

Conflict minerals

After lengthy interinstitutional negotiations concluded in a trilogue agreement with the Council, Parliament is due to adopt its first-reading position, during the March II part-session, on a proposed regulation laying down supply chain due diligence obligations for importers of tin, tantalum and tungsten, as well as their ores, and gold originating in conflict-affected areas. The proposed regulation seeks to break the link between certain armed conflicts and the illegal mining operations which sustain them, and to ensure responsible sourcing for European industries.

Background

[Conflict minerals](#) are extracted in conflict-affected areas under conditions which violate human rights, and their profits serve to sustain armed groups. Since the 2000s, public and private initiatives have been recommending due diligence and transparency for companies sourcing minerals in conflict-affected areas in general, and in the Great Lakes region of Africa in particular. Since 2002, the UN [group of experts](#) on the illegal exploitation of the natural resources of the Democratic Republic of Congo has been highlighting the link between the illegal exploitation of mineral resources and the conflict in that country. Apart from the United States' [Dodd-Frank](#) Act (2010), which the Trump Administration is said to be preparing to [suspend](#), all other existing measures are implemented on a purely voluntary basis.

Content of the regulation

The [proposed regulation](#) establishes binding European supply chain due diligence obligations for importers of raw conflict minerals (with the exception of imports of small quantities, often used by dentists or jewellers). [Due diligence](#) implies that the companies concerned apply supply chain controls in all conflict-affected or high-risk areas, in order to identify the risk of funding harmful activities. Following the approach set out in the [OECD Guidance](#), importers must comply with obligations concerning the management system (particularly traceability), risk management, third-party verification (e.g. external audits) and communication. The Member States' authorities will be responsible for ensuring that companies comply with their obligations, and for imposing penalties where appropriate. Companies which do not import directly from conflict-affected areas but which use minerals in their production processes are asked to report annually, on a voluntary basis, on the due diligence measures they have taken. The Commission will draw up a list of responsible smelters and/or refiners supplying the EU, as well as a guide to conflict and risk areas.

Parliament's position

To prevent armed groups being funded by the trade in minerals, since 2010, Parliament has been recommending broad European legislation covering all downstream companies which use or trade natural resources from any conflict-affected or high-risk area. In May 2015, Parliament sought to make substantial amendments to the Commission proposal, by opting for a compulsory certification scheme (rather than voluntary self-certification), which led to the opening of (trilogue) negotiations in July 2015. The informal agreement between the Council and Parliament [reached](#) in November 2016 is now to be put to the vote in plenary. Key [achievements](#) by Parliament's negotiators in trilogue are the scope of the regulation (inclusion of countries of origin and transit) and the fact that the requirement to undertake due diligence will now become binding on companies.

First reading: [2014/0059 \(COD\)](#). Committee responsible: International Trade (INTA). Rapporteur: Iuliu Winkler, EPP, Romania.

