



7TH ICGLR-OECD-UN GoE FORUM

ON RESPONSIBLE MINERAL SUPPLY CHAINS

Update on the OECD Implementation Programme – Gold and 3T

May 2014

Summary

This document provides an update on the implementation activities agreed to by the Multi-stakeholder Steering Group (MSG) and the Forum in 2011. This document has been prepared by the OECD Secretariat.

Progress since the 6th Forum held in November 2013:

1. Funding: *The Secretariat has secured funding to support implementation programme activities through December 2015. This has enabled the Secretariat to hire additional staff, launch outreach and training activities, as well as baseline assessments of gold producing regions. This added capacity has resulted in engagement and interest in the Forum. Indeed the 7th Forum has the highest participation of African countries to date including ICGLR member states as well as other African countries such as Botswana, Ethiopia, Gambia, Ghana, Guinea, Namibia, Nigeria, Sierra Leone and South Africa. In addition we are very pleased to welcome representatives from major 3T and Gold supply chain markets such as China, Colombia, India, the Middle East and Turkey. Funding for the implementation programme is provided by voluntary contributions from the European Union, and the governments of Canada, Sweden and Switzerland.*

2. China:

- **Due Diligence Guidance Mandarin edition:** *The Guidance is now available in Mandarin and will be officially launched during the 7th Forum meeting in Paris on the 26th May. The Guidance is now available in English, French, Korean (3T only), Japanese, Spanish (Gold only), and Mandarin.*



- **Outreach:** In February 2014, the Secretariat together with the OECD Chair of the Working Party on Responsible Business Conduct spoke at an international workshop organised by Chinese Enterprise Confederation (CEC) and GIZ and supported by China's Ministry of Commerce (MOFCOM) on the "Relevance of CSR Guidelines for Companies Operating and Investing Abroad". This half day workshop included approximately 50 representatives from Chinese industry, Chinese government, OECD country embassies and international organisations as well as civil society. The workshop provided an opportunity for the Secretariat to introduce a number of OECD supported frameworks on responsible business conduct, notably the OECD Guidelines for Multi-National Enterprises and the OECD Due Diligence Guidance. As a result of relationships forged through this initial visit, follow-up outreach and training is planned in China Q3/Q4 2014.

3. Colombia:

- **Outreach:** The Secretariat spent 11 days in Colombia in February 2014 at the invitation of the Colombian government. During this time, the Secretariat participated in several events, among them an extractives sector conference in Cartagena and an outreach event on the implementation of due diligence in the gold supply chain in Medellin on 18th and 19th February, organised by the Colombian National Contact Point, National Mining Agency and the National Business Association of Colombia. It was agreed with the Colombian government that Gold Baseline Assessments and more training will be carried out in 2014-15.

4. Turkey:

- **Outreach:** In March 2014, the OECD and Borsa Istanbul organised a workshop on OECD Due Diligence Guidance approach to responsible mineral sourcing and the implementation programme in gold. The meeting was attended by approximately 50 Turkish companies and has resulted in stronger engagement from this important market, including from Turkish companies, and interest in further training. Discussions are underway to have the OECD Due Diligence Guidance translated into Turkish to enable Turkish companies to fully understand the framework and recommendations.

5. Baseline Assessments (Gold): Baseline assessments have commenced in the first target country, the Democratic Republic of the Congo (DRC). The draft report of the first (of five) studies in the DRC, entitled "Baseline Study One: Musebe artisanal gold mine, Katanga", is now available for review. Comments and feedback to this draft should be directed to the OECD Secretariat by 30 June 2014. The draft can also be found online on the OECD implementation programme website <http://www.oecd.org/corporate/mne/mining.htm>

6. Artisanal and Small Scale mining (Gold): ASM Hub membership now includes over 70 organisations. Recordings of past ASM webinars and presentations can be found on the OECD website <http://www.oecd.org/corporate/mne/artisanal-small-scale-miner-hub.htm>. A subset of the ASM Hub members comprised of the Artisanal Gold Council, University of Victoria, Partnership Africa Canada and PAMP, are working with the Secretariat to draft a concept note for

a tool to help companies source artisanal gold. A draft of this tool/concept note will be shared with the Forum during the 8th Forum meeting in November 2014.

7. Step 5 reporting: The Secretariat has started work on preparing training material for companies and operators on how to report on their due diligence activities in line with Step 5 of the OECD Due Diligence Guidance.

