



ICGLR-OECD JOINT CONSULTATION ON RESPONSIBLE SUPPLY CHAINS OF MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS

29-30 September 2010

Venue: Crowne Plaza Hotel, Nairobi, Kenya (Crowne Plaza, Kenya Road - Upper Hill).

DRAFT ANNOTATED AGENDA

The revised draft *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* is the result of a multi-stakeholder process that began in December 2009 as part of the OECD Pilot Project on Due Diligence in the Mining and Minerals Sector (see www.oecd.org/daf/investment/mining).

The purpose of the Nairobi Consultation is to review and possibly agree on the general due diligence framework - which was endorsed in April 2010 at an expert meeting of the OECD-hosted working group - the Model Supply Chain Policy and the *Supplement on Tin, Tantalum and Tungsten (hereinafter "3Ts Supplement")*, which was revised in light of the comments received since April 2010. The consultation is also intended to discuss the merits of the creation of an institutionalised mechanism to support supply chain diligence as well as the possible development of an additional supplement on gold and/or other precious metals.

Participants are invited to file submissions stating their position with regard to the revised draft guidance and proposing specific amendments to the document for consideration during the meeting. Submissions should be sent to the OECD Secretariat (tyler.gillard@oecd.org) no later than September 27th.

All background documents are available on the [consultation website](#).

Co-moderators: Mr. David Viveash and Ambassador Jean Kimani (Kenya)

DAY 1

9:00 – 9:45 OPENING STATEMENTS

9:00 – 9:10 *Welcome remarks by Mr. Mabolia Yenga, Chairman of the Committee of the ICGLR Regional Initiative against the Illegal Exploitation of Natural Resources*

9:10 – 9:20 *Statement by Dr. Lahra Liberti, OECD Secretariat*

9:20 – 9:30 *Statement by Ambassador Liberata Mulamula, ICGLR Executive Secretary*

9:30 – 9:40 *Opening speech by the Guest of Honour*

9:40 - 10:00 *Coffee Break*

10:00 – 10:30 SESSION 1 – OVERVIEW OF THE REVISED DRAFT *OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS OF MINERALS FROM CONFLICT AND HIGH-RISK AREAS* AND PRELIMINARY POSITION OF THE ICGLR

Presentation by the OECD Secretariat

Presentation by Michael Biryabarema (ICGLR Steering Committee Rapporteur)

10:30 – 12:30

SESSION 2 –MODEL SUPPLY CHAIN POLICY AND PRINCIPLED RISK MITIGATION

In this session, participants are invited to review Annex II (Model Supply Chain Policy for Minerals from Conflict and High-Risk Areas) and Annex III (Recommended Principles for Risk Mitigation and Indicators for Measuring Improvement).

Discussant: Paul Mabolia Yenga (DRC); Paul Hohnen (GRI)

Questions for consideration:

- Do participants agree on the Model Supply Chain Policy in Annex II, which is designed to address risks related to financing conflict and fuelling conditions of conflict with a view of eliminating egregious harms from the supply chain while ensuring constructive engagement with suppliers? Would companies adopt or integrate as appropriate Annex II into their corporate social responsibility and sustainability policies?
- Do the principles for risk mitigation in Annex III provide useful, yet flexible and practical guidance for companies? Are there additional indicators that can be used to track improvement?

12:30 – 14:00

Lunch

14:00 – 18:00

SESSION 3 - REVIEW OF THE 3Ts SUPPLEMENT

In this session, participants are invited to consider the detailed recommendations put forward in the *3Ts Supplement*. This session will be divided into three sub-sessions. Each sub-session should focus on how existing international, regional or industry initiatives can be relied upon or better coordinated to discharge the recommendations contained in the supplement.

14:00 – 15:30

Due diligence for upstream companies

This session will review the specific due diligence recommendations addressed to upstream companies, which include local exporters from the country of mineral origin, international concentrate traders, mineral re-processors and smelters/refiners. The discussion will focus on establishing a system of transparency and control over the mineral supply chain [Step 1(C)] and risk assessments [Step 2].

Discussant: Nicolas Scherlen (MONUSCO); Kay Nimmo (ITRI)

Questions for consideration:

- How do existing initiatives such as the ICGLR Regional Certification Mechanism and pilot projects for mineral certification at the national level support and discharge the recommendations for upstream companies in the *3Ts Supplement*? Participants should identify opportunities for further harmonization where appropriate.
- Are upstream companies willing to participate in an implementation phase of the guidance and, if so, how could such an implementation phase be structured?

For reference: Discussion note on the implementation phase, prepared by the OECD Secretariat

15:30 - 15:45

Coffee Break

15:45 – 17:00

Due Diligence for downstream companies

This session will review the due diligence recommendations addressed to downstream companies, which include metal traders, component manufacturers, product manufacturers, original equipment manufacturers (OEMs) and retailers. The discussion will focus on establishing a system of transparency and control over the mineral supply chain [Step 1(C)] and risk assessments [Step 2].

Discussants: *Jerry Meyers (Intel Corp. & EICC); Mike Loch (Motorola, Inc. & GeSI)*

Questions for consideration:

- How do emerging industry-wide initiatives and innovative information-sharing systems such as the EICC/GeSI Smelter Validation Scheme and E-Tasc support coordination among downstream companies to effectively assess the due diligence practices of smelters/refiners?
- Are downstream companies willing to participate in the implementation phase of the guidance and, if so, how could such an implementation phase be structured?

