

## FATAL TRANSACTIONS NEWSLETTER, February 2011

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## 1. FATAL TRANSACTIONS MEMBER ACTIVITIES

### **New Fatal Transactions member**

The Commission Justice & Paix Belgium has joined the Fatal Transactions network. Commission Justice & Paix is part of the Belgian Network Natural Resources, like the other Belgian Fatal Transactions members Jesuit European Office (OCIPE) and Broederlijk Delen. Commission Justice & Paix lobbies in favour of corporate responsibility of extractive industries in the Great Lakes Region and Latin America, raises awareness in Belgium on the topic and collaborates with partners of civil society on the ground. For more information on Commission Justice et Paix contact Frédéric Triest at [frederic.triest@justicepaix.be](mailto:frederic.triest@justicepaix.be) or visit their website <http://www.justicepaix.be/?article1> (in French).

## *NATURAL RESOURCE GOVERNANCE*

### **New EC communication on EU Raw Materials Initiative: Fatal Transactions warns of dangers**

The new EC communication on the EU Raw Materials Initiative does not sufficiently heed recommendations relating to African exporting countries submitted during its consultation process in 2010 by Fatal Transactions and a range of other European civil society groups. In its submission, Fatal Transactions had called for the European Commission to clearly define the grounds on which the EU will refrain from banning restrictions on the supply of raw materials in bilateral trade agreements, and on which it will not. Instead, the EC was close to including a paragraph in its new communication that threatened developing countries from being suspended from the Generalised System of Preferences (GSP) of the World Trade Organization in case they restrict exports.

The final document "Tackling the Challenges in Commodity Markets and on Raw Materials" COM (2011) 25 final, published on 2 February 2011, no longer includes such openly aggressive language and acknowledges the importance for developing countries to promote local value addition. Such acknowledgment, however, cannot produce any effect as long as the EU continues to push for the abolition of export restrictions in trade agreements with developing countries, which will impede a process of local value addition. Therefore, Fatal Transactions warned in a press release of the dangers which such incoherence between the EU's trade and development policies can pose for African exporting countries.

Read the Fatal Transactions press release <http://www.fataltransactions.org/News>. For more information contact Marie Müller from BICC at [ft@bicc.de](mailto:ft@bicc.de).

### **Expert talk in Brussels: Policy coherence to prevent repeated plunder of Africa**

On 13 December 2010, Fatal Transactions members Commission Justice & Paix; Jesuit European Office (OCIPE) and Broederlijk Delen of the Belgian Network Natural Resources, together with other European partners, organized a debate during the European Development Days on "Policy Coherence Towards the Good Governance of Natural Resources." "Brussels was built on the plunders of Congo," commented speaker Paul Collier, Professor at the University of Oxford, stating that the biggest challenge for Europe would be to not make the same mistakes of the 19th century. Policy coherence is needed to ensure that trade policies do not undermine development efforts of producing countries. Speakers at the event included Vanessa Herringshaw, Director of London Office, Revenue Watch Institute; Alfred Hickey M'Sichili, Comhlámh and Alternatrade Project; Claude Kabemba, Director of

South Africa Resources Watch, and Madelaine Tuininga, Deputy Head of Unit, Industrial sectors, DG for Trade, European Commission.

Read the English report:

[http://www.fairpolitics.nl/europa/cases/the\\_new\\_scramble\\_for\\_africa\\_/2010\\_12\\_13\\_collier\\_brussels\\_wa\\_s\\_build\\_on\\_the\\_plunders\\_of\\_congo\\_and\\_should\\_not\\_make\\_the\\_same\\_mistakes](http://www.fairpolitics.nl/europa/cases/the_new_scramble_for_africa_/2010_12_13_collier_brussels_wa_s_build_on_the_plunders_of_congo_and_should_not_make_the_same_mistakes)

Lisez le rapport en français:

<http://www.ocipe.info/2011/01/journees-europeennes-du-developpement/>

For more information contact Frédéric Triest from Commission Justice et Paix at

[frederic.triest@justicepaix.be](mailto:frederic.triest@justicepaix.be).