8. Informal working groups: In the 6th Forum in November 2013, a call was made for two new informal working groups to be set up under the implementation programme. These two groups are in addition to the previously existing 3T working group:

- **Worst Forms of Child Labour (WFCL) in Mining:** Members of the WG include Alliance for Responsible Mining (ARM), Children’s Voice, Human Rights Watch (HRW), Pact, NELICO and the Government of Canada,. The group has put forward suggestions for what the Forum can do to help advance and address the issue of the Worst Forms of Child Labour in Mining which will be shared with participants during the 7th Forum (Day 3 session). The goal is to obtain a mandate from the Forum and provide a more detailed proposal of these suggestions by November 2014. Interested organisations notably companies, international organisations and producer governments are encouraged to join this working group.
- **Audits:** Members of this Working Group include the ICGLR Audit Committee, Alliance for Responsible Mining (ARM), BGR, Cronimet, Dubai Multi Commodities Center (DMCC), Ernst & Young, Global Witness, KPMG, London Bullion Market Association (LBMA), PAMP, Partnership Africa Canada (PAC), Responsible Jewellery Council (RJC), RCS Global, Transparency International and UL Responsible Sourcing. The group has developed an overview of relevant initiatives that operationalize the Due Diligence Guidance and that have active audit programmes. This **draft working document** is available for review and is posted on the OECD website <http://www.oecd.org/corporate/mne/mining.htm>. Over the next months, a series of webinars introducing the different audit programmes and hearing from audit practitioners about challenges and lessons-learned will be conducted. Details will be posted on the OECD implementation programme website. The longer term aim of this WG is to come up with Auditor Guidance that could support increasingly harmonized standards across the programmes.
- **3T Commercial Risk and Risk Mitigation:** Members include the Governments of the Democratic Republic of the Congo, Rwanda, United States, as well as Amnesty International, Boeing, Cronimet, Global Advanced Metals (GAM), Global Witness, ITRI, Partnership Africa Canada (PAC), Pact and TIC. The group extensively discussed different views on whether there is need for additional guidance on how operators across the supply chain should handle specific high-risk cases and how they should report on those. A closed session is being held at the 7th Forum meeting in Paris to advance on this discussion and the group will provide the Forum an update and proposed next steps on Day 3.
- **Industry Associations (Gold):** Members of this group include Alliance for Responsible Mining (ARM), Conflict Free Sourcing Initiative (CFSI), the Dubai Multi Commodities Center (DMCC), London Bullion Market Association (LBMA), the Responsible Jewellery Council (RJC) and the World Gold Council. The group has drafted a “Gold industry and sector initiatives for responsible sourcing of minerals” booklet which stakeholders can use to understand

the different industry associations efforts, how the various programmes help companies operationalise the OECD Due Diligence Guidance and how the initiatives complement and fit together. This Guide, which provides an overview of gold industry initiatives, is now available to Forum members and can also be found online on the OECD implementation programme website <http://www.oecd.org/corporate/mne/mining.htm>.

The table below provides a status of each activity under the implementation programme. For more information, please contact the OECD Secretariat (tyler.gillard@oecd.org; shivani.kannabhiran@oecd.org; hannah.koep-andrieu@oecd.org).

Objective 1: Build due diligence capacity, awareness, trust and mutual confidence among stakeholders taking part in a collaborative endeavour (targeted to both Gold and 3T participants)

| Activity | Sub-activities | Status |
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| <p>1. Easy-to-Use Guides on due diligence to support capacity building in targeted areas, regions and sectors</p> | <ul style="list-style-type: none"> • Translation of the OECD Guidance | <p>Spanish: Completed by Government of Colombia in end-2013. Supplement on Gold only. The 3T Supplement has not been translated into Spanish.</p> <p>Mandarin: Completed May 2014.</p> <p>Turkish: Discussions with Borsa Istanbul and others. Target completion Q3 2014</p> <p>The Guidance is now available in Japanese (translation by Japanese Ministry of Economy, Trade and Industry), Korean (by Korean Electronics Association), Mandarin, Spanish, in addition to French and English. Possible translation into Hindi (tbc)</p> |
| | <ul style="list-style-type: none"> • Industry/Sector Guide | <p>“Gold industry and sector initiatives for responsible sourcing of minerals” booklet completed – available in English on the OECD website; a French version will be made available in June 2014.</p> <p>Consider other formats such as video or webinar</p> <p>In addition an introductory session on the OECD Due Diligence Guidance and industry programmes will be conducted by the Secretariat on the morning of 26 May 2014 (optional session).</p> |
| | <ul style="list-style-type: none"> • Illustrated Guide on Risks: encountered on the ground, with information on how to report risk through secure channels. | <p>In process, prototype draft available, prepared by Save Act Mine. Target completion Q1/Q2 2014</p> |

