

ETUDE COMPARATIVE DES SYSTEMES DE CERTIFICATION ET DE
TRACABILITE

EXECUTIVE SUMMARY



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1. Executive Summary

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1.1. Introduction

The purpose of this assignment is to compare the systems of certification and traceability in place in DRC and in the world, with a view to **proposing a system that is appropriate to the needs of the country, coherent with the procedures of the ICGLR's Regional Certification Mechanism, and responsive to international requirements.** Ultimately, the study should propose a traceability system that responds to the realities of the Congolese context and the expectations of the Congolese government in terms of efficacy and cost, whilst being in conformance with the demands of the ICGLR and the final consumers of relevant minerals.

Given the 200+ page length of the overall report, in this executive summary we focus on the traceability and certification initiatives and the study's conclusions and recommendations.

Research for this work began in July 2014 and completed in March 2015. It involved a launch meeting in Kinshasa with PROMINES on 31 July, fieldwork for seven weeks until 17 September, participation in the 8th meeting of the ICGLR-OECD-UN Forum on Responsible Mineral Supply Chains in Kinshasa November 3-5, the hosting of a workshop for Congolese government and other stakeholders on December 13, and reporting. Over the course of this research, over 200 Congolese and 50 international interlocutors representing a wide range of upstream and downstream conflict mineral supply chain stakeholders. Fieldwork covered sixteen mining and associated trading sites, ten of which were for gold. ELL also collaborated closely with USAID's CBRMT project during this time. Further details on Research Approach can be found in the Introduction and Annex A.

1.2. Analytical Framework

There are a range of initiatives designed to cut links between the exploitation of minerals and the financing of armed groups in the Democratic Republic of the Congo. The Government of the DRC requires clarity on **which initiative is appropriate to the needs of the country, coherent with the procedures of the ICGLR's Regional Certification Mechanism, and responsive to international requirements.**

In order to recommend such a system, two analytical frameworks were developed and used. The first establishes the key elements of a conflict minerals assurance system (i.e. traceability / certification system), categorising the focus of control into three main domains:

1. **Entity:** Designing and implementing procedures to dictate the terms under which a business can legally operate.
2. **Geography:** Knowing the provenance of minerals and the places through which the mineral passes as it is transported along the supply chain.

3. **Mineral:** Using tracking and tracing to monitor a material's 'chain of custody'.

This system was used to make sense of the initiatives and details can be found in Annexes.

The second analytical framework evaluates whether a system is **sustainable**. A sustainable conflict minerals initiative will add value for its users and regulators, enfranchising them to support and enable it and avoiding disgruntling stakeholders to the point that they obstruct the system. The extent to which a system is sustainable can be analysed based on:

1. **Credibility:** The system must have a vision and goals that are relevant but also achievable. The system framework must be oriented toward delivering these goals. It must be appropriately governed and have an accountability framework. It must be credible, and be *perceived to be credible*.
2. **Efficacy:** The system should achieve its stated goals efficiently, bringing higher output for the lowest possible input. One measure of efficacy is value for money.
3. **Feasibility:** The system should obtain its desired impact with best use of available resources. A feasible system must be cost-effective, with achievable goals. It is adapted to the risk environment, and to the capacities of users and implementers. It leverages opportunities for greater impact through joint or targeted efforts

Any initiative must take into account what is already in place. The composition of the current Congolese conflict minerals assurance system is determined by three critical compliance frameworks: (1) a suite of related international normative frameworks comprising the United Nations Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Minerals from Conflict-Affected and High Risk Areas; (2) a regional framework for supply chain management in the form of the Regional Initiative against the Illegal Exploitation of Natural Resources; and (3) national legislation for governance of the artisanal mining and mineral supply chains in DRC. The terms these set for how Congo's conflict minerals national certification system should work are scoped in chapters 3 and 4.

1.3. The Initiatives

1.3.1. Certification Initiatives

Four conflict minerals systems are compatible as 'certification initiatives'. Two are presently operational:

1. **CTC:** BGR & the Government of the DRC's Certified Trading Chains scheme

The Certified Trading Chains (CTC) is the Congolese national certification scheme designed to foster traceability, transparency, and ethical production standards in the artisanal and small-scale mining sector. The CTC is a Standard, and therefore also a tool, with which mining companies can measure themselves and the government can regulate supply chain due diligence and encourage improvements and formalisation in the artisanal mining sector. Whereas other conflict minerals initiatives are singularly concerned with chain of custody and risk management of the most serious human rights abuses and benefits to illegal armed groups, CTC additionally considers labour and working conditions, the behaviour of security forces, community consultation and development, and environmental protection. The CTC's scope therefore may match up better with downstream buyers' broader expectations for sourcing responsibly in line with the normative frameworks. It is operation in the DRC, is partially incorporated into national law (having formed the basis of the ICGLR RCM and DRC arretes 0057 and 0058), though use of the tool is seemingly voluntary.

2. **iTSCi:** ITRI's Tin Supply Chain Initiative

iTSCi¹ is an industry led, not-for-profit, multi-stakeholder initiative developed by ITRI, the international tin association that has as its members around 60% of the tin sector.² The iTSCi programme operationalizes three components: Tracking System, Risk Assessment and Management; and Audits. iTSCi also assists upstream companies of all scales and at all supply chain tiers from mine to smelter comply with the five steps of the OECD Guidance. By expanding due diligence to include criminal networks, and sanctioned individuals and entities, it also ensures conformance with the recommendations of the DRC United Nations Group of Experts.³ iTSCi covers tin, tantalum and tungsten ores (mineral concentrates), but *not gold*. It is operational in the DRC and the incumbent tool for supply chain due diligence since 2010.

3. **BSP:** The Better Sourcing Program

The Better Sourcing Program (BSP) is a private sector initiative founded in 2013. It offers a due diligence assurance and conflict-free export validation solution for supply chains from artisanal, small-scale and semi-mechanised mines. BSP could apply to any mineral but it is seeking to pilot its programme with gold, tantalite, wolframite or cassiterite in the DRC, building on an on-going pilot with a tantalum producer in Congo-Brazzaville. The BSP is not yet operational in DRC but has been working hard to enter the market in DRC, in partnership with Geotraceability as partner traceability service-provider, and has been in discussion with exporters, international buyers and smelters to this effect.

4. **MineralCare:** MineralCare's GoldCare & 3TCare (5.1.4)

MineralCare is an ICT-based credential system and platform that validates the actors, the product, and the transactions in a given supply chain from extraction to the end user. The credential assures that the person is who they say they are, and that they

¹ Much of the uncited information in this report is based on text provided by Kay Nimmo, ITRI, on 29th October 2013.

² Interview with Kay Nimmo, 22.8.2014.

