

COVID-19 – Call to Action for Responsible Mineral Supply Chains

By the Multi-Stakeholder Steering Group of the implementation programme for the OECD Due Diligence Guidance for Responsible Mineral Supply Chains

For over 3 months, the COVID-19 pandemic has swept the globe and continues to severely disrupt supply chains of mineral resources, depressing international prices and forcing mine sites and processing facilities to close or suspend operations. International shipping of mineral resources and metals is also significantly affected. This has come amid a backdrop of widespread international impacts on businesses of all sizes, and in every country and sector. The crisis is having a disproportionate impact on the lives of artisanal and small-scale miners (ASM) and their communities, who together account for 83% of the world's mining workforce or 40.5 million people. Mining communities were vulnerable before COVID-19 and are even more so now. Low commodity prices and government restrictions coupled with risk of spread to the most vulnerable puts livelihoods and wellbeing at risk.

We are deeply concerned that gains made over the past 10 years in supply chain due diligence could be lost as all stakeholders – companies, governments and civil society – are impacted and their efforts weakened by the pandemic. Lower demand for minerals and metals, lockdown measures in production and processing countries and economic shutdowns also mean that on-the-ground due diligence programmes, in particular those that rely on levies on production or export to finance their activities, are at risk of running out of funds and may have to suspend or even close operations. New or renewed funding for not-for-profit organizations has also been put on hold, which risks weakening civil society's contributions at a critical time.

In parallel, illicit actors are positioning themselves to claim an even larger market share, and non-state armed groups are reported to be benefiting from the situation to regain territory and capitalise on the lack of formal avenues for production and trade in mining areas in Africa as well as in Latin America. Significant reduction in mineral earnings can stimulate return to criminal behaviour and armed groups. The risk of human rights violations and conflict are increasing by the day. Civil society raises the alarm about these and other risks threatening the short and long-term security and well-being of women, men and children in artisanal mining communities and supply chains. Civil society also underscores how emerging risks associated with global supply chain disruptions, make the carrying out of due diligence and support for on-the-ground initiatives in CAHRAs more important than ever.

WE ARE CALLING FOR IMMEDIATE AND CONCERTED ACTION FROM CIVIL SOCIETY ORGANISATIONS, GOVERNMENTS, FINANCING INSTITUTIONS, INTERNATIONAL ORGANIZATIONS, PRIVATE SECTOR ACTORS AND OTHERS TO SAFEGUARD GAINS RELATED TO DUE DILIGENCE IN SUPPLY CHAINS IN ALIGNMENT WITH THE OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE MINERAL SUPPLY CHAINS.

Specifically, we are calling for measures to:

- ***Activate humanitarian and emergency response networks to reduce the potentially devastating impacts of COVID-19 on ASM communities***, particularly those related to health and social and economic well-being, acknowledging that women may be more acutely affected, and maintaining trade needs to be balanced with managing risks from COVID-19. Critical responses may involve working with local mineral producing governments and international and local NGOs to sensitize mining communities and support the deployment of health and awareness-

raising responses. On-the-ground programmes implemented through NGOs are uniquely placed to leverage existing networks and infrastructure and reach very remote areas otherwise difficult to access.

- ***Allocate funds for on-the-ground programmes and SMEs, with conditions.*** The crisis necessitates the rapid release of emergency funds for due diligence programmes operating in producing areas, and to support small and medium-sized enterprises in mineral supply chains through loan guarantee programmes and grants. Given implications on cash flow and liquidity, establishing a quick timescale for funding allocation will be important. Encouraging the conditioning of such financial support to programmes on the commitment to continued responsible production and sourcing in line with the OECD Guidance will help governments and business ensure that the benefits of such support are shared and that risks related to sourcing from conflict-affected and high-risk areas are adequately managed.
- ***Foster the sustainable inclusion of responsible ASM projects into global supply chains,*** with the support of all stakeholders, in particular but not exclusively smelters and refineries certified by international industry schemes aligned with the OECD Guidance.
- ***Ensuring the right balance of maintaining integrity and flexibility in due diligence efforts during this period.*** Due diligence is an iterative process of identifying, prioritising and mitigating risk. Due diligence should always be undertaken in accordance with domestic law. This means in the short term that expectations for assessments and audits will need to take into account government virus containment and mitigation measures. We invite the OECD Secretariat to prepare a note, in consultation with the MSG, clarifying expectations during the crisis, and explaining how due diligence, in particular on-the-ground risk assessments and audits, may be affected.

WE URGE AND INVITE ALL ACTORS, EVEN BEYOND THIS GROUP, TO HEED THIS CALL AND TAKE ACTION. SAVING THE HARD-WON GAINS ON DUE DILIGENCE IN MINERAL SUPPLY CHAINS AND SUSTAINING SUPPORT TO RESPONSIBLE ARTISANAL MINING COMMUNITIES ARE VITAL - RECOVERY WILL ONLY WORK IF WE DO NOT HAVE TO RE-START FROM ZERO.

About the OECD Due Diligence Guidance for Responsible Mineral Supply Chains and the Multi-Stakeholder Steering Group

The [OECD Due Diligence Guidance for Responsible Mineral Supply Chains](#) provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. This Guidance is for use by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas. The OECD Guidance is global in scope, and applies to all mineral supply chains.

The Multi-stakeholder Steering Group is made up of about 50 representatives from government, civil society, and private sector (see full list below). The MSG works closely with the OECD Secretariat, providing guidance and support with respect to operational aspects of the work plan relating to the implementation of the Due Diligence Guidance.

Members of the Multi-Stakeholder Steering Group: Governments of Belgium, Canada, Colombia, Democratic Republic of the Congo, France, Germany, Israel, Japan, The Netherlands, Rwanda, Sweden, Switzerland, The United States of America, United Kingdom; the European Union, the International Conference on the Great Lakes Region, the Organisation for Economic Cooperation and Development, the UN Group of Experts on the DRC, London Bullion Market Association, World Gold Council, Produits Artistiques Métaux Précieux (PAMP), Dubai Multi Commodities Centre, International Tin Association, Tantalum-Niobium International Study Center, Cronimet, Fédération des Entreprises du Congo, Global Advanced Metals, Specialty Metals Resources, Trafigura, London Metal Exchange, International Council on Mining and Metals, China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters (CCCMC) , Aerospace Industry Association, Automotive Industry Action Group, Responsible Business Alliance, Responsible Jewellery Council, IPC- Association Connecting Electronics Industries, United States Council for International Business, BMW Group, Intel, Signet Jewelers Ltd., Siemens, Société Générale, ABN Amro, IMPACT, Alliance for Responsible Mining, Global Witness, Amnesty International, Artisanal Gold Council, Enough Project, Solidaridad, Groupe de Recherche et de Plaidoyer sur les Industries Extractives (GRPIE), Observatoire Gouvernance et Paix, Save Act Mine, Foro Nacional por Colombia, Centro Regional de Empresas y Emprendimientos Responsables (CREER).