	GUEZA PRINCE FELICITE	NM06/005	BOUAR	CENTRAFRICAINE	1 009 500
277	ALIM PENDE	NM06/006	BAORO	CENTRAFRICAINE	1 009 500
278	ASSAN YOUSOUF	NM06/007	BOUAR	CENTRAFRICAINE	1 009 500
279	ADAMOU	NM06/008	BOUAR	CENTRAFRICAINE	1 009 500
280	ABAKAR OUMAR	NM06/009	BOUAR	CENTRAFRICAINE	1 262 500
281	HAMADJIDA ALI	NM06/010	BAORO	CENTRAFRICAINE	1 263 500
			TOTAL		11 866 000
SANGHA - MBAERE					
282	ALMAKI ABAKAR	SM06/001	NOLA	CENTRAFRICAINE	1 009 500
283	YOUSOUF AGUID	SM06/002	NOLA	CENTRAFRICAINE	1 009 500
284	EL LAKISS MOHAMED KHALIL	SM06/003	NOLA	LIBANAISE	1 009 500
285	DOUKOURE YAYA	SM06/004	NOLA	CENTRAFRICAINE	1 009 500
286	SALE ISSA	SM06/005	NOLA	NIGERIENNE	1 009 500
287	MAHADJIR BACHIR	SM06/006	NOLA	CENTRAFRICAINE	1 009 500
288	EPOUA PIERRE	SM06/007	NOLA	CENTRAFRICAINE	1 009 500
289	BAKAR MOUSSA	SM06/008	NOLA	CENTRAFRICAINE	1 009 500
290	ZAYAT NIZAR SAÏD	SM06/009	NOLA	BRITANIQUE	1 009 500
291	YOUSOUF ABAKAR	SM06/010	NOLA	CENTRAFRICAINE	1 009 500
292	HASSAN ASSEID	SM06/011	NOLA	CENTRAFRICAINE	1 009 500
			TOTAL		11 104 500
BAMINGUI - BANGORAN					
293	MORDJOMA RIGOBERT	BB06/001	N'DELE	CENTRAFRICAINE	1 009 500
294	YOUSOUF MAHAMAT	BB06/002	N'DELE	CENTRAFRICAINE	1 009 500
295	ASSADIK ISSAKA	BB06/003	N'DELE	CENTRAFRICAINE	1 009 500
296	TAKENE SAMUEL	BB06/005	N'DELE	CENTRAFRICAINE	505 500
			TOTAL		3 534 000
OUHAM - PENDE					
297	IDRISS ABDERAHIM	UP06/002	BOZOUIM	CENTRAFRICAINE	1 009 500
298	MAHAMAT NOH SALLE	UP06/003	BOZOUIM	CENTRAFRICAINE	1 009 500

MINISTERE DES MINES, DE L'ENERGIE
ET DE L'HYDRAULIQUE

DIRECTION DE CABINET

DIRECTION GENERALE DES MINES

DIRECTION DE LA PROGRAMMATION,
DES ETUDES ET DE LA RECHERCHE

SERVICE DU CONSERVATOIRE DU DOMAINE MINIER
ET DES TECHNIQUES MINIERES

REPUBLIQUE CENTRAFRICAINE
Unité – Dignité – Travail

N° _____/07/MMEH/DIRCAB/DGM/DPER/SCDMMT.-

SITUATION DU DOMAINE MINIER EN 2006 (Droits d'attribution et redevances superficielles)

I- PERMIS D'EXPLOITATION

Dénomination	Titres	Validité	Superficie en Km ²	Lieu d'activité	Année d'activité	Frais de Délivrance	N° et date Quittance	Taxe sup.	N° et date Quittance	Observ.
1- GEM DIAMOND Tél :	1 PE	/06	855	Likaya	1 ^{ère} Année	5 000 000	-	17 100 000	-	OK
2- URAMIN Tél :	1 PE	/06	1 585	Bakouma	1 ^{ère} Année	5 000 000	704 du 09/06/06	31 900 000	705 du 09/06/06	OK
Total	2		2 440			10 000 000		49 000 000		

