



A REGULATION ON CONFLICT MINERALS Q & A

1. What are conflict minerals?

- According to UN, in the last 60 years, 40% of internal conflicts were linked to natural resources. Minerals play an important role: Conflict minerals are those that are exploited, controlled, or used to fuel armed conflicts.
- Existing guidelines on their trade address only four minerals: Coltan - from which tantalum is derived -, Cassiterite (tin), Wolframite (tungsten) and Gold.
- Conflict minerals (3T and gold) are present in our daily lives. We can find them in: laptops, microwaves or smartphones.

Source: Source Intelligence & Global Witness

2. Where are there conflict minerals?

The regions that are most affected by the problem of conflict minerals are: Democratic Republic of Congo, Zimbabwe, Central African Republic, Kenya, Rwanda, Tanzania, Uganda, Afghanistan and Colombia.

Source: <https://www.globalwitness.org/en/campaigns/conflict-minerals/#more>

3. What's the current legal situation?

All ethical norms on conflict minerals imply that taking actions to check the source of imported 3Ts and gold are voluntary.

- United States

In July 2010 Barack Obama signed US Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 1502, better known as the conflict mineral provision. This is the first piece of law with the goal of breaking the link between financing conflicts and natural resources. It requires American companies to track the sources of imported raw minerals to prevent them being bought from the high-risk or conflict regions.

- OECD

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas was signed in November 2012. It regulates the issue of due diligence which is a proactive and reactive process. As a result of due diligence companies must respect human rights and don't fund conflicts in high-risk regions. It can also help them comply with local and international law.

- European Union

With more than 400 importers of such ores and metals, the EU is among the largest markets for tin, tantalum, tungsten and gold. The European Union is importing 25% of mined conflict minerals and is the 3rd biggest importer of laptops and smartphones. But there is no European law in place. The European Union is applying the OECD's guidelines on a voluntary basis.

Source: <https://www.globalwitness.org/en-gb/campaigns/conflict-minerals/dodd-frank-act/>;
<http://www.enoughproject.org/conflict-minerals/>;
<https://www.oecd.org/corporate/mne/GuidanceEdition2.pdf>

4. What Socialists and Democrats want:

We want to exclude conflict minerals from the EU market, both as raw materials and as manufactured products. Despite strong Conservative opposition, Socialists and Democrats secured a legally binding scheme to ensure traceability of tin, tungsten, tantalum and gold, to make sure that products sold in the EU do not fuel armed militias or foster human rights violations in conflict areas.

We want to do better than the Dodd-Frank Act in the United States. The US system only deals with the final product, whereas we want to ensure that everyone along the supply chain does their part as best they can to avoid and prevent the use of conflict minerals. This approach is more effective because the more companies are involved throughout the supply chain, the easier it becomes for them to conduct due diligence.

5. What we have done:

The Group of Socialists and Democrats in the European Parliament has led the fight against conflict minerals. In 2010 we successfully pushed for an official demand of the European Parliament to have a legislative proposal by the European Commission.

The European Commission presented a proposal for a Regulation in March 2014, but it was very limited in scope and on a voluntary basis. So the S&D Group secured a majority in the Parliament to demand improvements to the proposal:

- **A more ambitious goal:** not only to limit but to avoid minerals providing any financing of armed groups and security forces.
- **A larger scope:** To include companies along the supply chain:
 - Importers of minerals
 - Importers of metals
 - Traders
 - Manufacturers
 - Retailers of products consisting of or containing 3TGs
- **Flexibility in the nature of due diligence,** emphasising that due diligence obligations are tailored to a company's circumstances, size, leverage and position in the supply chain. It does not mean red tape and will not impede EU competitiveness if we get it right
- **A European mandatory mechanism:** not just voluntary self-certification as proposed by the Commission
- **Reinforced monitoring of the system:** the regulation should be examined two years after its first implementation and then every three years.

There should be a list of responsible importers, smelters and refiners which should be adopted and publicly available.

6. The case of DR Congo:

If the trade of conflict minerals is stopped, there's a high possibility of ending the conflict in Congo, which has lasted 20 years, in which 5.4 million civilians have died. 35% of Congo's total mineral profit ends up with armed groups.

In April 2015, a delegation of S&D MEPs, led by the President Gianni Pittella, went to the Democratic Republic of Congo (DRC) on a fact-finding mission to meet with the DRC Government and officials, the Sakharov Prize Laureate Dr Mukwege, as well as civil society and business representatives working in the fields of human rights, democracy and the fight against conflict minerals.

The S&D Group has made violence against women and the banning of conflict minerals a top priority of its political action in the European Parliament. The aim of the fact-finding mission was to grasp the reality faced by victims of war and violence, and to better understand how the European Union can help local communities overcome 20 years of civil war.

Members of the mission were Gianni Pittella, Cécile Kyenge, Linda McAvan, Marie Arena and Elena Valenciano.

7. What is next

After the European Parliament adopted its position following a vote in May 2015, negotiators of the Parliament and the Council – where governments of the 28 EU member states are represented – must find a compromise for the final law.

Representatives of the Parliament and the Council have held two meetings, but the member states have not yet agreed on their negotiating position.

National trade ministers will have a Council meeting on 13 May, and we expect to see a strong commitment from civil society to demand governments deliver.

NO TRADE WITH HUMAN RIGHTS

#ConflictMinerals #Dig4Dignity