

OECD-hosted meetings on implementation of the OECD Guidance for responsible mineral supply chains 2-3-4 May 2012

Key outcomes and next steps

On 2-3-4 May 2012 the OECD hosted two back-to-back meetings on the implementation of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* in the supply chain of tin, tantalum, tungsten (3T) and gold.

Highlights:

- More than 200 participants from OECD, African and other partner countries (like South Africa and Colombia), international organisations (World Bank), industry (including one of the largest Chinese state-owned tantalum smelters) and international as well as local civil society organisations attended.
- Broad uptake of the OECD Guidance by industry across 3T and gold sectors as well OECD, emerging and developing countries.
- Strong Interest in developing a new governance structure reflecting the sensitivity and importance of the implementation phase of the programme.
- The implementation programme expanded to cover both the 3T and the new Supplement on Gold.
- A Chinese based smelter volunteered to translate the OECD Due Diligence Guidance into Mandarin and disseminate it amongst its peers, including through the facilitation of meetings with smelters in China.

Just few months after the finalisation of the Supplement on Gold, the gold industry, through its leading associations (World Gold Council, London Bullion Market Association, Responsible Jewellery Council) has already developed tools and schemes to operationalise the due diligence recommendations. The Dubai Multi-Commodities Centre (DMCC) announced the launch of its own "Practical Guidance" to implement the Supplement on Gold across the United Arab Emirates and offered to convene a joint DMCC-OECD workshop with relevant federal UAE authorities.

For the first time, this multi-stakeholder forum provided the opportunity for the 3T and the gold communities to share experience and foster mutual learning. It was agreed that, given the maturing of the process and the importance and sensitivity of implementation, it would be desirable for governments and stakeholders to take on a larger share of responsibility for the the OECD-hosted process. An interim committee has been tasked with developing proposals for a new governance structure for consideration by the joint forum at the next meeting. Any new governance approach would need to respect OECD's role, take account of the relationship of the project with the OECD Guidelines for Multinational Enterprises, and be consistent with the responsibility of OECD oversight Committees (Investment Committee and the DAC).

On-going due diligence implementation in the 3T sector has prompted the creation or design of new partnerships and market-driven initiatives enabling responsible and conflict-sensitive mineral trade from both conflict and non-conflict areas in the Great Lakes region. At the same time, host Governments have taken ownership and responsibility for due diligence implementation at the national and regional levels, conscious that results at one side of the frontier may not work if there is lack of reform and commitment on the other side. Since last year downstream users have also come a long way in accepting in principle host governments-led certification initiatives as credible in-region sourcing mechanisms. Participants further agreed on a six month action plan. The Terms of Reference for the implementation programme of the Supplement on Gold were approved, with some companies already volunteering to participate. The World Bank agreed to use the Gold Supplement as the common reference for country-specific projects in the Democratic Republic of the Congo, Colombia, Ghana and Peru to enable market access and create economically viable development opportunities for artisanal and small-scale miners.

Advancing the development agenda through host-government-led reforms and economically viable public-private partnerships. Lessons from country-specific projects will feed into on-going OECD work on the implementation of the OECD Development Strategy, Busan Partnership for Effective Development and PCD. Donors were encouraged to support companies due diligence efforts by adopting a whole-of-government approach to articulate a comprehensive, multi-sector response to identified systemic challenges to the issue of responsible mineral trade.