II- PERMIS GENERAUX DE RECHERCHE

Dénomination	Titres	Validité	Superficie en Km ²	Lieu	Année d'activité	Frais de Délivrance	N° et date Quittance	Taxe superficitaire	N° et date Quittance	Observ.
1-AURAFRIQUE Tél : 61 38 02 61 45 91	2 PGRA 1 PGRA	03/02/06- 03/02/09	1 968,2 380,9	Bakala Sosso Bambari	1 ^{ère} Année -"-	3 000 000 1 500 000		2 952 420	108069 du 07/06/05	OK
2- AXMIN Tél : 61 45 91	1 PGRA	03/02/06- 03/02/09	432,8	Bogoin	1 ^{ère} Année	1 500 000		649 200	464 du 13/06/05	OK
3- CENTROR Corporation Centrafrique	4 PGRA	14/12/06- 14/12/09	3 968,2	Koundé Baboua Garba Nguia- Bouar	1 ^{ère} Année	6 000 000	046408 du 14/12/06	5 952 300	046408 du 14/12/06	OK
4- DIMBI DIAMANT Tél : 50 50 19 61 66 99	1 PGRA	04/03/06 - 04/03/09	1 000	Dimbi (transfert PGRA GOLDIAM)	1 ^{ère} Année	1 500 000		1 500 000		OK
5- GOLDIAM Tél : 50 50 19 61 66 99	3 PGRA	04/03/06 - 04/03/09	2996	Bozoro Daya Boufolo	1 ^{ère} Année	4 500 000		4 494 000	44367 du 02/10/06	OK
6- GEM DIAMOND Tél :	1 PGRA	/06- /09	855	Likaya	1 ^{ère} Année	1 500 000		1 282 500		OK
7- SINO Central African Mining Comp.	3 PGRA	14/12/06 - 14/12/09	2855	Nola - Kadeï - Mambéré - Sangha	1 ^{ère} Année	4 500 000	046409 du 14/12/06	4 282 500	046409 du 14/12/06	OK
8- URAMIN Tél :	2 PGRB	/06- /09	1595	Bakouma	1 ^{ère} Année	3 000 000	703 du 09/06/06	2 392 500	706 du 09/06/06	OK
TOTAL	18 PGR		16 051,1			27 000 000		24 076 770		

III- PERMIS DE RECONNAISSANCE

Dénomination	Titres	N°	Validité	Superficie (Km ²)	Lieu d'activité	Frais de délivrance	N° Quittance	Obs.
1- CENTROR Corp.	4 PRM	RCI-210 RCI-211 RCI-212 RCI-213	14/12/06-07	3 968,20	Koundé Baboua Garba Nguia-Bouar	2 000 000		
2- ENERGEN Ressources Tél : 09 11 00 50 89 54	4 PRM	RCI-147 RCI-148 RCI-149 RCI-150	22/03/06-07 "-"	743,60 748,70 962,50 1 683,00	Bangana Bria Kotto Ouadda	6 000 000		
3- GEHA Joseph Tél :	1 PRM	RCI-196	02/03/06-07	3 620,00	Gaga-Yaloké	500 000		
4- GOLDIAM Tél : 50 50 19 61 66 99	5 PRM	RCI-197 à RCI-201	03/03/06-07	44 614,35	Centre Ouest	7 500 000		
5- MEYA-NGOKOUZOU Tél :	1 PRM	RCI-204	10/05/06-07	518,00	Bria	500 000		
6- MOHAMED TREKI Tél :	2 PRM	RCI-202 RCI-203	03/03/06-07	2 000,00	Mboula-Mbaéré Lobaye	1 000 000		
7- SINO Central African Mining Company	3 PRM	RCI-214 RCI-215 RCI-216 (325-327)	14/12/06-07	1 855,00	Nola - Kadeï - Mambéré - Sangha	1 500 000		
8- WANZARA Jonas Tél: 50 42 41	1 PRM	RCI-205	26/05/06-07	1 692,80	Bria	500 000		
TOTAL	21			63 406,15		19 500 000		