³ UN ITU, 2012.

operate in conformance with the Mineralcare guidelines. These guidelines include requirements from the OECD Due Diligence Guidance, applicable domestic and regional law, special conditions imposed by downstream certification initiatives (e.g. LBMA, DMCC, CFSP), available criminal lists or other blacklists. MineralCare now offers specifically adapted platforms for diamonds, gold, and the 3Ts. It is not yet operational in the DRC but signed an MOU with the Governor of Orientale in 2015 to pilot its system there.

A comparative analysis was done of these four systems. These can be found in Chapter 5 of the report.

1.3.2. Traceability Initiatives

The four conflict minerals certification systems include traceability as a component of certification: iTSCi and MineralCare offer their own proprietorial traceability solution; CTC and BSP allow for traceability to be provided by multiple providers. Three additional schemes, which offer traceability as a primary offering, are important for consideration. These schemes primarily service the Chain of Custody needs of supply chain operators, so offer tracking/tracing and data management services. As such, they are more tools than systems and are less comprehensive than CTC, ITSCi, BSP and MineralCare, all of which include due diligence and/or certification.

1. GeoTraceability: Price WaterhouseCoopers' GeoTraceability

GeoTraceability offers traceability, data collection, and data management solutions mainly for the agricultural, but also the mining sector. GeoTraceability provides the technology for traceability based on tagging of minerals with barcodes and tracking them along the supply chain using a technology combination of mobile phones, GPS and GIS. Tagging and bagging can start either at the level of the mine site or at the pit or tunnel, depending on the configuration of the mine site and the prior risk assessment conducted by the due diligence operator. GeoTraceability signed an MoU with the Government of DRC in 2014.

2. MetTrak: MetTrak's software solution

MetTrak is a software solution that allows real time tracking and tracing of minerals from the all scales of mine to the end consumer and can be integrated into database management systems. MetTrak has not been implemented in the DRC to date, but was tested and is operational at Rutengo, a semi-industrialised cassiterite mine in Rwanda, since 2011. It could work in any of the 3TG, as well as precious stones, but is concentrating on gold at present.

3. SERCAM: IBES AG's SERCAM

SERCAM is a special technological solution to support certified raw material flow for mining, which includes tagging and tracking minerals in the upstream supply chain from

the mine to the refiner. It consists of advanced hardware components for remote monitoring of mineral transports, mobile handhelds for semi-automated process documentation and a powerful central web application for administration and reporting.

A comparative analysis was *not* done for these three systems since they are *tools for traceability and data management*. Their utility can only be known through piloting. Pilots have been done for GeoTraceability and MetTrak, but the details of any *evaluation* of these pilots were not available.

1.3.3. Other Relevant Standards

There is also a range of voluntary standards that *are not presently used in DRC* and could be used to exert controls and manage risk better in DRC's minerals sector. Implementation of any of these would support conformance with the OECD Guidance. The GDRC could promote their use by ASM organisations, mining companies and/or traders operating in DRC, and communicate this prominently to trading partners, businesses in DRC and their stakeholders in order to start to address some of the additional issues that are a concern to the market.

- RJC's Code of Practice & Chain of Custody Standards:** The RJC Chain of Custody standard includes provision on chain-of-custody management, systems to confirm eligibility of material, and issuing chain-of-custody documentation. For Congolese gold mining and trading companies, membership in the RJC and voluntary conformance with the CoC would mean not only that they were operating in conformance with the OECD Guidance, but that they are also addressing the other risks that the market and other stakeholders see as being inadequately addressed in conflict minerals due diligence presently. The Government of DRC could provide incentives to mining companies and gold traders that are RJC certified. One large caveat is that the RJC is not directly applicable to artisanal and small-scale mining organisations. Instead, it has a process for recognising other responsible mining standards that allows ASM organisations certified against these to supply gold to RJC members and still have their mineral conform to the RJC CoC. The Fairmined and Fairtrade standards hold this recognition.
- **The Fairmined Standard for Gold and Associated Precious Metal:** The Alliance for Responsible Mining offers Fairmined certification for ASM organisations (ASMOs) that can meet its wide range of performance criteria. ARM carries a wealth of expertise in how to organise and formalise ASM, including through a route to certification. Related to this, ARM has recently provided consulting services on ASM in DRC, providing ARM with the understanding necessary to consider operating in DRC. It is feasible that a Congolese ASM organisation could become Fairmined certified, if the right support structures were in place.

- **The Fairtrade Standard for Gold and Associated Precious Metals:** Fairtrade recently completed a review of their standard to ensure it was aligned with the OECD Due Diligence Guidance. Like Fairmined, its standard is designed to reward organised ASM with improved trading terms and the ability to drive community and organisational development through a fair price and premium. At a recent webinar, Fairtrade announced their willingness to operate in DRC, inviting any Congolese ASM gold organisation that is interested in becoming Fairtrade certified to use their standard and apply for certification. In reality, what would need to happen is an ASM Organisation would need to work with a ‘Local Support Organisation’, who would build their capacity to come to compliance with the Fairtrade standard.
- **The World Gold Council’s Responsible Gold Guidance:** The WGC’s Guidance may come in useful for DRC’s ASM sector in that it provides scope for enabling large scale mines to source from ASM as “Externally Sourced Gold” and report as ‘conflict-free’. The WGC Standards provide a workable framework should the GDRC wish to incentivise LSM companies to source from ASM operating on their concession as an avenue for creating an additional means by which ASM can be legitimised and formalised.
- **The Initiative for Responsible Mining Assurance Standard:** IRMA has a chapter on conflict-affected and high-risk areas that establishes requirements for mining companies operating in such a context. IRMA is considering developing a chapter on how LSM companies should deal with artisanal and small-scale miner stakeholders. Like the RJC, IRMA is oriented at large, corporate, professionalised mining entities and so is not applicable to ASM organisations. However, the IRMA standard could be used as a *tool* by concession-holders, like MMR or Shamika, who wish to know what good practice would involve and seek to implement what is a.) material and b.) feasible.

1.4. Gold

Gold certification represents distinct challenges. There is currently no operational gold traceability and/or certification system in the country and virtually all of the eastern DRC’s gold production is traded illegally. A key differential is the fungibility of gold, as well as its high value. Unlike the 3Ts, untreated gold can be easily smuggled across borders, secreted upon an individual’s person. Also unlike the 3Ts, and despite sharing their designation as conflict minerals, smuggled DRC gold can be easily traded beyond the country’s borders, whether in neighbouring countries or further afield.

There have been and there are currently in development a number of promising pilot projects.

