



## 6<sup>TH</sup> ICGLR-OECD-UN GoE JOINT MEETING

### ON DUE DILIGENCE IN THE TIN, TANTALUM, TUNGSTEN AND GOLD SUPPLY CHAINS

#### *Update on the OECD Implementation Programme*

#### **Summary**

*This document is an update on the Gold and 3T implementation activities agreed to by the Multi-stakeholder Steering Group (MSG) and the Forum. This document has been prepared by the OECD Secretariat and approved by the MSG Chair and Vice-Chairs.*

*Much work has occurred since the launch of gold implementation activities in May 2013. Most activities have been launched and are on track. Outreach by the OECD Secretariat and MSG member's to key markets such as India, Colombia and the Great Lakes region countries has taken place. Webinars to spread knowledge sharing about the OECD Guidance and how it can be implemented and supported amongst private sector participants as well as Adherent Country members have been organised and received strong support, with participation from over 250 attendees from a range of OECD and non OECD countries. The Guidance has also been translated into Spanish and steps are being taken to secure Chinese support for a Mandarin translation. Easy to use guides and tools are being developed and first drafts are now ready for review by the MSG. The ASM Hub has been created, and over 60 organisations are participating in this important hub where ASM issues, including on market access and formalisation of ASM are discussed. Finally, the OECD website is now updated regularly and materials, tools and resources are made available to as wide a public as possible.*

*There are activities that have not advanced as quickly as desired. There are limits to what can be done through volunteer efforts (of the MSG and Forum), and a small Secretariat team. In addition, funds in hand continue to slow efforts. The project is funded almost 100% from voluntary contributions from countries and international organisations. As such, a portion of the Secretariat's time is devoted to securing funding. We are pleased to report that in 2013 the OECD received funding from Canada and Switzerland, and significant funding from the European Union and Sweden is expected in late 2013 and early 2014.*

*The following provides a brief overview of the status of each activity under the implementation programme. For more information, please contact the OECD Secretariat ([tyler.gillard@oecd.org](mailto:tyler.gillard@oecd.org); [shivani.kannabhiran@oecd.org](mailto:shivani.kannabhiran@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
<b>1. Easy-to-Use Guides on due diligence to support capacity building in targeted areas, regions and sectors</b>	<ul style="list-style-type: none"> <li>• Translation of the OECD Guidance</li> </ul>	<p><b>Spanish: Final stages of approval.</b> Target availability by end of 2013.            Note: The 3T Supplement has not been translated into Spanish.  <b>Mandarin: In process.</b> Target completion in Q1 2014.</p> <p>Possible translations to Hindi and Turkish</p>
	<ul style="list-style-type: none"> <li>• Industry/Sector Collaborative Guide</li> </ul>	<p><b>In process, draft available.</b> Target completion and availability Q1 2014.</p>
	<ul style="list-style-type: none"> <li>• <b>Illustrated Guide on Risks:</b> encountered on the ground, with information on how to report risk through secure channels.</li> </ul>	<p><b>In process, prototype draft available, prepared by Save Act Mine.</b>            Target completion Q1/Q2 2014</p>
	<ul style="list-style-type: none"> <li>• <b>Best Practice Sourcing Guide for Banks and Financial Exchanges</b></li> </ul>	<p><b>In process:</b> Target completion Q2 2014</p>
	<ul style="list-style-type: none"> <li>• <b>Easy-to-use guide to the Gold Supplement for artisanal miners</b></li> </ul>	<p><b>Not yet started.</b> To be developed in Q1-Q2 2014</p>
	<ul style="list-style-type: none"> <li>• <b>List of due diligence related resources</b></li> </ul>	<p><b>Completed.</b> Available on OECD website.  <a href="http://www.oecd.org/daf/inv/mne/DueDiligenceResoucesList.pdf">http://www.oecd.org/daf/inv/mne/DueDiligenceResoucesList.pdf</a>            To be converted into a searchable database once the list is sufficiently large</p>
<b>2. Expert Learning Sessions on Conflict-Affected and High-Risk Areas</b>	Learning sessions on tools and methodologies for evaluating conflict-affected and high-risk areas.	<p><b>In process:</b> First session held in May 2013 ICGLR-OECD-UN GoE Forum, the next sessions planned for 2014 and 2015:</p>

<p><b>3. Outreach targeted at specific actors in the supply chain</b></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	<p><b>In process, outreach conducted in:</b></p> <p><b>Burundi.</b> September, 2013.</p> <p><b>DRC:</b> July and August 2013.</p> <p><b>Rwanda:</b> November 2013.</p> <p>Additional in-country sessions outreach and training sessions are planned in 2014 as part of the implementation programme of activities</p>
	China	<p><b>In process:</b> Secretariat participated in outreach event organised by EICC &amp; GeSI in Hong Kong in May 2013. Training and outreach sessions planned for Q2 2014, but will depend on in- support at the government level.</p>
	Colombia	<p><b>In process:</b> Training webinar with Colombian NCPs and mining officials in June 2013. In-country outreach planned for Q1 or Q2 2014</p>
	India	<p><b>Mumbai and Jaipur:</b> August 2013. Expected trainings in Q2 2014.</p>
	Malaysia	<p><b>To be confirmed.</b> Expected in 2014</p>
	Turkey	<p><b>To be confirmed:</b> Expected in 2014.</p>
	Other country outreach:	<p><b>Possibly</b></p> <ul style="list-style-type: none"> <li>• Australia</li> <li>• Canada</li> <li>• Europe</li> <li>• Russia</li> <li>• US</li> </ul>

