



**CORPORATE DUE DILIGENCE GUIDANCE FOR THE SUPPLY CHAIN OF CONFLICT MINERALS:
OUTCOMES OF THE SECOND EXPERT MEETING OF THE OECD-HOSTED WORKING GROUP
(PARIS, 28 APRIL 2010)**

An expert meeting of the OECD-hosted working group in the mining and minerals sector convened on 28 April 2010 to review the draft due diligence guidance for responsible supply chain management of conflict minerals. OECD and African countries, industry and other stakeholders were well represented. The Secretariat of the Financial Action Task Force also attended. The meeting was moderated by Jonathan Winer, former U.S. Deputy Assistant Secretary of State for international law enforcement.

Strong support and added-value of the corporate due diligence guidance: Participants commended the draft guidance and recognised its added-value as providing a global framework on responsible supply chain management of conflict commodities encompassing all actors involved, beyond mineral, country or regional specific initiatives. Participants emphasised that the OECD draft guidance offers a constructive approach to the problem of conflict minerals and an alternative to legislation which may result in a ban of minerals from conflict-affected areas of the Great Lakes Region. The guidance recommends steps under five headings: strengthen company management systems, including chain of custody tracking system over the mineral supply chain; identify facts and assess risk in the supply chain; design and implement mitigation strategies by establishing improvement plans or discontinuing engagement with suppliers; ensure independent third-party audit; report on supply chain due diligence and findings.

Incorporation of the OECD approach in the forthcoming interim report of the UN Group of Experts on the Democratic Republic of the Congo (DRC): The UN Group of Experts on the DRC will rely on the OECD draft due diligence guidance in its forthcoming interim report to the UN Security Council.

Enhanced cooperation with partner African countries through the International Conference on the Great Lakes Region (ICGLR): A joint OECD-ICGLR conference on the final draft due diligence guidance will be held in September 2010 in Africa. The guidance will be part of the package of instruments which will be submitted for endorsement to the Summit of Head of States of the 11 ICGLR member countries in Kinshasa in November 2010. The ICGLR recognised the OECD guidance as a key contribution to ICGLR efforts to combat the illegal exploitation of natural resources in the Great Lakes Region.

Possible cooperation with the Financial Action Task Force: Participants urged the Financial Action Task Force to cooperate with the OECD Secretariat to develop due diligence guidance for financial institutions and support a typologies study of the financing connected to illicit mineral extraction, as a contribution to G20 efforts to fight corruption, money laundering, terrorist financing and the illicit outflow of capital from developing countries.

Next steps: The draft guidance is being revised in light of the discussion and will be further improved after the OECD-ICGLR Conference. A final draft will be presented to the OECD Investment Committee for approval in fall 2010. It is also planned to get the guidance endorsed by the DAC.