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| | <ul style="list-style-type: none"> • Best Practice Sourcing Guide for Banks and Financial Exchanges | In process, prepared by London Bullion Market Association: Target completion Q3 2014 (tbc) |
| | <ul style="list-style-type: none"> • Easy-to-use guide to the Gold Supplement for artisanal miners | Not yet started. To be developed in 2014, by the Artisanal Gold Council. |
| | <ul style="list-style-type: none"> • List of due diligence related resources | Completed. Available on OECD website. http://www.oecd.org/daf/inv/mne/DueDiligenceResoucesList.pdf To be converted into a searchable database once the list is sufficiently large |
| <p>2. Expert Learning Sessions on Conflict-Affected and High-Risk Areas</p> | Learning sessions on tools and methodologies for evaluating conflict-affected and high-risk areas. | Initial session was held in May 2013. Expert learning session on CAHR organised May 2014 Forum (optional session on 26 May). Additional CAHR learning sessions are planned for future Forum meetings (optional sessions) |
| <p>3. Outreach targeted at specific actors in the supply chain</p> <p><i>Note: Outreach activities listed here only reflect those activities carried out by the OECD Secretariat. It does not detail the many outreach activities carried out by MSG members through industry events and conferences.</i></p> | Africa's Great Lakes region | In process, outreach conducted in: Burundi: September, 2013. DRC: July and August 2013. Follow up training planned for Q3/Q4 2014 in close collaboration with the Government of the DRC and local civil society. 8 th Forum will be held in the DRC (3-5 November 2014) Rwanda: 6 th Forum held in Rwanda, November 2013. |
| | China | May 2013: EICC & GeSI Conflict Minerals Workshop held in Hong Kong February 2014: Secretariat workshop presentation in Beijing (in collaboration with GIZ and China Enterprises Confederation CEC) May 2014: Launch of Mandarin edition of Guidance. Representatives from the PRC (Paris and Beijing) attending May 2014 Forum in Paris, and participating in launch event June 2014: Secretariat invited to APEC Mining Conference in Beijing October 2014: China Chamber of Commerce Minerals and Chemicals Exporters and Importers (CCCMI) Mining investment Conference in Beijing (Oct 24 and 25) |

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| | Colombia | February 2014: In-country outreach conducted in Bogota, Medellin and Cartagena |
| | Middle East | April 2014: Secretariat participated in Dubai, Dubai Precious Metals Conference, along with key partners organisations |
| | Turkey | April 2014: In-country seminar conducted by Secretariat, Signet and Dubai Multi-Commodities Center (DMCC) in Istanbul, hosted by Borsa Istanbul |
| | India | August 2013: Mumbai and Jaipur. May 2014: India's Gem & Jewellery Export Promotion Council (GJEPC) participating in 7 th Forum. Expected trainings in 2015 (tbc). |

Objective 2: Share experiences and lessons learnt on due diligence implementation by companies, industry associations and artisanal and small-scale mining enterprises volunteering to participate, enabling participants to share best practices (targeted to Gold participants only)

| Activity | Sub-activities | Status |
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| 4. Peer-learning | Peer learning webinars for the private sector | <p>Launched in July and August 2013</p> <ul style="list-style-type: none"> • Gold refiners • Bullion banks and gold traders • Jewellers and other downstream users of gold • Large Scale gold mining companies • Audit firms <p>Webinar materials and recordings on the OECD website http://www.oecd.org/daf/inv/mne/gold-webinars-2013.htm</p> <p>Additional webinars are planned for 2014 and 2015</p> |
| | Peer-learning for Adherent Countries | <p>Launched in October 2013</p> <p>Additional webinars dependent on demand from adherent countries</p> |