**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)**

<b>Activity</b>	<b>Sub-activities</b>	<b>Status</b>
<b>4. Peer-learning</b>	Peer learning webinars for the private sector	<p><b>Launched.</b> In July and August 2013</p> <ul style="list-style-type: none"> <li>• Gold refiners</li> <li>• Bullion banks and gold traders</li> <li>• Jewellers and other downstream users of gold</li> <li>• Large Scale gold mining companies</li> <li>• Audit firms</li> </ul> <p>Webinar materials and recordings on the OECD website  <a href="http://www.oecd.org/daf/inv/mne/gold-webinars-2013.htm">http://www.oecd.org/daf/inv/mne/gold-webinars-2013.htm</a></p> <p>Additional webinars are planned for 2014 and 2015</p>
	Peer-learning for Adherent Countries	<p><b>Launched.</b> October 2013</p> <p>Additional webinars dependent on demand from adherent countries</p>
	Peer learning for industry associations and sector initiatives	<p><b>Launched.</b> ARM, DMCC, EICC LBMA, RJC and WGC have drafted a Collaborative Guide. Target completion of this Guide is Q1 2014.</p>
	Donor survey:	<p><b>In process.</b> Survey results will feed into the Council Report of May 2014.</p>
	Producing countries	<p><b>Not yet started.</b> Identify relevant partners and begin work in Q1 2014</p>
<b>5. Case Studies</b>	Case studies on the implementation of due diligence	<p><b>Not yet started.</b> Expected in 2014 and 2015:</p>

<b>6. Baseline Assessments.</b>	<b>Baseline assessments</b> 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.	<b>In process.</b> Phuzomoya consulting to undertake baseline assessments for the Great Lakes region and associated gold trading centres. Aim to launch first assessment by end of 2013, early 2014. OECD Secretariat to solicit proposals for Latin America.
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**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 operationalising Appendix 1 of the Supplement on Gold (targeted to Gold participants only)**

<b>Activity</b>	<b>Sub-activities</b>	<b>Status</b>
<b>7. Convening a Hub on implementation of Appendix 1 for Responsible ASM Gold</b>	<b>Goals of ASM Hub:</b> <ul style="list-style-type: none"> <li>• Expand the ASM Hub’s knowledge about ASM issues</li> <li>• Focus on market access and engaging ASM Miners</li> <li>• Reduce barriers to formalisation</li> <li>• Broaden positive messaging about ASM</li> </ul>	<b>Launched</b> Over 60 organisations are part of the Hub including governments, private sector, civil society and other experts.  <b>Calendar of meetings and themes:</b> <ul style="list-style-type: none"> <li>• ASM Basics- : July 2013</li> <li>• ASM closed pipe projects – October 2013</li> <li>• Developing an ASM Sourcing tool for refiners and traders –December 2013</li> <li>• Role of LSM /collaboration with ASM – February 2014</li> <li>• Easy to Use Guide for ASM – March 2014</li> <li>• Formalisation efforts – April 2014</li> <li>• Taxation – May 2014</li> <li>• Positive messaging on ASM – June 2014</li> </ul> <i>ASM materials are available on the OECD website</i>
<b>8. Monitoring of Appendix 1 (tool)</b>	Study to assess baseline and impact of implementing Appendix 1 over time.	<b>Not yet started.</b> Anticipated in 2014.

### Additional 3T implementation activities

Activity	Sub-activities	Status
<p><b>9. 3T Risk Mitigation and/or specific areas for follow-up from pilot</b></p>	<p><b>Areas of focus</b></p> <ol style="list-style-type: none"> <li>1) Commercial risk and risk associated with material</li> <li>2) Existing Stocks / Seized Stocks</li> <li>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</li> <li>4) Overcoming confidentiality concerns in the 3T supply chain</li> </ol> <p><b>Deliverable:</b> Practical approaches and tools which business can use to implement appropriate risk mitigation with focus on the above issues. <b>Target completion November 2013</b></p>	<p><b>Delayed.</b> Draft proposal (Best Practice paper) shared with 3T risk mitigation sub-group late October 2013.</p> <p>The proposal will review the issues of:</p> <ol style="list-style-type: none"> <li>1) Commercial risk and risk associated with material</li> <li>2) Existing Stocks / Seized Stocks</li> <li>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</li> </ol> <p>Draft to be discussed and possibly approved during November Forum in Kigali, Rwanda.</p> <p><i>Note: The issue of Confidentiality will be addressed in Q1 2014</i></p>
<p><b>10. Recognition of industry and stakeholder programmes</b></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><b>On track.</b></p> <ul style="list-style-type: none"> <li>• OECD has listed industry programmes on its website: <a href="http://www.oecd.org/daf/inv/mne/implementingtheguidance.htm">http://www.oecd.org/daf/inv/mne/implementingtheguidance.htm</a>.</li> <li>• A list of resources (see activity 1 above) is on OECD website <a href="http://www.oecd.org/daf/inv/mne/DueDiligenceResoucesList.pdf">http://www.oecd.org/daf/inv/mne/DueDiligenceResoucesList.pdf</a> (since June 2013)</li> <li>• 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</li> </ul>