- **Alimasi ya sawa/Just Gold:** AKA the Trading House model, developed by Partnership Africa Canada (PAC) – pilot project in Orientale Province, currently discontinued

- **CEEC Gold Traceability and Certification Initiative:** in development, envisaged as a model scalable nationally, security bag with sequential serial numbering.
- **ARM's Gold traceability system:** involving "a secure pocketable transparent security bag with features of tamper evident seals and sequential serial numbering", in conjunction with RFID tagging. This is at a gestational stage of development compared with the already tested PAC pilot project, or the CEEC ITOA initiative
- **MineralCare's GoldCare,** a technology-intensive system, which has a proven track record in the traceability and certification of diamonds in Angola, pre-Kimberley Process. Pilot project planned in Orientale for 2015.
- **BGR/CTC, Geotraceability/BSP,** and other traceability schemes for gold: pilot project planned for 2015 in Maniema

PAC's Just Gold is the only system that has been successfully piloted, and publicly evaluated. Lessons learnt from the trial indicate that there may be potential synergies Just Gold and other complementary systems, such as CEEC's ITOA. The latter, deploying software already successfully operationalized for LSM gold, would make use of existing government resources, as well as building capacity in the relevant agencies – CEEC, SASSCAM, and Administration des Mines. It would be "a Congolese solution for a Congolese problem".

There is potential for complementarity and synergy between the respective traceability systems, whether, for example, between PAC and ITOA, ITOA and MineralCare, or ITOA and BSP, or other combinations. It may be that, given the relatively low margins in the gold supply chain, some of these combinations, although technically effective, will prove financially unsustainable. Again, it requires their field-testing at the pilot project stage to establish to what extent they might be financially sustainable.

For ASM gold, the fiscal and parafiscal burden at the provincial level is over-onerous and disincentivises declaration of production or sales by miners and négociants. The provincial levies currently make the DRC uncompetitive in the regional context, when compared with tax rates of neighbouring countries. This encourages trans-border smuggling.

While there are tensions between artisanal and large-scale gold mining ventures, there are also considerable opportunities for cooperation and mutually beneficial coexistence. One possibility is that LSM entities could serve as a comptoir for ASM miners (see possible frameworks for enabling this, above). While this has an attractive logic, it will face considerable opposition from LSM actors, not least because of reputational risk. Another option would through the possible ceding of sites to miner cooperatives from within an LSM concession. Given the vastness of some LSM concessions, sites could be identified which might be suitable to transfer on a permanent or renewable basis to ASM gold cooperatives.

It is estimated that 97% of the DRC's ASM gold is undeclared. The sub-sector is almost entirely informal. A crucial component to ASM gold traceability and certification will be formalisation, bringing the sub-sector under the supervision of the regulatory agencies. A key impediment to both the process of formalisation and the implementation of traceability and certification is the lack of opportunity for ASM miners, in the form of cooperatives, to acquire secure and exclusive title to land. Fewer than 20% ZEAs (Zone d'Exploitation Artisanale) have been granted, representing less than 3% of the total number of DRC gold sites.

A significant complicating factor in any discussion of gold traceability is the role it plays in the broader DRC economy. Gold is not merely a commodity, or mineral resource. It is a financial instrument, often used for laundering money and tax evasion.

A multifaceted, triangulated approach to ensuring gold traceability would benefit from the application of both pressure and inducements at different stages in the supply chain. Miners and négociants are incentivized to integrate within the mining governance framework and declare their gold, through the reduction in rates of tax and fees. Formalisation, technical assistance and such benefits as increased productivity and recoverability, better labour conditions, genuine cooperative structures as opposed to rent generation by well-connected elites, would also act as further incentives. Beyond the DRC's borders, sensitisation and lobbying of trading hubs, such as Dubai's DMCC, and international financial institutions, could also contribute to the stigmatization of non-declared DRC gold.

The relatively abrupt transition from certificat d'origine to ICGLR RCM export certification has created a number of challenges. Firstly, there are very few validated ASM gold mine sites. Secondly, there is currently no functioning system of traceability for ASM gold production and export. This could threaten the integrity and reputation of the ICGLR RCM, which after all exists for and depends upon the confidence of downstream consumers.

1.5. Conclusion

The purpose of this assignment is to compare the systems of certification and traceability in place in DRC and in the world, with a view to proposing a system that is appropriate to the needs of the country, coherent with the procedures of the ICGLR's regional certification mechanism, and responsive to international requirements.

1.5.1. General Conclusions

Transparency, traceability, flexibility, and accountability should be the key principles for responsible sourcing and the implementation of the DRC traceability / certification mechanism. At the same time a range of normative documents serve as bedrock for the

mechanism – Congolese law; the ICGLR RCM; Dodd-Frank Act, pending EU regulations; international policy frameworks such as OECD Guidance, OECD Guidelines, and UN Guiding Principles for Business and Human Rights; CSR commitments undertaken by end users, e.g. UN Global Compact; and other compliance frameworks, e.g. LBMA, RJC, CFSP.

Considerable progress has been made but there are still gaps. Different market realities require different strategies for engaging ‘responsible buyers’ through measures to assure the sustainability performance of Congolese mineral supply chains. Good governance of conflict minerals supply chains requires a broader set of interventions and fundamental reforms. Traceability and certification initiatives should be accompanied with tangible technical, material and financial support for artisanal mining communities, to work on the gaps.

There are a lot of systems for doing due diligence on conflict minerals supply chains, but there is not a system for doing due diligence on the performance of the conflict minerals initiatives. The market needs reassurance that these conflict minerals initiatives are robust and effective. This will come through improved mechanisms for accountability, including transparency, *standardized* and ongoing evaluation, and additional field-testing. Ad hoc studies such as this one are not sufficient, though they may contribute.

Traceability and due diligence are not the same thing! We wish to emphasise that traceability is but one feature of a certification or due diligence initiative and not the only aspect upon which feasibility, efficacy, credibility, and thus sustainability rest. Traceability is a means to an end. Traceability may be easier to rally round, measure and deliver on than goals such as transparency, good governance or conflict prevention, but an emphasis on traceability as *the* tool for formalizing gold supply chains may entirely miss the mark; it is absolutely essential to widen the lens and come back to the original goal: to break the link between minerals and conflict. Widening the lens further, one might expect to arrive at a goal to build a viable and developmental mineral sector that attracts responsible buyers for the long-term. The absence of a clear vision for DRC’s ASM sector is an obstacle to taking the focus from traceability and onto the bigger picture, to properly unleash the development potential of DRC’s mineral resources.

Ensuring responsible sourcing contributes to development and stability in DRC. Regardless of whether the higher goal is simply to deliver a service (traceability) or to contribute to peace, stability and socio-economic development in DRC (certification), the fact is that these initiatives could be doing more for development in all cases, especially in the context of improved mining governance and formalization, with all the attendant benefits therein.

Protection of vulnerable people. Imposition of traceability and due diligence systems generally has created additional costs for upstream actors in DRC and in particular the miners. Any pilot of a conflict minerals system should seek to safeguard participants and

vulnerable third parties against direct or indirect negative social or economic impacts of the pilot.