### **Business and human rights: Draft Guiding Principles of the Special Representatives out**

Fatal Transactions has welcomed the work of UN Special Representative John Ruggie on formulating the 'Protect, Respect, and Remedy' framework and on clarifying the applicability of international legal standards to business enterprises. Nearing the end of his mandate, Fatal Transactions recognizes Professor Ruggie for having been receptive to input from civil society throughout his two mandates and also welcomes the recommendations on follow-up to the mandate as presented by Professor Ruggie.

At the same time, Fatal Transactions shares concerns expressed in a joint Civil Society Statement on the draft Guiding Principles presented in November 2010 that they are not clear enough on the human rights responsibilities of business enterprises. The Guiding Principles should clearly state that corporate human rights due diligence should be accompanied by independent monitoring systems to ensure the credibility of the process. Professor Ruggie's mandate will end in June 2011 when he shall present his final Guiding Principles and recommendations for follow-up to the UN Human Rights Council. Read the statement.

[http://www.cidse.org/uploadedFiles/Publications/Publication\\_repository/Joint%20Civil%20Society%20Statement%20on%20the%20draft%20Guiding%20Principles%20on%20Business%20and%20Human%20Rights.pdf](http://www.cidse.org/uploadedFiles/Publications/Publication_repository/Joint%20Civil%20Society%20Statement%20on%20the%20draft%20Guiding%20Principles%20on%20Business%20and%20Human%20Rights.pdf)

For more information contact Bas Bijlsma from NIZA at [bas.bijlsma@niza.nl](mailto:bas.bijlsma@niza.nl).

### **Follow-up on Conference "Illegal Trade in Natural Resources—What can Brussels do?"**

Following the conference "Illegal Trade in Natural Resources—What can Brussels do?" in Brussels from 29–30 September 2010, the Institute for Environmental Security has created a Resource Trade Network (RTN) on Facebook. This is intended as an information-sharing network. You do not need to have a facebook account to visit the page.

The international conference had been organized by the Institute for Environmental Security (IES) in cooperation with Fatal Transactions member BICC (Germany) and other partners to assess the problems for the environment, development, peace and security created by illegal trade in commodities and to explore policy options for the European Union.

You can visit and download information from it by following this link:

<http://www.facebook.com/pages/Resource-Trade-Network/126366974088522?v=wall>

More information about the RTN can also be found on the IES website:

<http://www.envirosecurity.org/pathfinder/rtn.php>

## ***KIMBERLEY PROCESS***

### **Sensitization on the Kimberley Process Certification Scheme in Sierra Leone**

Fatal Transactions member BICC (Germany) helped organize and hold two multi-stakeholder seminars in Freetown and Kenema, Sierra Leone, in December 2010 for the German Development Cooperation (GIZ) and the Government Gold and Diamond Office (GGDO) on strategies to improve the implementation of the Kimberley Process Certification System (KPCS) for diamonds in Sierra Leone. Membership in the Kimberley Process has helped the Sierra Leonean government increase its diamond revenues substantially. Various challenges, however, persist in the diamond sector pertaining to the oversight of the diamond trade within Sierra Leone, the registration of small-scale and artisanal miners, the relation between large-scale industrial diamond mining and the local communities, and the rights of artisanal diggers.

For more information contact Marie Müller from BICC at [ft@bicc.de](mailto:ft@bicc.de).