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| | Peer learning for industry associations and sector initiatives | <i>“Gold industry and sector initiatives for responsible sourcing of minerals”</i> booklet completed – available in English on the OECD website; a French version will be made available in June 2014. |
| | Donor survey: | Completed. Survey results available upon request from the OECD Development Co-operation Directorate. |
| | Producing countries | In process: Trainings planned in coordination with the Government of the DRC for 2014. Dates to be determined. See also outreach conducted in Colombia |
| 5. Case Studies | Case studies on the implementation of due diligence | Not yet started. Expected later in 2014 or 2015: |
| 6. Baseline Assessments. | Baseline assessments of economic operators in gold trading hubs in the Great Lakes Region, Colombia and Middle East and/or any other conflict-affected and high-risk area as appropriate. | In process. 1 st of 5 baselines completed for Katanga, DRC. Draft report available. OECD Secretariat in process of soliciting proposals to conduct similar baselines in Colombia, in coordination with the Government of Colombia. |

Objective 3: Share experiences on innovative models to build secure and transparent conflict-free supply chains of gold from artisanal and small-scale gold mine sites, including through country-specific projects operationalizing Appendix 1 of the Supplement on Gold (targeted to Gold participants only)

| Activity | Sub-activities | Status |
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| 7. Convening a Hub on implementation of Appendix 1 for Responsible ASM Gold | Goals of ASM Hub: <ul style="list-style-type: none"> Expand the ASM Hub’s knowledge about ASM issues Focus on market access and engaging ASM Miners Reduce barriers to formalisation Broaden positive messaging about ASM | Launched Over 70 organisations are part of the Hub including governments, private sector, civil society and other experts. Calendar of meetings and themes: <ul style="list-style-type: none"> ASM Basics-with case study of Colombia : July 2013 ASM closed pipe projects, with case study of DRC – October 2013 Developing an ASM Sourcing tool for refiners and traders –December 2013, on-going sub group work |

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| <p>8.</p> | | <ul style="list-style-type: none"> • Role of LSM and collaboration with ASM – Feb 2014 • ASM and the OECD Due Diligence Guidance – April 2014 • Formalisation efforts: The role of Governments – May Forum 2014 • Taxation issues – 2014 • Positive messaging on ASM – 2014 <p>ASM materials are available on the OECD website http://www.oecd.org/corporate/mne/artisanal-small-scale-miner-hub.htm</p> |
| <p>8. Monitoring of Appendix 1 (tool)</p> | <p>Study to assess baseline and impact of implementing Appendix 1 over time.</p> | <p>Partially integrated into Baseline Assessments (see above). Full monitoring of implementation of Appendix 1 not yet started. Anticipated in 2015.</p> |

Additional 3T implementation activities

| Activity | Sub-activities | Status |
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| <p>9. 3T Risk Mitigation and/or specific areas for follow-up from pilot</p> | <p>Areas of focus</p> <ol style="list-style-type: none"> 1) Commercial risk and risk associated with material 2) Existing Stocks / Seized Stocks 3) Getting minerals flowing from conflict-free mines in GLR where iTSCi is not yet operational or how to expand implementation of iTSCi more rapidly 4) Overcoming confidentiality concerns in the 3T supply chain <p>Deliverable: Practical approaches and tools which business can use to implement appropriate risk mitigation with focus on the above issues.</p> | <p>Delayed. Draft proposal (Good Practice paper) shared with 3T risk mitigation sub-group late October 2013, and again in early-2014.</p> |

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| <p>10. Recognition of industry and stakeholder programmes</p> | <p>The OECD to act as a clearing house/platform for various industry programmes to disseminate/make available tools and resources, and programmes that help operationalise the Guidance.</p> <p>The OECD-hosted multi-stakeholder Forum, under the guidance of the Multi-stakeholder Steering Group (MSG), could consider endorsing industry and stakeholder programmes. These endorsements could then be forwarded to OECD Bodies for their consideration.</p> | <p>On-going</p> <ul style="list-style-type: none"> • OECD has listed industry programmes on its website: http://www.oecd.org/daf/inv/mne/implementingtheguidance.htm. • A list of resources (see activity 1 above) is on OECD website http://www.oecd.org/daf/inv/mne/DueDiligenceResoucesList.pdf (since June 2013) • Footnote references to industry programmes have been updated in the 2nd Edition of the OECD Due Diligence Guidance, in accordance with OECD rules for publications |
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