The lack of secure and exclusive title for ASM actors impedes ASM formalization, making access to legitimate supply chains extremely challenging. In the case of gold - fewer than 20 artisanal mining permits (ZEA's) have been issued to ASM miners throughout the DRC, making this a huge impediment to formalization and legitimization of the sector. ZEA's currently occupy less than 3% of the total number of gold mine sites in the DRC. ASM miners need more *possibility* of formalising through increased security of tenure and allocation of ASM permits.

Competition and complementarity. The MOU between GDRC and GeoTraceability now opens the door for competition and pilot projects to evaluate each system. It is crucial to maintain market stability and credibility whilst introducing alternatives. The capacity of state agencies to cope with the diversity of systems needs to be addressed. As well as harmonization between systems, their potential complementarity should also be emphasized. Different systems suit different situations; not all are universally appropriate, which is a benefit. Greater specialisation between the systems will serve users and stakeholders better.

The GDRC could push through efficiencies in the upstream supply chain assurance system. The GDRC already carries out a range of elements of the upstream supply chain assurance system, in line with the RCM in particular. There is more GDRC could potentially do in each regard, such as building due diligence on key points required by the OECD DDG into its licensing approval system, and requiring initiatives to share data generated through Chain of Custody system implementation in certain forms (aggregated and disaggregated).

Mine Site Validation and Certification could be significantly rationalised. The validation process can be streamlined, made more sustainable, so viable over the short to medium-term. The validation process undoubtedly has a knock-on effect on the costs of and perceived effectiveness of the traceability and due diligence systems in place. A validation process, sustainable and viable over the long-term, is crucial for sectorial stability and growth.

1.5.2. Gold-specific Conclusions

The absence of any functioning traceability system for ASM gold is both a challenge and an opportunity for the DRC government. Unlike the 3Ts, there is no entrenched incumbent system. The imminent onset of pilot projects, initiated by CBRMT and BGR, provides a unique opportunity to field-test both individual traceability / due diligence systems and combinations thereof. Field-testing and evaluation should ensure that stakeholders would be confident that the designation of approved certification or

traceability system(s) would have been based upon a thorough analysis of their respective strengths and weaknesses in the DRC context.

It is hard to incentivize miners to declare their gold production. The successful implementation of any traceability system depends upon persuading miners to declare their production, and négociants their transactions. While the tax rate at the national level is regionally competitive, current high rates of taxation at the provincial level serve as a significant disincentive against such declarations. Given the fungibility of gold, stakeholders have to be persuaded that it is in their interests to declare their gold.

Validation of ASM gold mine sites has been slow, and needs to be accelerated. This is a general point but especially urgent in the case of gold ASM sites. While some stakeholders have taken the position that validation of ASM gold sites should wait until a functioning traceability system is in place, this runs the risk of falling into a ‘chicken and the egg’ dilemma, as is evinced by the fact that there are currently very few legitimate sites at which pilot projects can be rolled out.

In the DRC and broader GLR context, market access for gold is significantly different to that of the 3Ts. There is currently no market penalty for non-certified DRC gold. Non-certified DRC gold will almost inevitably find a market beyond the DRC borders. The DRC government could consider phasing in the traceability / due diligence system(s) for gold progressively and taking into account the realities on the ground. It may be more appropriate, therefore, for traceability requirements on conflict-free areas (e.g. Bas Congo, Kasai, and Equateur provinces) to be made more lax (from physical to documentary tracking, for example) and emphasis to be placed instead on miner, négociant and comptoir registration and support to these supply chain operators to formalize and professionalize their business activities more generally.

The abrupt transition from the previous system of certification, through certificats d’origine, to the ICGLR RCM export certification, runs a significant risk of undermining the credibility of the ICGLR RCM. ICGLR export certificates are currently being issued to ASM gold, which, albeit declared to CEEC, is non-compliant with RCM Standards, especially with regard to CoC and transportation routes. The DRC government could consider a twin-track approach to export certification, with certificats d’origine, which involve a less rigorous CoC due diligence, co-existing with the gradual and phased implementation of ICGLR RCM export certification. Certificats d’origine would be particularly suited for provinces outside the known conflict areas of eastern DRC.

Only one traceability / due diligence system for ASM gold has been tried, tested, and then publicly evaluated in the DRC context – PAC’s Just Gold. The other systems, such as CEEC’s ITOA, GeoTraceability/BSP, MineralCare, and the ARM model, are seeking to be operational in the DRC. Issues such as sustainability, cost and ownership are crucial considerations. In that light, it may be that the CEEC ITOA system has a definitive advantage, certainly in terms of ownership, as a “Congolese solution for a Congolese

problem”, as well as in terms of utilizing and building capacity in existing government human resources.

The creation of a market penalty for gold that is not conflict-free could be helpful, if conditions are created that make conflict-free gold much more feasible for ASM. The DRC government can over the medium-term work with international partners (such as international trading hubs, financial institutions, international media and advocacy groups) to create a market penalty. This would gradually lead to a stigmatization of non-certified DRC gold, and thus contribute to shutting down, or at least limiting, market access to the global supply chain for non-certified DRC gold.

1.6. Recommendations

1.6.1. General Recommendations

Mine site validation to be streamlined and accelerated. The number of DRC government validation missions should be increased. This process should be streamlined, involving fewer stakeholders, and capacity developed for DRC government agents to undertake validation missions, without the need for international partners on-site. Looking beyond the pilot projects, as the respective traceability and certification system(s) is/are rolled out across the DRC, the implementing partners and DRC government agents could undertake joint validation missions as part of mine site traceability implementation. *This is especially urgent for ASM gold.*

ASM permits. ASM miner cooperatives and small companies should be granted greater security of tenure and should be issued with an increased number of ASM permits. This is necessary as part of the DRC government’s push to formalize ASM through the development of cooperatives. Exclusive rights and security of tenure are needed to ensure investment by ASM stakeholders. ASM permit holders should also have exclusive title, renewable for 2-3 years. The process for issuance of ASM permits should be streamlined, and decentralized to the level of the provincial Division des Mines.

Democratization of cooperative structures. The DRC government needs to ensure that cooperatives bring tangible benefits to ASM miners. Otherwise the temptation for miners, often faced by relatively high percentages of their production being payable as dues to the cooperative, will be to bypass the cooperative, not declare their gold, and sell illicitly to négociants. As part of the pilot projects and subsequent roll-out of the traceability system(s), cooperatives need to be moved towards democratization, and forego the rentier/PdG model whereby influential local personalities control the cooperative for their own interests, often at the expense of the miners. Where cooperatives function essentially as sub-contracted trading entities that gather product from ASM miners on behalf of the concession-holder, they should not be called a cooperative. This is a misnomer and hides the reality of continued marginalization of the miners.

