

## CTC Context

The pilot project has been initiated within the framework of a technical cooperation programme to strengthen the competitiveness of the Rwandan mineral sector by developing best practice and enhancing transparency.



The various stages of certified mineral production are audited by an independent third-party. The core element is process verification. CTCs are based on a verifiable system of indicators and standards adapted to the local context of artisanal and small-scale mining. All units involved in the trading chain are responsible for progressive convergence towards these standards in a phased approach of continuous improvements.

Integrating CTCs on an international level offers a new element in mineral resource policy for promoting good governance in the mineral sector of developing countries.

## Results and Benefits

In the transition phase, CTCs can fill any gaps in sectoral governance by offering supplementary support in:

- Good governance and capacity building for responsible resource management
- Local social and economic development
- Revenue transparency

### Benefits for producers and miners:

- Improved market access
- Fair returns and improved working conditions
- Increased capital for investment available

### Benefits for the government of producing country:

- Improved standards, regulation of small-scale mining
- Increased state revenues
- Competitive image of the mineral sector
- Conflict prevention

### Benefits for mineral consumers:

- Access to mineral production without reputational loss
- Enhanced supply security through diversification of sources



## Certified Trading Chains in Mineral Production (CTC):

### Pilot Study Rwanda



## Background

In Rwanda about 50,000 artisanal and small-scale miners are engaged in mineral production. The working conditions in many small-scale mines are often dangerous and the value generated on the producer side is low allowing only for small income to the mines. In contrast, the mineral resource sector has an important share in the local and national economy, providing jobs and income in rural areas with only few employment alternatives.

Preliminary findings suggest that high value metals produced in and exported from Rwanda including tantalum (coltan), tin, and tungsten offer a leverage to alleviate poverty and supply security for customers from industrial countries.

In November 2006 the eleven member states of the International Conference on the Great Lakes Region (ICGLR) signed the Protocol against the Illegal Exploitation of Natural Resources, which includes the aim of implementing a mechanism for the certification of natural resources (Article 11). According to the pillars of Rwanda Visions 2020, Rwanda aims at developing an effective private sector by entrepreneurship.

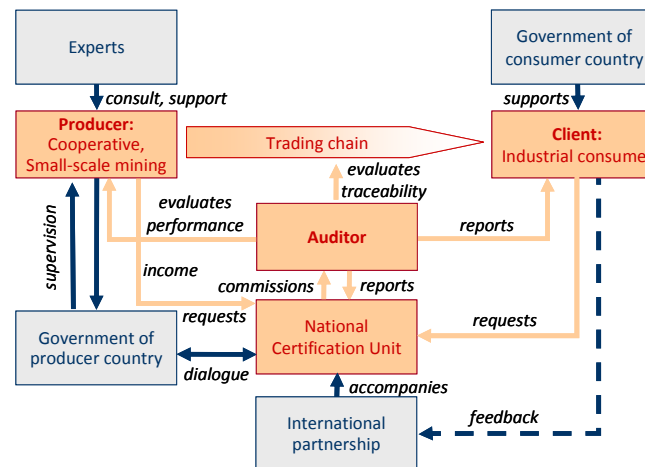
In this context Rwanda plans to implement socio-economic and environmental best practice in its mining industry and to establish Certified Trading Chains (CTC) through the strengthening and supervising of the mining sector in the country. CTCs aim at enhancing transparency, and social and economic responsibility in artisanal and small-scale mining.

## The Project

The pilot project is implemented in cooperation with the Office de la Géologie et des Mines du Rwanda (OGMR) and private mining and processing companies.

The pilot study in Rwanda tests the concept of CTCs, including the mineral producer as well as the purchaser, thus forming a tight link between two business partners:

- A local supplier of minerals in a developing country interested in being certified according to internationally accepted artisanal and small-scale mining practice.
- A mineral purchaser, e.g., a processing company based in an industrial country, interested in buying certified products.



Flowchart of envisaged national CTC scheme

## Contacts

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