



**ICGLR-OECD-UN GoE FORUM
ON RESPONSIBLE MINERAL SUPPLY CHAINS
26-28 May 2014**

26 May 2014

from 9:00 – 12:30h

OECD Conference Center CC12

Handout: Expert Learning Session on Conflict-Affected and High-Risk Areas

Instructions for breakout groups

- Get together into groups of approximately 10 to 14 participants to work on the below scenarios.
- Read the scenarios and then jointly work through the guiding questions. You have until 11.45h to do this.
- Elect one or two speakers and /or note takers for the group to structure the discussion and note down results.
- All experts and OECD Secretariat staff will walk around to answer questions and join the discussions.

Guiding questions

Please note that the below questions are to guide your discussion; you do not need to answer all of them but are encouraged to structure your answers into the broad categories.

Indicators

- Which of the pannelists' indicators are relevant for which scenario?
- How useful do you find the indicators for identifying conflict-affected and high-risk areas?
- Do you have suggestions for additional / different indicators?

Risk identification

- Which warning signs or risks were you able to identify from the scenarios?
- What are the sources of reliable information that are available to you?
- What is your role in assessing or identifying these risks?
- Who are the key actors to discuss sourcing concerns with?

Level of Due Diligence

Given the risks you identified,

- Would you source from any of the scenario regions or operators?
- Would you use a traceability system?
- What type of risk assessment and monitoring would you put in place?
- What type of risk mitigation and risk prevention would you consider adequate?

Scenarios for testing the tools in break-out groups

High Risk Area Scenario

Country A in which your company operates or sources from is characterized by a weak central government which struggles to enforce rule of law. There are contradictory mining laws and regulations and a lack of transparency and consistency in their application, as well as elements of fraud and corruption. A civil war between non-state armed groups and the national army only came to an end three years ago. Even though a strong disarmament, demobilisation and reintegration programme has largely demobilized rebel and militia groups in one part of the country, some former fighters have moved into criminal activities, funded by the drug trade and human trafficking. In an effort to control the growing criminality, the government has deployed the army to secure the area, but some army units have a reputation for extortion of both the population and transiting goods. Other operators and their employees have not been negatively affected by the growing criminality, but one operator that holds several mining concessions and supplies to international markets has reported that local staff have been threatened and extorted by armed non-identifiable men on a road in the area.

The absence of fully functioning state institutions (such as law enforcement, the judiciary etc.), stark economic inequalities and the marginalisation of parts of the population have led to hostility between local mining communities and companies. Unfulfilled expectations for job opportunities, low wages and low prices for artisanally mined minerals have led to attacks on company staff members and barricades on roads. The security forces play an ambiguous role as the government increasingly pushes large-scale mining operators in the area to pay for their services. Local communities perceive the presence of a largely corrupt and abusive police and army as a further provocation.

Conflict-affected Area Scenario

Country B in which your company operates or sources from sees recurring rebel and militia activities outside the capital, leading to bouts of intense conflict between armed groups and the national army. The conflict is characterized by outbreaks of intense fighting and grave human rights abuses, including accusations of the use of excessive force, which lead to large population displacements. Goods and the movement of people are taxed by armed groups and the army but artisanal mining continues during lulls in the fighting and minerals are transported away from the region of conflict. The government maintains highly centralized control over natural resources, but it is unclear who is in charge of the mine sites and the minerals are entering international markets. A number of artisanal mining cooperatives and large buyers are active in the region and sell to local exporters. The government attempts to reach a peace agreement with various armed groups. The absence of a functioning accountability mechanism to investigate and – if appropriate prosecute – crimes committed by all sides of the conflict furthermore fuel impunity and the resurgence of armed violence. The UN Security Council imposed sanctions against one of the armed groups and a number of key political and business individuals involved in conflict financing.

B's neighbouring country C has had no armed conflict on its territory and features relatively low levels of opportunistic crime. Bouts of intense conflict in neighbouring B lead to large refugee flows that are accommodated in camps on the border and reports suggest that armed elements from B are using refugees for smuggling of goods (including minerals) and people across the porous border.