Building capacity of government agencies. Any traceability system, whether a pilot project or more widely operational, will depend upon the government agents tasked with its implementation, management and supervision, from mine site to exporter. At the mine site level, SAESSCAM agents are most often underpaid, irregularly paid, if paid at all. Building the capacity of government agencies will not only ensure their ability to do their jobs, it will disincentivise corruption and enable higher performing traceability and certification systems, so protecting the overall credibility of these systems and DRC's access to responsible markets.

Protection of vulnerable people. GDRC needs to work with supply chain operators to consider how the costs of upstream due diligence can be distributed more fairly so the burden is not placed disproportionately on the most vulnerable in the chain. This should also be mandated as a key consideration for the piloting of initiatives: how will costs be distributed? Pilots must also take action to know and mitigate risks of negative impacts of piloting on vulnerable people.

Impact assessment. The GDRC, donors, the ICGLR, and other stakeholders should seek to understand and publish if and how each of these initiatives contributes to achieving improved minerals sector governance, formalization and legitimization of the ASM sector (per Appendix I of the Gold Supplement of the OECD DDG), development, and stability. This will ensure GDRC and other stakeholders can understand their value in these regards, and help them choose between them if need be.

MOU's and OECD Guidance conformance. In order for companies to be able to rely upon assurance systems operational in DRC, DRC must insist that any initiative with which it signs a Memorandum of Understanding has undergone an OECD DDG conformance check by a knowledgeable and credible independent body to ensure that, once operational, the initiative will be judged as adequate by the market.

Data reliability and Transparency. DRC should aggregate and publish data, statistics and reports of relevance to downstream buyers of 'conflict minerals' on its website (www.mines-rdc.cd). This could act as a portal of data gathered from each of the initiatives that can be made public. This and more sensitive data could also then be passed to the IMCA and database of the RCM in aggregated and disaggregated form. DRC should include data disclosure requirements in the MoUs they have with initiatives, including requesting certain data points, and types of data to enable standardisation of data to ensure comparability and meaningful aggregation.

Sustainability of systems. As part of its consideration as to allowing new initiatives to operate in DRC, GDRC should demand that these initiatives present information on their business model including how they will be financed (start-up capital and ongoing income), and how profits or excess income will be distributed to ensure costs are

reasonable and fairly distributed. Donors may wish to work with GDRC to elaborate on how this can be done appropriately.

Permitting initiatives to operate in DRC. The GDRC needs to establish and publish its procedure for vetting and approving a conflict minerals initiative or traceability service provider that wishes to pilot and become operational in DRC. The approval process should be run by a steering committee involving the national ministry of Mines, provincial Ministry of Mines and the independent evaluator. The process for applying to operate as a traceability system in DRC should be published on www.mines-rdc.cd to enable other initiatives to do this efficaciously (in the interest of ultimately reducing upfront costs and the price that industry will have to pay for implementation). Guidance on this process is given in the conclusion to the report.

1.6.2. Gold-specific Recommendations

Pilot projects. Both CBRMT and BGR are in the process of developing pilot projects for gold traceability. CEEC's ITOA, making use of existing DRC government human resources as well as building institutional capacity, should be encouraged to work in tandem with other traceability / due diligence models. The two pilot project programs, CBRMT and BGR, should be encouraged to work together to avoid duplication, and maximize the possible permutations of traceability system combinations, as well as geographical locations.

Realistic and legal taxation at the provincial level. For there to be any hope of increased declaration of gold at the mine site or négociant levels, there needs to be a significant rationalisation of fiscal and parafiscal charges at the provincial level. The overall tax burden should be reduced to 4%: maintaining the national 2% levy at export, reducing the provincial taxes to 2%, and abolishing the 1% négociant *taxe de vente*. As part of the pilot projects, implementing partners should negotiate with provincial governments for fiscal exemptions or significant reductions regarding *frais rémunératoires*. This will be an opportunity to demonstrate that a lower tax rate encourages fiscal compliance on the part of stakeholders, thus increasing the tax take for both provincial and national government.

Certificats d'origine co-existing with ICGLR RCM. ICGLR RCM export certificates should only be issued where compliance with RCM Standards can be assured. As a **temporary and immediate** measure, certificats d'origine should be re-introduced for certain sites and provinces. This would effectively mean that gold sourced from sites which have not as yet been integrated into a functioning traceability / due diligence system should be subject to certificats d'origine for export. This would be especially relevant to DRC gold-producing provinces not affected by conflict, such as Bas-Congo, Kasai and Equateur.

Increased cooperation between LSM and ASM. LSM gold producers, such as Banro and the eventual successor entity to Anglo Gold at Mwongbwalu, should be encouraged and enabled to engage in increased cooperation with ASM miners on and around their concessions. These LSM concessions cover vast tracts of land, are home to significant numbers of ASM miners and their families, and contain gold deposits, which are unsuited to industrial production. The new mining code may well allow for such cooperation between ASM cooperatives and LSM companies.

International stigmatization of non-certified DRC gold. As part of a multi-faceted approach to ensuring compliance with OECD Guidance, the DRC government and its international partners should increase efforts to sensitize downstream stakeholders, such as the authorities managing trading hubs (e.g. DMCC), regarding the need to deny market access to non-certified DRC gold. Financial institutions operating in such trading hubs should be encouraged to deny banking facilities to proceeds from illicit DRC-sourced gold. International media and advocacy groups should be encouraged to internationalize awareness of the negative impacts associated with DRC non-certified gold, as part of a process aimed at limiting market access to gold smuggled from the DRC.

1.7. Comparative Evaluatory Tables of Initiatives

1.7.1. Comparative Analysis of Existing and Potential 3T Certification Initiatives

Table 1

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>	Scope for Improvement
CTC	<p>Ultimate value to the market and to mining companies is not apparent.</p> <p>Ultimate sustainability in DRC IS not apparent because not phase out plan give that this is a bilateral cooperation project.</p>	<p>High and is integrated into legal framework and national mining governance.</p> <p>Not enough information in the public domain on key elements of their system</p>	<p>This could be greatly improved.</p>	<p>It is a resource-intensive programme.</p> <p>Not clear if it can achieve scalable goals affordably under the current model (e.g. multistakeholder audits done by northern auditors)</p> <p>Value for money needs to be ascertained if there was a cost benefit analysis.</p>	
iTSCi	<p>It is adding value, especially for downstream brands (knowledge base, people on the ground, established relationships with Congolese agencies, broad scope) but could add even more value if it were willing to consider these downstream players' communications, transparency, and CSR priorities.</p> <p>It is adding value in ways that stakeholders and members do not realise; this needs to be better communicated.</p> <p>It is not adequately enfranchising stakeholders,</p>	<p>Yes. Good norms, policies, procedures.</p> <p>Credibility is undermined by stakeholders' preoccupation with a range of perceived issues: its dependence on government agents to implement its track/trace system; its use of paper-form tracking systems; its susceptibility to fraud and leakage of minerals in some situations; its scope being only on the human rights and business practice issues in the OECD Guidance's Model Supply Chain Policy; its</p>	<p>It is effective – see Table 3 on volumes of minerals, numbers of miners in system. As a system it picks up issues, including with how it as a system is operating, and addresses them. But there is room for expansion to new parts of DRC.</p> <p>It is helping improve governance generally in DRC. Its use of government agents to fulfil functions is a huge strength (builds capacity and ownership) and weakness (perceived issues with reliability of data, corruption risks and</p>	<p>iTSCi has an MoU with the Government of DRC.</p> <p>iTSCi has proven to be feasible.</p> <p>iTSCi's benefits outweigh the costs because it has brought millions of dollars worth of business back to many economically bereft regions in DRC.</p> <p>There is a perception that iTSCi is <i>dependent</i> upon donor funding. According to iTSCi, this is not the case. Donor funding enables iTSCi to scale up faster by providing the start up capital for new sites.</p>	<p>iTSCi should publish all normative documents on its website.</p> <p>It needs to improve communications generally, including on: how it adds values for members; how it adds values for other members; the roles and responsibilities of all implementing partners; its vision for expanding scope to include other issues, including practical steps on how it is going to achieve this.</p> <p>Other scope for improvement in communications includes: improving the management of</p>

