



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

DISCUSSION NOTE ON THE IMPLEMENTATION PHASE

Setting the context

The revised draft *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (hereafter “the guidance”) provides a framework and detailed due diligence recommendations for companies in the supply chain of minerals to identify and address risks of financing conflict or fuelling conditions of conflict and successfully contribute to sustainable development through their mineral or metal sourcing practices.

The guidance is the result of a wide, multi-stakeholder process with in-depth engagement from concerned stakeholders. As a result, the guidance is practically oriented, with emphasis laid on constructive solutions to complex challenges.

On finalising the text of the guidance soon after the Nairobi meeting, the OECD will coordinate an implementation phase to offer the opportunity to all stakeholders to put in practice the recommendations contained in the guidance. The implementation phase should offer lessons based on real experience to strengthen the effectiveness of the guidance, in particular with regard to mitigation, and build upon the five-step risk-based due diligence framework, while preserving the integrity of the carefully negotiated recommendations. It should provide the opportunity to fine-tune risk management strategies and techniques for risk assessment.

Who will participate?

A handful of willing companies diversified throughout the entire mineral supply chain of tin, tantalum, tungsten and gold, in all relevant downstream sectors, would agree to implement the guidance within their supply chain. Participants should include local exporters, international concentrate traders & mineral re-processors, smelters/refiners, metal traders & exchanges, component & product manufacturers and original equipment manufacturers & retailers. Industry organisations would be encouraged, where possible, to participate to carry out joint initiatives to save cost and improve performance of supply chain due diligence. Civil society organisations would also be encouraged to participate in risk management by supporting efforts to establish community monitoring networks, work with ASM communities and build capabilities of locally-based upstream actors to effectively carry out due diligence.

How should it be implemented?

It is proposed that the initial implementation phase should last approximately six months. During that time, participating companies would pledge to implement the applicable recommendations in the guidance. The OECD would appoint at least two independent experts, one based upstream and the other downstream, to track performance and report results. The two experts would produce final reports after completion of the six-month implementation phase.