### **Zimbabwe in the Kimberley Process: continued deadlock**

Participants in the Plenary Meeting of the Kimberley Process, which took place in Jerusalem from 1 to 4 November 2010, could not decide whether Zimbabwe will be allowed to export diamonds from its Marange diamond areas or whether to continue to tie exports to concrete progress on the ground in Zimbabwe. Negotiations are ongoing behind the scenes, the deals appear to be successively watered down due to pressure by the Zimbabwean government. There is a danger that a new KP deal will give Zimbabwe a green light to exports from two concessions in the Marange fields—potentially worth hundreds of millions of US dollars in diamond revenues. This is worrying for there is no indication that the situation on the ground is improving in the vast areas of artisanal mining where the worst violence by Zimbabwean military forces had occurred. A recent report by the Center for Research and Development, Mutare, Zimbabwe, confirms this lack of improvement. The KP Civil Society Coalition is concerned that the new deal will not have workable safeguards to shut down exports in case of renewed diamond-fuelled violence. Fatal Transactions members BICC (Germany) and IPIS (Belgium) participated in the Plenary Meeting as part of the Civil Society Coalition.

For more information visit the Fatal Transactions online webdossier on the Kimberley Process <http://www.fataltransactions.org/Dossiers/Blood-diamonds-and-the-Kimberley-Process> or contact Marie Müller from BICC at [ft@bicc.de](mailto:ft@bicc.de).

## DEMOCRATIC REPUBLIC OF THE CONGO

### **FairPhone—quest for fair cobalt from Congo**

In the week of 17 to 28 February, the FairPhone team visits Congo to look for fair cobalt. Fatal Transactions member NIZA (Netherlands) had started the FairPhone campaign last year. FairPhone will be the first fair mobile telephone for consumers to purchase. The team—existing of the winner of the travel challenge, a Dutch filmmaker, and Niza—will try to purchase fairly mined cobalt from the Kawama Mining Zone, close to Kolwezi. This rock of cobalt will be used for the production of the first fair mobile phone: FairPhone. But before the group will visit the mining site and interview artisanal mineworkers, they have a meeting with the highest official of the SAESCAM Office in Lubumbashi. The group will be assisted by Gaston Mushid, the Congolese filmmaker and fixer who also guided Thierry Michel in the making of his film *Katanga Business*.

For more information contact Nathalie Ankersmit from NIZA at [nathalie.ankersmit@niza.nl](mailto:nathalie.ankersmit@niza.nl).

### **Uranium Mining Training in Tanzania—prospect or threat?**

Fatal Transactions member NIZA (Netherlands) attended and co-financed a training week in Dar Es Salaam for African civil society organizations on uranium mining in Africa. There, the environmental impacts and radiological hazards related to uranium mining were discussed. A strategy session which helped to strengthen collaboration amongst African NGOs working on uranium mining concluded the event. A Tanzanian Member of Parliament participated in one discussion with the participants about the political feasibility of uranium mining in Africa. Uranium mining is becoming increasingly important in Africa. NIZA is directly involved in monitoring uranium mining projects in the Central African Republic, Malawi, and Zambia.

For more information contact Bas Bijlsma from NIZA at [bas.bijlsma@niza.nl](mailto:bas.bijlsma@niza.nl).

### **A mining contract which enables sustainable development—what it looks like**

Fatal Transactions member NIZA (Netherlands), together with the International Alliance on Natural Resource in Africa, contributed to a consultation on developing a Model Mining Development Agreement (MMDA)—a project supported by the International Bar Association. The project is aimed primarily as a tool for use by and in developing countries, in particular where a mature mining code is not in place or effective. The MMDA project seeks to provide a tool with a specific starting point. It asks what a mining contract which aims to contribute to sustainable development not just of the project itself, but also of the local, regional and national community might look like. It seeks to provide an agenda for negotiations based on a sustainable development objective, which is common to all parties. Its public nature will also allow local communities and civil society groups to contribute to negotiation processes in a sound manner. By setting out a comprehensive and common template, it is hoped that the project will enable and assist better structured negotiations and better lasting results in mining projects.

For more information visit the MMDA website ([www.mmdaproject.org](http://www.mmdaproject.org)) or contact Bas Bijlsma from NIZA at [bas.bijlsma@niza.nl](mailto:bas.bijlsma@niza.nl).