IV- PERMIS SPECIAUX D'EXPLOITATION

Dénominations	Titres	Validité	Superficie en Km ²	Lieu d'activité	Frais de délivrance	N° et date Quittance	Obs.
1- Coop. Centrafricaine Gemme Présidente: Francine DANGUIN- SABITOU	5 PSE	18/12/06-08	1,25	Tala, Lema Lopo, Woworo Tengue	300 000	044 357 du 27/09/06	OK
2- CEMPM Président: WASSONGO NDOMBILO Bernardin	1 PSE	27/03/06-08	0,25	Bania (amont)	60 000		OK
3- Coopérative Minière de Bagandou (C.M.B.) Président: Ismaïla KOULAYOM	5 PSE	24/11/06-08	1,25	Moboma, Lobé, Dikékélé, Dono, Mengui	300 000	044 473 du 17/10/06	OK
4- CODESMICA Président: YANOU Théodore	1 PSE	26/05/06-08	0,25	Ouabembe	60 000	000583 du 10/05/06	OK
5- CPEMCA Président: ADAMOU YAKEZIS	3 PSE	12/06/06-08	0,75	Île Salo, Yamalé, Tengue, Sekaratom	180 000	178 222 du 23/02/06	OK
6- GEMPB Président: GADEMI Moustapha	5 PSE	03/02/06-08	1,25	Bania (amont)	300 000	Suspension provisoire	OK
7- PINGA NA BÔ Président: Georges SAHANGA	5 PSE	18/12/06-08	1,25	Mahoudou-houdou, Ile Mékélô, Ouè-ouè	300 000	172 647 du 29/11/05	OK
TOTAL	25		6,25		1 500 000		

RECAPITULATIF:

1- Frais de délivrance	
* Permis d'exploitation	10 000 000
* Permis généraux de recherche	27 000 000
* Permis de reconnaissance	19 500 000
* Permis spéciaux d'exploitation	1 500 000
Total 1:	58 000 000 FCFA
2- Taxes superficières	
* Permis d'exploitation	49 000 000
* Permis généraux de recherche	24 076 470
Total 2:	73 076 470 FCFA
Total general perçu:	131 076 470 FCFA

FAIT à Bangui, le

LE DIRECTEUR DE LA PROGRAMMATION,
DES ETUDES ET DE LA RECHERCHE

Nathan BEANGAI

**SITUATION DES RECETTES GENERES DANS LE SECTEUR MINIER AU PROFIT
DE L'ETAT CENTRAFRICAIN**

TITRES MINIERS

N°	LIBELLE	DROIT DE DELIVRANCE	TAXE SUPERFICIAIRE	INSTITUTION BENEFICIAIRE
01	Permis de reconnaissance	500.000		DGID
02	Permis Général de Recherche (validité 3ans)	1.500 000	1500 F /KM2/AN	DGID
	1 ^{er} renouvellement	3.000 000	3.000F	
	2 ^e renouvellement	6.000 000	6.000 F	
	A partir de la 6 e année	6.000 000	15.000 F	
	Transfert	1.500 000		
03	Permis d'Exploitation	5.000 000	20.000/KM2/AN	DGID
04	Permis Spécial d'Exploitation	60.000		DGID

TAXE A L'EXPORTATION SUR LE DIAMANT

N°	LIBELLE	POURCENTAGE SUR LA VALEUR TAXABLE	INSTITUTION BENEFICIAIRE
01	Droit de sortie	4%	Trésor Public
02	IMF	3%	DGID
03	TSD	3%	Trésor Public
04	Régie Mines (CASDOR)	1%	55% Tresor 45% Mines
05	SPPK	0,5%	SPPK
06	REIF	0,5%	Bloc Finance

TAXE A L'EXPORTATION SUR L'OR

N°	LIBELLE	POURCENTAGE SUR LA VALEUR TAXABLE	INSTITUTION BENEFICIAIRE
01	Droit de sortie	1%	Trésor Public
02	IMF	3%	DGID
03	Régie Mines (CASDOR)	0,75%	55% Tresor 45% Mines
04	REIF	0,5%	Bloc Finance

SITUATION DES PATENTES ET FONDS DE GARANTIE

N°	LIBELLE	MONTANT	INSTITUTION BENEFICIAIRE
01	Patente Bureaux d'Achat Central	18.5000 000/an	DGID
02	Patente Bureaux d'Achat centre Secondaire	3.500 000/an	DGID
03	Patente Collecteurs	1.009 500/an	DGID
04	Patente Exploitants Artisans	35 050/an	DGID
05	Patente Bijouterie	400.000	DGID
06	Caution d'ouverture des Bureaux d'Achat	50.000 000	TRESOR
07	Frais d'ouverture		
08	Fonds de Garantie de Fonderie	10.000 000	TRESOR
09	Taxe sur l'Achat d'Or Brut des Bijouteries	2% de la valeur d'achat	DGID