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>	Scope for Improvement
	<p>especially those downstream and some upstream. It needs to move phase 3 to expand scope from enabling responsible sourcing to enabling responsible mining generally. iTSCi's ground presence at 265 sub-sectors with 318 active sites in these mines in DRC, involving around 35,000 miners,⁴ and relationships with a diversity of stakeholders provides a form of social infrastructure and a substantial foundation for addressing other aspects of minerals governance and human rights risks in the 3Ts sector.</p> <p>It has the big advantage of the being the incumbent, it has enormous institutional memory and has been through and addressed most teething problems.</p> <p>It demonstrates local innovation in tackling the commercial barriers to getting mineral flowing and enough commercial opportunity <i>and</i> available local capital for joint risk-sharing by industry actors.</p>	<p>'reliance' upon donor funding; its ownership and administration by ITRI. Stakeholders don't understand that iTSCi is not there to eliminate risks, but to ensure good mitigation, per the OECD Guidance. Stakeholders do not understand that the fact that these risks occur, are picked up and managed (including through local and provincial level multistakeholder for a) is a positive sign that iTSCi is working. Stakeholders do not understand that responsibility for iTSCi's success does not just sit with its secretariat but all the institutions who have a role in implementation and oversight, e.g. government DRC, international and local civil society, ITRI, etc. Credibility is negatively affected by how and what iTSCi communicates. iTSCi is often unwilling to respond to data requests from third parties, especially for projects</p>	<p>events). Can't definitely judge efficiency as a cost-benefit analysis could not be done. The timeliness of incident reporting is a concern to some stakeholders. iTSCi's prudence is merited given the sensitivity and implications of releasing certain data, which makes fact-checking and the right of response essential. Greater efficiency could be achieved through:</p> <ul style="list-style-type: none"> • Alignment with the joint validation missions, e.g. making these more meaningful as risk assessment exercises • Improving data collection technologies. • Increasing the role of local CSOs • Attracting donor funding for the capacity building of government agents. <p>iTSCi needs a Theory of Change</p>	<p>However, iTSCi and its members also invest in 'start up' at new mine sites. Once iTSCi is operational, the levy generates enough capital to cover ongoing costs across the sector, according to iTSCi. These claims need to be evaluated as part of the cost-benefit analysis. Liquidity remains a vital barrier to scaling iTSCi as quickly as stakeholders would like.</p>	<p>data generated by its traceability and incident tracking system in the interests of improving timeliness; by identifying information types where it could be more transparent; and working harder with the Government of DRC and the ICGLR to enable transfer of data to these stakeholders in a way that is more convenient and usable by them. iTSCi would build credibility and sustainability by supporting and fully enabling a third party evaluation of iTSCi. iTSCi members, the Government of DRC and any donors funding iTSCi are best placed to call for this. They would probably need to call for it as a group, otherwise iTSCi could argue for partial evaluation only. A performance evaluation would include opening up iTSCi's books to independent financial evaluation, to confirm for members – and concerned stakeholders – the value for money it really offers, on the one hand, whilst also</p>

⁴ iTSCi 2014 iTSCi Overview: November.

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>	Scope for Improvement
	<p>Donor reluctance to invest in start-up of iTSCi in new areas, to enable iTSCi to do more to build the capacity of local actors (government, CSOs) to take over elements of the system better and sooner, and to expand iTSCi's scope is an impediment to achieving sustainability of the system. iTSCi's sustainability may be more assured if it were more willing to introduce diversity into certain elements, e.g. working with different traceability service-providers for its traceability element.</p>	<p>seeking to evaluate iTSCi without engaging iTSCi appropriately.⁵ iTSCi, claims to be overwhelmed by the sheer frequency and amount of time meaningful engagement would take,⁶ the number of studies that have the same repetitive and overlapping scope, and the lack of preparation of the researchers.⁷ iTSCi releases more information than is required by the OECD Guidance, including publishing all incident reports, production data, other field reports besides due diligence, updates on development outcomes associated with the initiative, and so on.⁸</p>	<p>and Monitoring and Evaluation System to prove it is delivering on its goals.</p>		<p>considering financial strategy, including funding streams for different parts of iTSCi and taking a judgement on the initiative's financial sustainability. This financial evaluation should be part of a broader cost-benefit analysis to assess iTSCi performance generally. This evaluation would need to also consider how iTSCi could raise the money to implement whatever might be the evaluation's recommendations. The evaluator must have intimate understanding of the business environment in DRC, the commercial terms and cultures of procurement by mineral smelters, and the ability to handle information confidentially whilst reporting on the right information points that would a.) reassure stakeholders and b.) reveal practical opportunities for introducing efficiencies. Improved communications and</p>

⁵ Levin and Cook, 2013; Douma, N. and Weinbegr, R. 2014; Kay Nimmo, pers. Comm. to Estelle Levin, 01.12.2014.