OIL

### **Conference “Sudan's Oil Industry after the Referendum”**

On 7 to 8 December 2010, the European Coalition on Oil in Sudan (ECOS) and the Sudan Council of Churches held the conference “Sudan's Oil Industry after the Referendum” in Juba, Southern Sudan. One month before the Referendum for self-determination of Southern Sudan, at the time when the Government of Southern Sudan was finalizing its future Petroleum Policy, this conference took place at a suitable moment and gave the opportunity of a public debate about oil among a large group of stakeholders. Fatal Transactions members BICC (Germany) and IKV/Pax Christi (Netherlands) form part of ECOS.

Negotiations for post-referendum oil arrangements are underway. Petroleum revenues are paramount for the country's two governments and a mutually satisfactory formula for post-referendum arrangements may be the foundation for a peaceful future. However, the oil industry is complex and splitting it up will be a painful and very dangerous operation. The 2005 Comprehensive Peace Agreement established that “best known practices in the sustainable utilization and control of natural resources” is the national standard, but this requirement was not fully respected. It is time to rethink the way the petroleum sector is managed. Among the issues at stake are the need to ensure an attractive investment environment; a social support base for the industry, compliance with the highest international standards, financial accountability, and coming to terms with the unwieldy legacy of oil exploitation in Sudan.

The conference adopted a final declaration that summarized the main shared concerns of the participants:

[http://www.ecosonline.org/news/2010/%5Eindex.html/DECLARATION\\_JUBA\\_OIL\\_CONFERENCE.pdf.html](http://www.ecosonline.org/news/2010/%5Eindex.html/DECLARATION_JUBA_OIL_CONFERENCE.pdf.html)

For more information contact Kathelijne Schenkel from IKV/Pax Christi at [schenkel@ikvpaxchristi.nl](mailto:schenkel@ikvpaxchristi.nl)

### **Giving a face to people affected by oil exploitation along the Chad–Cameroon pipeline**

Fatal Transactions member Group Chad is preparing a photo exhibition introducing the general public to individual villagers affected by the oil exploitation project in Chad and Cameroon, in the producing region Doba and all along the pipeline. The action follows a study on the situation of enclaved villages in the Chadian oil region. It is also a reaction to the German national Raw Materials Initiative, which neglects the reality of the oil and gas sector in development countries where poverty and bad governance reigns.

The life-size portraits are going to be on display during the Church Days in May, with a demand for change of the national Raw Materials Strategy printed on each single one. The upcoming fact book ‘Poverty and Governance in the oil region’ is planned to be released during the visit of the Chadian Bishop of Moundou and Chadian activists to Europe. They will meet up with officials of the European Commission and the media in Brussels and Germany.

For more information contact Claudia Frank at [frank@ag-tschad.org](mailto:frank@ag-tschad.org).

## **2. FATAL TRANSACTIONS PUBLICATIONS**

### **Report of the Fatal Transactions Conference**

“China's quest for African resources: the new scramble or strategic partnership?” Wroclaw, 14–15 December 2009, Edited by Dominik Kopinski.

The international conference engaged with the controversial role of China in Africa's extractives sector, scrutinizing threats and prospects. The program covered China's relations with the OECD world, with Africa, and other Asian emerging giants such as India. Keynote speeches by Ian Taylor, University of St. Andrews and Jan J. Milewski, University of Warsaw.

For more information contact Dominik Kopinski at [mdominik.kopinski@wp.pl](mailto:mdominik.kopinski@wp.pl).

<http://www.fataltransactions.org/Media/Files/Publications/FT-Conference-Report-Wroclaw-2009>

### **Report on the Pathfinder Conference “Illegal Trade in Natural Resources—What can Brussels do?”**

“Good deal, bad deal. Report of the Conference “Illegal Trade in Natural Resources- What can Brussels do?”, Brussels, 30 September 2010, Edited by Géraud de Ville, Institute for Environmental Security (IES).

<http://www.fataltransactions.org/Publications>

For more information contact Marie Müller from BICC at [ft@bicc.de](mailto:ft@bicc.de).