For reference: Discussion note on the implementation phase, prepared by the OECD Secretariat

17:00 – 18:00

Third-party audit of smelter/refiner's supply chain due diligence: towards a "Fair Mineral Association"? The guidance offers two options for consideration on third-party independent audits of smelter/refiner's supply chain due diligence. The first reflects the current status of individual audits. The second one calls for the establishment of an institutionalised mechanism which, in co-operation with governments and civil society organisations, would oversee and support the implementation of the guidance, through audit oversight, suppliers capability-building, and grievances follow-up.

Discussants: *Auret van Heerden (FLA); Shawn Blore (PAC)*

Questions for consideration:

- Is there sufficient support from industry, donors and civil society organisations to design and make such an institutionalised mechanism operational?
- How best such a mechanism could pave the way for or be integrated into the ICGLR Regional Certification Mechanism?
- How the governance structure and mandate of such a mechanism could look like?

For reference: Discussion note on an institutionalised mechanism to support due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas, prepared by the OECD Secretariat.

DAY 2

9:00 – 11:00

SESSION 1 – AN ADDITIONAL SUPPLEMENT FOR GOLD AND/OR OTHER PRECIOUS METALS?

Members of the OECD-hosted working group and other stakeholders have voiced support to develop an additional supplement of the guidance devoted to *Gold and/or Other Precious Metals* by the end of 2010, based on the 5-step framework. Participants are invited to consider and discuss the analysis and recommendations put forward in the report on the applicability of the guidance to the gold supply chain.

Discussant: *Gareth Llewellyn (World Gold Council)*

Questions for consideration

- How do existing initiatives of the World Gold Council and the existing due diligence measures of private sector participants, particularly large-scale gold producers and large gold refineries, complement and discharge recommendations in the general 5-step framework, and how could specific recommendations be addressed and incorporated in a *Supplement on Gold and/or Other Precious Metals*, to be developed by the OECD-hosted working group by the end of 2010?.
- How could a *Supplement on Gold and/or Other Precious Metals* address the challenges associated with conducting due diligence on scrap gold or other gold doré from artisanal and small-scale producers distributed into the market through informal channels?

For reference: Report on the applicability of the guidance to the gold supply chain, prepared by Philip Olden

11:00 – 11:15 *Coffee break*

11:15 – 18:00 **SESSION 2 – ICGLR REGIONAL INITIATIVE AGAINST THE ILLEGAL EXPLOITATION OF NATURAL RESOURCES AND OECD PILOT PROJECT ON DUE DILIGENCE IN THE MINING AND MINERALS SECTOR – OPPORTUNITIES AND MODES OF COOPERATION**

11:15 – 13:00 **Overview and discussion of the ICGLR Regional Initiative against the Illegal Exploitation of Natural Resources**

This session will provide participants with an overview of the object, scope and road-map of the ICGLR Regional Initiative against the Illegal Exploitation of Natural Resources. The ICGLR Regional Initiative promotes dialogue between ICGLR Member States on issues related to illegal exploitation of natural resources in the Great Lakes Region, while at the same time providing the Member States with a set of tools aimed at breaking the link between armed conflict and natural resources revenues – the ultimate goal of the Regional Initiative. The strategy and tools developed within the framework of the Regional Initiative will be presented and discussed during this session.

Presentation by Silas Sinyigaya (ICGLR)

Discussant: Markus Wagner (GTZ)

13:00 – 14:30 ***Lunch***

14:30 – 16:00 **Presentation and discussion of the ICGLR certification mechanism**

While the ICGLR Regional Initiative against the Illegal Exploitation encompasses different tools aimed at breaking the link between violent conflict and natural resources revenue, the most important of these tools is the ICGLR certification mechanism for conflict resources in the Great Lakes Region. This session will give an overview of the overall strategy and scope of the certification mechanism. The feedback of external actors on the planned ICGLR certification mechanism is of great interest for the ICGLR, therefore, participants are invited to present their viewpoint on the certification mechanism and other tools to be implemented within the framework of the ICGLR Regional Initiative.

Presentation by Michael Biryabarema (ICGLR Steering Committee Rapporteur)

Discussant: Paul Mabolia Yenga (ICGLR Committee Chairman)

16:00 – 16:15 *Coffee break*

16:15 – 17:30 **Discussion on modes of cooperation between ICGLR and OECD**

Given the high number of initiatives tackling the problem of illegal exploitation of natural resources in the Great Lakes Region, it appears important that activities and approaches are coordinated so as to achieve more coherent strategies. During this session, concrete options and modes of cooperation between the ICGLR Regional Initiative and the OECD Pilot Project on due diligence in the mining and minerals sector will be discussed.

Discussant: Meleke Kimbala (ICGLR National Coordinator, Zambia)

For reference: Discussion note on the synergies between the OECD Due Diligence Guidance and the ICGLR Regional initiative, prepared by the OECD and ICGLR Secretariat

17:30 – 18:00 **Closing statements**

17:30 – 17:45 *Closing remarks by the OECD Secretariat*

17:45 – 18:00 *Closing remarks by Ambassador Liberata Mulamula, ICGLR Executive Secretary*