⁶ iTSCi receives requests to engage with one or two studies a week. Kay Nimmo, pers. Comm. to Estelle Levin, 01.12.2014

⁷ Kay Nimmo, pers. comm. to Estelle Levin, 27.11.2014

⁸ Interview with Kay Nimmo, 22.08.2014

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>	Scope for Improvement
					<p>PR, and greater transparency are essential to credibility and longer-terms sustainability. The iTSCi website is not at all user-friendly; improving it with a focus on transparency and availability of information should be a priority. Government DRC could do more to proactively communicate to international stakeholders on its role in iTSCi, challenges, and what it's doing to improve them.</p> <p>The government of DRC needs to ensure its agents are adequately resourced and incentivised to perform their roles efficaciously and with integrity. iTSCi could be using its advisory board more effectively to enhance credibility and performance, and be involved in strategic decision making, performance evaluation, and act as ambassadors for the organisation.</p>
BSP	BSP is not yet tested in DRC. The BSP has identified value propositions that are likely to appeal to certain downstream	Cannot definitively judge credibility until it is tested and developed more fully. For example, some normative	Norms are adequately robust, concise and targeted to allow for piloting, but may need adjusting to have deliver impact	BSP does not have an MoU with the Government of DRC itself; it is mentioned in Geotraceability's MoU with	BSP should look to ISEAL for inspiration on how to achieve satisfactory levels of integrity and independence, even if the

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>	Scope for Improvement
	<p>and upstream businesses: the emphasis on communications, supply chain transparency, building broader CSR issues into supply chain due diligence, management systems advice, flexibility in traceability system choice, releasing data to buyers before export.</p> <p>It has a broad range of sustainability issues in scope, beyond what is required by the OECD Guidance.</p> <p>It is a business, so financial sustainability is crucial to its operation. It is therefore also driven by a profit motive (it is not a social enterprise).</p>	<p>documents do not yet exist, e.g. audit protocol. The standard needs work, being built on other standards that are not fit for purpose for the target beneficiaries. The standard also needs proper consultation with Congolese stakeholders. This could be included in the pilot but adequate consultation for any Congolese situation would require something fairly extensive.</p> <p>Governance needs to be improved. There is not adequate separation between certain parts of the governance structure.</p> <p>Potential conflicts of interest with the other business interests of the directors, which may discourage some industry players for using the system, trusting it, or collaborating with it.</p> <p>Has credibility with some downstream stakeholders.</p> <p>No third party OECD Conformance check yet.</p>	<p>and value for users and the system's wider beneficiaries.</p> <p>BSP needs a Theory of Change and Monitoring and Evaluation System to prove it is delivering on its goals.</p>	<p>the Government of DRC, which provides an entry point for piloting.</p> <p>Goals appear to be realistic and achievable</p> <p>Access to finance for start-up is anticipated to be a challenge.</p> <p>Overall value for money cannot be judged since financial costings were not shared with the authors.</p> <p>Scalable – not possible to be universal, but could reach scale if proves to be sustainable if it can get economies of scale. Inevitably probably better suited to larger scale ASM operations.</p>	<p>fit is not perfect.</p> <p>BSP should focus on building a sourcing standard, and leave responsible mining to existing initiatives which already incorporate progress-based requirements (e.g. CTC, Fairtrade, Fairmined).</p> <p>If BSP is to be piloted in DRC, it must be meaningfully evaluated and in a standard way to allow comparison with other initiatives.</p> <p>Do an OECD Conformance Check.</p>
MineralCare	<p>Not yet tested in DRC.</p> <p>MineralCare will add value in a range of ways: its agreement</p>	<p>Concept is sound.</p> <p>No third party OECD Guidance Conformance check yet.</p>	<p>The MineralCare solution is comprehensive and seemingly robust. It has the right goals.</p>	<p>MineralCare does not have an MoU with the Government of DRC; it has an MOU with the</p>	<p>If MineralCare is to be piloted in DRC, it must be meaningfully evaluated and in a standard way</p>

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>	Scope for Improvement
	<p>with the Dubai MultiCommodities Center ; its MoU with the Governor of Orientale which provides a basis for piloting; its foundation upon financial due diligence. MineralCare could offer a universal solution for DRC's gold sector, not just for responsible sourcing but as a governance tool overall. MineralCare offers a technology-based solution that is more advanced than any other of the 'certification initiatives' in this chapter. It combines the IT savvy of the traceability offerings with the due diligence and assurance offerings of the systems analysed herein. In this way it is unique.</p> <p>It is a business, so financial sustainability is crucial to its operation. It is therefore also driven by a profit motive (it is not a social enterprise).</p>	<p>MineralCare's credibility with upstream stakeholders could be improved by having an existing credibility figure promote the initiative to Congolese stakeholders. The Governor of Orientale may also be able to support interest amongst upstream stakeholders. Evidence of credibility could be gained further from consulting the government of Angola, where its diamond solution, DiamCare, has been tested. MineralCare has been endorsed by prestigious members of the conflict diamonds community.</p>	<p>MineralCare needs a Theory of Change and Monitoring and Evaluation System to prove it is delivering on its goals. MineralCare lacks a solution for managing the risk of illegal payments along transportation routes, except to place onus on the receiver of goods to do additional due diligence on this issue.</p>	<p>provincial government of Orientale. It is not clear if it needs the national level MoU in addition. Feasibility depends on which model is to be implemented: a universal model (building it into national level sector governance) or market-driven model (building it up supply chains through market demand). MineralCare's costs appear to be supportable by the different supply chain stakeholders. If the universal system were pursued, initial funding for the system by a donor would allow it to get up and running, and as it rolls out and enfranchises increasing members of the industry, revenues to the State would theoretically increase too until such a point as they would cover the system's ongoing costs. MineralCare needs to deepen its understanding of the DRC context to be able to compete with other options. MineralCare's system rests upon incentivising artisanal miners to participate in the</p>	<p>to allow comparison with other initiatives. Do an OECD Conformance Check. Consider alternative means for incentivising ASM to participate in the programme, e.g. tie the distribution of the RFID wristband with the delivery of the carte d'orpailleur, penalise/reward ASM that do not use the wrist-band by denying/fulfilling certain privileges. MineralCare must identify another initiative, NGO or consultancy that can do the sectoral risk assessment and ongoing monitoring of its use. MineralCare needs to build deeper relationships with other initiatives to be able to get going in DRC. It could do more to pursue joint efforts.</p>

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				<p>programme through achieving social benefits as a reward. This has worked in other contexts but feasibility in DRC may be problematic. MineralCare’s solution is technology intensive. This will be very reassuring to the market, on one hand. On the other, it can be offputting to observers who judge that Congolese stakeholders do not have the wherewithal to cope with such technology-heavy solutions. We find this judgement problematic; the technology should be trialled before a decision is made on its feasibility based on it being technology intensive. Whilst MineralCare is technically sophisticated in design, it is easy to use for supply chain operators and those doing due diligence on them. Because of this reliance on advanced technology, it may not be appropriate for every site in DRC at this moment in time, but could provide a desirable destination for those presently outside its feasibility.</p>	