### **Governance of the Mining Sector in Eastern DRC**

International Alert. “The complexity of resource governance in a context of state fragility: An analysis of the mining sector in the Kivu hinterlands.” November 2010. Fatal Transactions member IPIS carried out a research project which resulted in the report.

The report is accompanied by three online maps:

[www.ipisresearch.be/maps/hinterland/Katanga/web/index.html](http://www.ipisresearch.be/maps/hinterland/Katanga/web/index.html)

[www.ipisresearch.be/maps/hinterland/Orientale/web/index.html](http://www.ipisresearch.be/maps/hinterland/Orientale/web/index.html)

[www.ipisresearch.be/maps/hinterland/Maniema/web/index.html](http://www.ipisresearch.be/maps/hinterland/Maniema/web/index.html)

For more information contact Didier Verbruggen from IPIS at [didier.verbruggen@ipisresearch.be](mailto:didier.verbruggen@ipisresearch.be).

#### **ECOS reports:**

“Post-Referendum Arrangements for Sudan’s Oil Industry.” December 2010.

Negotiations for Sudan’s future after the Comprehensive Peace Agreement started in earnest on 23 June 2010 with the signing of an MOU by the NCP and SPLM that lays down the modalities for resolving post-referendum issues and arrangements. This document identifies key issues affecting the petroleum industry that will emerge during the post-referendum negotiations. It points out the crucial factors and makes recommendations with a view to unleashing Sudan’s oil industry potential to contribute to peace and equitable development. It is meant to inform the wider public and discussions in the Working Group on Financial and Economic Issues & Natural Resources.

[http://www.ecosonline.org/reports/2010/%5Eindex.html/Post Referendum Arrangements for Sudans Oil Industry.pdf.html](http://www.ecosonline.org/reports/2010/%5Eindex.html/Post%20Referendum%20Arrangements%20for%20Sudans%20Oil%20Industry.pdf.html)

“Sudan’s Oil Industry on the Eve of the Referendum.” December 2010.

On 6 July 2010, negotiations for post-referendum arrangements started in Khartoum. Finances play a key role in these negotiations. Sudan’s substantial oil industry is the dominant money-maker for the country’s two governments and to split it up will be an extremely complex and sensitive operation. The significant wealth that oil generates is equally important to both parties and if they agree on a mutually satisfactory formula, oil could be the foundation for a peaceful future. The time is now ripe to seize the opportunity to make the country’s natural resources benefit the people.

This report presents an overview of facts and trends in Sudan’s petroleum industry and highlights key challenges for the coming period.

[http://www.ecosonline.org/reports/2010/%5Eindex.html/Sudans oil industry on the eve of the referendum.pdf.html](http://www.ecosonline.org/reports/2010/%5Eindex.html/Sudans%20oil%20industry%20on%20the%20eve%20of%20the%20referendum.pdf.html)

For more information contact Kathelijne Schenkel from IKV/Pax Christi at [schenkel@ikvpaxchristi.nl](mailto:schenkel@ikvpaxchristi.nl)

Yours

Marie Müller

International FT coordinator

Fatal Transactions is an international campaign for awareness raising among consumers, opinion makers, politicians and industry on the crucial relation between trade in natural resources from African countries and continuation and escalation of armed conflicts and human rights violations. The overall objective is to end armed conflicts and human rights violations by drying up the financial resources and making sure that the revenues made out of the exploitation of natural resources are being used for the well-being of the population.

Fatal Transactions is carried out by European NGOs; [BICC](#) (Germany), [Broederlijk Delen](#) (Belgium), [Commission Justice et Paix](#) (Belgium), [IKV Pax Christi Netherlands](#) (The Netherlands), [IPIS](#) (Belgium), [Group Chad](#) (Germany), [Medico International](#) (Germany), [Netherlands Institute for Southern Africa](#) (The Netherlands), [OCIPE](#) (Belgium), [OxfamNovib](#) (The Netherlands), [University of Wroclaw](#) (Poland).

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