



Press release

N°03/AFREWATCH/2024

Lubumbashi, 08 July 2024

AFREWATCH welcomes the partnership between Société pour le Traitement du Terril de Lubumbashi (STL) and Umicore for the recycling of germanium from mining waste from the Lubumbashi Terril in the DRC and calls on both parties to be more transparent by publishing the agreement 60 days later.

The African Natural Resources Observatory (AFREWATCH), a non-governmental organization promoting and protecting human rights in the natural resources sector, welcomes the signing of the partnership agreement between STL, a company wholly owned by Générale des Carrières et des Mines SA (GCM), a company in the Congolese government's portfolio, and Umicore for the recycling of germanium from mining waste from the Terril de Lubumbashi, and calls on the parties to be more transparent by publishing their contract in accordance with the Congolese mining code.

On 08 May 2024, Umicore and STL, a subsidiary of Gécamines, signed an exclusive partnership agreement for the recovery of germanium from the Lubumbashi tailings site. According to the press release signed by the two parties, this partnership will enable Umicore to optimize STL's new hydro-metallurgical plant, which will be commissioned in 2023. In particular, by putting its refining and recycling expertise to good use. In return, the Belgian company will benefit from exclusive access to processed germanium. For STL, the new hydro-metallurgical plant should enable it to secure up to 30% of global supplies of germanium, a mineral that has been declared strategic in the DRC¹ and is essential for the energy transition.

In view of the above, AFREWATCH notes that the partnership between STL and Umicore for the recycling of germanium did not comply with the law, as there was no call for tenders. Article 25 septies of the Mining Regulations stipulates that "Any purchase or transfer of shares or mining rights belonging to the State, the province, a decentralized territorial entity or a Portfolio company shall be subject to an invitation to tender, in accordance with the procedure laid down by Congolese legislation and by international mining practice in this area".

The partnership was concluded by mutual agreement, in violation of the law on the withdrawal of the State from Portfolio Companies, which stipulates that in the case of mutual agreement, negotiations must be initiated by the Minister in charge of the State Portfolio².

¹ Decree declaring strategic mineral substances in the DRC: This decree n°18/042 of 24 November 2018 establishes cobalt, germanium and colombo-tantalite as strategic mineral substances in the Democratic Republic of Congo.

² Article 21 of Law no. 08/008 on general provisions relating to the withdrawal of the State from portfolio companies.

In addition, in light of Article 2 of Decree No. 011/26 of 20 May 2011 on the obligation to publish any contract relating to natural resources³, AFREWATCH reminds both parties, namely STL and Umicore, of the need to publish the agreement within 60 days of signing. The publication of mining contracts and, where applicable, of this agreement, is an important issue in the process of improving transparency in the governance of the mining sector in the Democratic Republic of Congo (DRC). Decree no. 011/26 of 20 May 2011 defines not only the deadline and the documents to be published, but also the institutions or departments responsible for publishing contracts relating to natural resources. Requirement 7.1 of the EITI Standard supports this by specifying the importance and necessity of widespread disclosure of information on extractive sector governance.

Despite the fact that the contract was negotiated and signed without respect for Congolese laws and good practice, the United States of America nevertheless welcomed the signing of this agreement, which contradicts its persistent calls to the Congolese government to improve the business climate.

In view of the above, AFREWATCH calls on the Ministry of Mines, through the Technical Coordination and Mining Planning Unit (CTCPM), to publish the contract and all its annexes by 8 July 2024 at the latest.

³ Decree no. 011/26 of 20 May 2011 on the obligation to publish any contract relating to natural resources Any contract concluded between the State or a Portfolio Company and one or more private national or foreign partners, under private or public law, relating to the search for, exploration or exploitation of one of the natural resources defined in Article 1" above, shall be published by the Minister in charge of the sector to which the administration of the natural resource concerned belongs within sixty (60) clear days following the date of its entry into force.