



24.10.2012

## NOTICE TO MEMBERS

**Subject: Petition 0307/2012 by Marco Picardi (British), on his call for the EU to sign up to the UN Due diligence guidelines for the responsible supply chain of minerals from red flag locations to mitigate the risk of providing direct or indirect support for conflict in the eastern part of the Democratic Republic of the Congo.**

### 1. Summary of petition

The petitioner points out that especially the minerals cassiterite and coltan ore used in electronic appliances which form part of our daily lives are mined in the Democratic Republic of Congo. The proceeds help to perpetuate one of the deadliest conflicts in the world. He calls on the Parliament to engage measure to sign up to the UN Due diligence guidelines for the responsible supply chain of minerals from red flag locations as a first essential step in stopping EU consumers fuelling this conflict.

### 2. Admissibility

Declared admissible on 2 July 2012. Information requested from Commission under Rule 202(6).

### 3. Commission reply, received on 24 October 2012

The EU is aware of the links between the illegal exploitation and trade of minerals in the Great Lakes region and the conflict in the Democratic Republic of Congo. Such a link is complex: there is certainly no doubt that profits from the exploitation and trade in natural resources (not only minerals, but also land, timber, charcoal, fishing, and poaching) are an important source of financing for most armed groups. To curb the link between the financing of armed groups and the exploitation of natural resources, a comprehensive response is needed.

Such a comprehensive approach should be based on responsible sourcing and trading of minerals (supply chains), revenue transparency and promotion of long-lasting peace and stability, including the alleviation of poverty. Such a response should also encompass broader development strategies with a particular attention to artisanal mining. The restoration of state authority and the rule of law in Eastern DRC, along with a wide-ranging Security Sector Reform, is key and would allow for the above-mentioned comprehensive approach to be anchored within a stable state structure.

The European Union promotes an approach based on transparency of physical markets, supply chains and revenues.

The Commission has tabled a draft Directive ("Country by country reporting") to promote disclosure of payments to governments for the extractive and forestry industries both for companies listed on EU stock exchanges and for other large EU companies. Building on the experience of the Kimberley process, the Extractive Industries Transparency Initiative (EITI), the Forest Law Enforcement, Governance and Trade (FLEGT) and the Timber Regulation, the European Commission is exploring ways of improving transparency throughout the supply chain, including aspects of due diligence.

At the same time, the Commission is pleading for a greater support for and use of the OECD Guidelines for multinational enterprises, and OECD recommendations on due diligence and responsible supply chains management – something to be promoted beyond OECD countries as well. (Commission Communication on Trade, Growth and Development, January 2012<sup>1</sup>)

In parallel, as outlined in the EU Raw Materials Strategy, the EU will continue to cooperate with and provide support to developing country partners on sustainable mining, geological knowledge and good governance in natural resources management.

The EU, which supports financially and politically EITI's efforts for the transparency of payments to governments, has also established a partnership with the United Nations to support countries improve natural resource management as a means to prevent conflict and promote peace-building. Future activities will aim at providing support to civil society groups active in this field with a particular focus on countries of the Great Lakes region.

The EU is also working with international partners and regional stakeholders: regular meetings of the "International Task force (ITF) on illegal exploitation and trade of natural resources in the Great Lakes region" (chaired by the EU great lakes coordinator) provide the international community with a platform to contribute to a better understanding of the issue, to identify initiatives to address the problem of the financing of armed groups through the exploitation and trade of natural resources and to elaborate additional proposals. In addition to security related matters, attention is given to the overall governance of the mining sector. Moreover, the issue of "conflict free minerals supply chains" has assumed a crucial and growing importance.

The EU supports politically the "Regional Initiative on Illegal exploitation of Natural Resources" of the International Conference for the great Lakes region (ICGLR) which includes the set up of a certification mechanism aiming at certifying conflict free minerals

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<sup>1</sup> [http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc\\_148992.EN.pdf](http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc_148992.EN.pdf)

sourced in the region. The EU is exploring ways to provide support to this initiative. It is key that any future approach on conflict-free supply chains for minerals is coherent with EU development strategies and with the promotion of alternative livelihood opportunities for artisanal miners. Social and economic consequences at the local level should be carefully considered.

Lastly, the European Commission and the EEAS are working on the follow-up to the 2012 "Trade, Growth and Development" communication with a view to launching a public consultation in 2013 on a possible EU comprehensive initiative on conflict minerals.