1.7.2. Comparative Analysis of Potential Gold Certification Initiatives

Table 2

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>
ITOA	<p>Currently appears to be potentially lowest cost program.</p> <p>Building on and consolidating existing human resource capacity, so avoiding duplication of existing resources.</p> <p>Ownership belongs to CEEC, so DRC government. Increased likelihood of buy-in from state agencies at national and provincial levels.</p>	<p>As a government agency, responsible for export certification, CEEC's vision for ITOA is backed up with deep experience of the supply chain.</p> <p>Depends upon SAESSCAM and Division des Mines agents at the mine site / initial negociant stages. These could be a weak link due to lack of capacity and poor conditions of pay. Miners also need to be incentivised to declare production to government agents.</p>	<p>Implementation involves already existing software – currently successfully deployed for LSM gold. Pilot projects will ascertain whether the software can handle the different data collation and management demands involved in ASM gold traceability.</p>	<p>Takes advantage of already existing institutional infrastructure.</p> <p>Scalable program, not technology-intensive – so suitable for diverse mine site environments.</p> <p>Could be piloted in tandem with PAC's Just Gold. The latter has proven success in incentivising miners to declare production at the mine site / cooperative level. CEEC's sequentially numbered secure envelopes and data management solution could provide better traceability through the CoC to grand negociant / exporter level.</p>
PAC / Just Gold	<p>Involves knowledge/skills transfers for miners – leading to improved productivity. Driver for formalisation.</p> <p>As non-profit NGO, committed to transfer ownership to DRC stakeholders, so potentially attractive to DRC government.</p>	<p>Proven track record in Orientale.</p> <p>Successful pilot project up to the grand négociant level - where traceability of gold broke down in the original pilot. This is where it needs reinforcement of traceability.</p>	<p>Yes, efficient and effective</p>	<p>Could be piloted in tandem with CEEC ITOA. PAC has proven, successful track record at mine site / interface between miner and négociant.</p> <p>ITOA's secure envelope system would reinforce CoC traceability all the way through to grand negociant and export.</p> <p>PAC has deep experience of the DRC ASM gold context. Just Gold builds upon this.</p> <p>Scalable program, not technology-intensive – so suitable for diverse mine site environments.</p>
ARM	<p>Not yet tested in DRC.</p> <p>Remains to be seen whether the RFID</p>	<p>Has a clearly defined and appropriate vision, as well as goals.</p>	<p>Remains to be seen. Needs piloting in the DRC context</p>	<p>ARM does not have an MoU with the Government of DRC.</p>

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>
	<p>secure envelopes are sustainable in terms of cost.</p> <p>More technologically complicated than the similar ITOA program. It remains to be seen whether this technology will be appropriate in the DRC context.</p> <p>As non-profit NGO, committed to transfer ownership to DRC stakeholders, so potentially attractive to DRC government</p>	<p>Concept is sound.</p> <p>Has wide market acceptance as a responsible mining and supply chain solution.</p>		<p>Costing is as yet unclear for key components such as sealable RFID envelopes</p> <p>ARM needs to deepen its understanding of the DRC context to be able to compete with other options.</p> <p>Scalable program, suitable for diverse mine site environments.</p>
MineralCare	<p>Not yet tested in DRC.</p> <p>MineralCare will add value in a range of ways: its agreement with the Dubai MultiCommodities Center ; its MoU with the Governor of Orientale which provides a basis for piloting; its foundation upon financial due diligence.</p> <p>MineralCare could offer a universal solution for DRC's gold sector, not just for responsible sourcing but as a governance tool overall.</p> <p>MineralCare offers a technology-based solution that is more advanced than any other of the 'certification initiatives' in this chapter. It combines the IT savvy of the traceability offerings with the due diligence and assurance offerings of the systems analysed herein. In this way it is unique.</p> <p>It is a business, so financial</p>	<p>Concept is sound.</p> <p>MineralCare's credibility with upstream stakeholders could be improved by having an existing credibility figure promote the initiative to Congolese stakeholders.</p> <p>The Governor of Orientale may also be able to support interest amongst upstream stakeholders. Evidence of credibility could be gained further from consulting the government of Angola, where its diamond solution, DiamCare, has been tested.</p> <p>MineralCare has been endorsed by prestigious members of the conflict diamonds community.</p>	<p>Remains to be seen. Needs piloting in the DRC context.</p> <p>MineralCare lacks a solution for managing the risk of illegal payments along transportation routes, except to place onus on the receiver of goods to do additional due diligence on this issue.</p>	<p>MineralCare does not have an MoU with the Government of DRC; it has an MOU with the provincial government of Orientale. It is not clear if it needs the national level MoU in addition.</p> <p>Access to finance for piloting is anticipated to be a challenge.</p> <p>Feasibility depends on which model is to be implemented: a universal model (building it into national level sector governance) or market-driven model (building it up supply chains through market demand).</p> <p>MineralCare needs to deepen its understanding of the DRC context to be able to compete with other options.</p> <p>MineralCare's system rests upon incentivising artisanal miners to participate in the programme through achieving social benefits as a</p>

Initiative	Sustainability <i>Adding value not grievances for stakeholders, enfranchising them to support and enable it</i>	Credibility <i>Clear, appropriate vision & goals; system framework oriented towards delivering goals; effective accountability</i>	Efficacy <i>Effective and efficient</i>	Feasibility <i>Achieving goals with best use of available resources (value for money, realism, universality)</i>
	<p>sustainability is crucial to its operation. It is therefore also driven by a profit motive (it is not a social enterprise).</p>			<p>reward. This has worked in other contexts but feasibility in DRC may be problematic. Because of this reliance on advanced technology, it may not be appropriate for every site in DRC at this moment in time, but could provide a desirable destination for those presently outside its feasibility. Inevitably probably better suited to larger scale ASM operations.</p>
<p>Geotraceability / BSP</p>	<p>BSP is not yet tested in DRC. The BSP has identified value propositions that are likely to appeal to certain downstream and upstream businesses: the emphasis on communications, supply chain transparency, building broader CSR issues into supply chain due diligence, management systems advice, flexibility in traceability system choice, releasing data to buyers before export. It has a broad range of sustainability issues in scope, beyond what is required by the OECD Guidance. It is a business, so financial sustainability is crucial to its operation. It is therefore also driven by a profit motive (it is not a social enterprise).</p>	<p>Concept is sound. Cannot definitively judge credibility until it is tested and developed more fully. For example, some normative documents do not yet exist, e.g. audit protocol. The standard needs work, being built on other standards that are not fit for purpose for the target beneficiaries. The standard also needs proper consultation with Congolese stakeholders. This could be included in the pilot but adequate consultation for any Congolese situation would require something fairly extensive. Governance needs to be improved. There is not adequate separation between certain parts of the governance structure. Has credibility with some downstream stakeholders.</p>	<p>Remains to be seen. Needs piloting in the DRC context.</p>	<p>BSP does not have an MoU with the Government of DRC itself; it is mentioned in Geotraceability's MoU with the Government of DRC, which provides an entry point for piloting. Goals appear to be realistic and achievable. Access to finance for start-up is anticipated to be a challenge. Because of this reliance on advanced technology, it may not be appropriate for every site in DRC at this moment in time, but could provide a desirable destination for those presently outside its feasibility. Inevitably probably better suited to larger scale ASM operations.</p>

