



Press Release, 26 January 2011

## Fatal Transactions criticizes: European strategy to secure access to raw materials will harm Africa

Today, the European Commission was to publish a new Communication entitled The Raw Materials Initiative – Putting the Strategy into Practice addressing challenges of future access to minerals and raw materials for its industry. The publication of the communication was surprisingly held back due to still ongoing negotiations among EU member states. The international campaign Fatal Transactions appeals to the European Commission to develop a strategy that will not be at the cost of the socio-economic development of raw materials exporting countries in Africa.

The Raw Materials Initiative identifies 41 non-energy minerals and metals that are of strategic importance to Europe's economy and industry. Of these, it identifies 14 'critical' raw materials, including tantalum and cobalt from the Democratic Republic of the Congo (DRC) and Platinum Group Metals from South Africa. The Raw Materials Initiative is based on three pillars: one, to ensure access to raw materials from international markets without restrictions to trade; two, to foster sustainable supply of raw materials from European sources; and, three, to reduce European consumption of raw materials by boosting resource efficiency and promoting recycling.

Against this background Fatal Transactions demands:

### Coherent policies for development

Africa's soil is rich in natural resources as it holds vast reserves of metals and minerals. Yet, Fatal Transactions is concerned that the first pillar of the Raw Materials Initiative will limit Africa's ability to turn its natural wealth into a motor for growth and development. The strategy seeks to ban all export quotas that in fact would enable African countries to build a more sophisticated domestic industry around the extraction of raw materials. It also puts pressure on African governments to reduce their export taxes as a result of which they will miss out on billions of well-needed revenue earnings. This would prevent African countries from pursuing the development policies of their choice and thereby counteracts the objectives of the European Commission's own development policies.

### Allowing export restrictions

Fatal Transactions calls upon the European Commission to ensure that the Raw Materials Initiative is fully coherent with its development policies. Bas Bijlsma, Policy Officer at Niza/ActionAid, which is a member of the campaign Fatal Transactions, comments: "The European Commission should stand up for Africa's right to profit from their natural resources and support effective African export restrictions instead of calling for their elimination. I cannot see how strongly opposing one of Africa's few opportunities to profit from their natural resources is in line with the Commission's objective to support sustainable natural resource management in Africa."

## Mitigate damaging impacts

Extractive industries are infamous for dubious environmental and human rights records and known to fuel, finance, and perpetuate a number of armed conflicts in Africa. "African communities are confronted with the devastating impacts of mining on a daily basis. In South Africa, villagers are driven off their traditional land due to platinum mining; in Eastern DRC armed groups use revenues from coltan mines to finance the war effort", Marie Müller, BICC-expert and International Coordinator of Fatal Transactions, states. She stresses, "An EU strategy on raw materials should seek to exclude from its market raw materials from illegitimate sources as is already the case for timber and diamonds. The import of raw materials handled by companies which do not respect existing environmental and human rights standards into the EU should be restricted."

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### Fatal Transactions

Fatal Transactions is a European network of NGOs and research institutes who believe that Africa's natural richness can be a motor behind development and stability instead of a source of conflict and sustained poverty. Fatal Transactions members are BICC – Bonn International Center for Conversion (Germany), Broederlijk Delen (Belgium), Group Chad (Germany), IKV Pax Christi Netherlands (The Netherlands), IPIS (Belgium), Medico International (Germany), Niza/ActionAid (The Netherlands), OCIPE (Belgium), and OxfamNovib (The Netherlands).

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