

## **Position statement adopted by European Commissions for Justice and Peace**

### **Breaking the link between minerals and armed conflicts: a mandatory European regulation is necessary!**

In many areas of the world marked by conflict, such as the DRC, Colombia, Myanmar and Central Africa, the extraction and trade of natural resources allows many armed groups, which are guilty of perpetrating atrocities against the local populations, to finance their acts of violence and destabilisation. By obtaining resources from these conflict or high risk zones, European companies are likely to be fuelling violence which undermines human rights, peace and development. It is in this way that blood minerals find their way into our computers, our telephones, our cars and other everyday products.

We would like to refer to the words expressed by Pope Francis whilst speaking on 17 July 2015 in the margins of a meeting with experts and investors in the mining sector in favour of a radical paradigm shift. The Pope reminded us that “*minerals and, in general, the wealth contained in the earth, the soil and subsoil, constitute a precious gift of God, which humanity has been using for thousands of years*”.

Drawing upon his recent encyclical on environmental protection, *Laudato Si'*, the Pope believes that a truly judicious exploitation of the earth's wealth is one which takes into account economic imperatives, social justice and environmental protection. The Pope emphasises that “*to this change a contribution can be made by the governments of the home countries of multinational companies and of those in which they operate, by businesses and investors, by the local authorities who oversee mining operations, by workers and their representatives, by international supply chains with their various intermediaries and those who operate in the markets of these materials, and by the consumers of goods for whose production the minerals are required. All these people are called upon to adopt conduct inspired by the fact that we constitute a single human family*”.

On 20 May 2015, the European Parliament voted in favour of a regulation which is designed to require European companies which import tin, tungsten, tantalum and gold, in either raw or processed forms, to ensure that they act responsibly when sourcing these minerals. This is a victory in the fight against the massive violations of human rights, although it still has to be confirmed through the dialogue process with the Member States.

In this way, the European Parliament is recommending the adoption of due diligence practices which require companies to identify and to prevent risks throughout their entire supply chain. This should make it possible for companies to ensure that the minerals they purchase from their suppliers are not being used to finance armed groups. Whilst the Parliament is not claiming that its vote is sufficient to resolve conflicts on its own, it at least has the merit of making companies assume their share of the responsibility.

#### **Putting ethical considerations before profit**

A mandatory regulation is necessary to fight effectively against conflict minerals and the

terrifying atrocities which they fuel, as is the case in the east of the DRC. This approach is supported not only by Doctor Mukwege<sup>1</sup>, winner of the Sakharov prize, but also by European investors<sup>2</sup> and 150 bishops from all over the world<sup>3</sup>.

One of the European Parliament's intentions in proposing this mandatory scheme is to enable our companies in Europe to place pressure on all of the upstream actors in the supply chain, such as the Asiatic smelters and refiners which sell their products on the European market, in order to persuade them to change their practices. The SMEs in Europe could also benefit from this leverage effect since they will be able to become part of responsible supply chains which have already been established by the larger consortia.

In order to be as complete as possible, the regulation should also envisage the introduction of "accompanying measures" to provide support to the local actors and to formalise the sector in order to improve the working conditions of the local, artisanal miners.

### **Can this really be compared to the "big, bad" *Dodd Frank Act*?**

Many people have spoken out against this regulation, comparing it to the *Dodd Frank Act*, which is a piece of American legislation which, it has been claimed, has forced companies to seek their supplies from elsewhere outside of the Great Lakes area, thereby creating an embargo and depriving the local miners of a vital source of income.

However, the European proposal for legislation differs from the American legislation since it is not designed to introduce product labelling and is not aimed solely at the Congo, but rather at all at-risk regions. It is highly questionable whether the blame for the problems faced by the artisanal Congolese mining sector can be laid entirely at the door of the *Dodd Frank Act*, since it is impossible to isolate the effects of this legislation from the effects of other existing initiatives designed to introduce order into this sector. In fact, the difficulties related to access to the international market began following the decision taken by President Kabila to suspend activities for several months in 2010. Furthermore, since the *Dodd Frank Act* only entered into force at the beginning of 2013, it is too early to draw any definitive conclusions with regards to its impacts.

### **Creating clean supply chains**

However it is true that the *Dodd Frank Act* is behind numerous projects designed to create "clean" supply chains in the Congo and real progress is being made in this regard. Proof of this is to be found in the fact that 129 mines have been certified as being "green" sites by the Congolese government. This certification attests to the fact that there are no armed groups, children or pregnant women on site.

Only a mandatory European scheme can have an effective influence on economic practices. The fact that the OECD guide on due diligence, which is not mandatory, is only applied by 4% of European companies is ample proof of the need for binding legislation and it is for this reason that the Member States must confirm the legislation as adopted by the European

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<sup>1</sup> [http://www.lemonde.fr/afrique/article/2015/05/11/minerais-de-conflits-le-parlement-europeen-doit-aller-plus-loin\\_4631165\\_3212.html](http://www.lemonde.fr/afrique/article/2015/05/11/minerais-de-conflits-le-parlement-europeen-doit-aller-plus-loin_4631165_3212.html)

<sup>2</sup> <http://www.eurosif.org/wp-content/uploads/2015/05/Investor-EU-CM-statement-May-13-2015.pdf>

<sup>3</sup> <http://www.cidse.org/publications/business-and-human-rights/catholic-leaders-statement-on-conflict-minerals.html>

Parliament.

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