

CFTI Statement

STATEMENT ON CONFLICT FREE STATUS OF THE INITIATIVE

The CFTI promotes the purchase of tin that originates in South Kivu, DRC from areas other than those controlled by armed groups. In this way the initiative promotes conflict-free trade. The CFTI offers a tightly controlled supply chain that enables companies to comply with the requirements of the Dodd-Frank Act (Section 1502) and offers the mineral sector in the Kivus an opportunity to contribute to economic development while breaking the link with conflict financing.

The mineral traceability and due diligence system in place in the Kivu's is designed with the expectation of meeting challenges and has numerous checks and procedures and a governance system in place to manage inherent risks. Recently there were reports by both the local stakeholder committee and Global Witness of occasional incidents of mineral trade from the mine site at Kalimbi by individuals in the Congolese military. The reported incidents are taken seriously by all participants of the CFTI and we are working closely together with the national, regional and local authorities as well as civil society in the Kivus on mitigation measures. CFTI-members have contacted DRC authorities at the national and regional levels. The National Minister of Mining and the Prime Minister informed the CFTI that a mitigation plan will be developed within two months to resolve the incidents and improve the awareness of the military's obligation to support conflict-free efforts.

Whenever incidents occur in the conflict free tin initiative, these are dealt with at the local and provincial level by multi-stakeholder committees consisting of industry, miners' co-operatives, civil social organisations and government agencies. These committees discuss and recommend measures to resolve these incidents and prevent them from being repeated. The project management helps to ensure the recommendations are appropriate and are acted upon.

In the above mentioned case, the smuggled minerals were untagged minerals moved along different transport routes and by different actors than the tagged conflict-free minerals. The direct supply of CFTI tin is not affected by these incidents; however incidents like these may impact the conflict free status of a mine site or transport route. These incidents in fact test if the mitigation mechanisms are currently working effectively.

The participants of the CFTI are committed to stay engaged in the area of the Kivus and promote sustained economic development as long as the materials are conflict-free.