



## Progress made after a one-year campaign

After the first year of mobilization, the «Yellow Card» campaign has already achieved significant advances at French and European level.

### A network highly mobilized with the MPs.

The mobilization of the network started on June 23<sup>rd</sup> 2014 with 30 000 copies of the «Yellow Card» brochure issued within the network. Moreover, 5,000 people sent a 2014 greeting card to François Hollande, to request that France sets up new rules of the game more respectful of human rights regarding investments in southern countries.

The mobilization of the CCFD-Terre Solidaire advocacy volunteers was particularly large around two key moments: during the vote of the Framework Act on Development Policy and International Solidarity (LOP) and the European elections. More than 100 CCFD-Terre Solidaire activists have had a meeting with MPs.

In answer to the CCFD-Terre Solidaire volunteers' inquiry, 45 of the 73 French European MPs, which were elected in May 2014, committed to the CCFD-Terre Solidaire proposals for more supervision of multinational companies. The issue on the social, environmental and fiscal responsibility has been at the heart of parliamentary debates related to the Framework Act on Development Policy and International Solidarity (LOP) adopted in June 2014.

### Progress made around the 3 main goals of the campaign:

- **Multinational and respect for human rights:** four parliamentary groups have brought in a legislative bill to the National Assembly for the multinational companies to be legally responsible for the impacts generated by their activities and those of their subsidiaries around the world .  
*We need now to put pressure on the government to support the inclusion of this proposal on the legislative agenda in the coming months!*
  - **Natural resources in conflict affected areas:** in March 2014, the European Commission published a draft regulation for a responsible sourcing of minerals from conflict-affected and high-risk areas.  
*This is a step forward, but however the text remains below the international standards proposed by the UN and the OECD.*
  - **Secrecy and tax evasion:** important progress have been made
- The French MPs claimed France to go further than Europe in terms of transparency payments made by extractive industries. Guidelines adopted in 2013 required companies to publish only the information related to the country of production. The Framework Act on Development Policy and International Solidarity (LOP) now states that this transparency should apply to all jurisdictions in which the company operates, including tax havens.
  - AFD Group must now take measures to promote country by country financial transparency of companies receiving funding.  
*This injunction needs to be effective in practice and extended to all companies that receive public support, especially those supported by the Coface and the Public Investment Bank.*
  - In 2014, in accordance with the Banking Act passed in 2013, French banks began to publish country by country information on their activities.  
It is now important to promote the other European banks information as they will have to publish these information from 2015 ; moreover, it is necessary to extend these obligations to all companies in all sectors.

**Two advocacy reports have been released**

As part of the Yellow Card campaign, the CCFD-Terre Solidaire has continued its investigation and documentation work on the disastrous consequences of some investments. Two advocacy reports have been drawn up: «Agricultural investment: food or financial security? «Oil production in Muanda, a discount justice « ; they both highlight the pressing need to take action

## Article 2 – The 3 requests to be relayed in 2014/2015

From now on and until 2015, there are three political opportunities for the French government to contribute to a better management of the multinational enterprises activities:

- the adoption of a French law on the duty of care (PPL);
- the settlement of a European regulation on the responsible sourcing of minerals from conflict-affected and high-risk areas;
- the introduction of an obligation to publish a country by country reporting, for companies whose shareholder is the state and receiving public support.

Everyone is asked to sign the petition to the government to influence these three processes.

Support the vote of the French bill on the due diligence of the parents and principals vis-à-vis their subsidiaries and subcontractors.

**Objective:** To ensure that multinationals respect human rights

**Context:** All too often, multinational companies taking advantage of the lack of rules in southern countries, lead directly low-cost activities or lead them through suppliers, without paying attention to human rights. The lack of legal responsibility of the parent vis-à-vis its subsidiaries and / or its subcontractors, constitutes an overwhelming obstacle for victims of violations to access to justice.

The UN Human Rights Council has made a decision on June 26, 2014 for new binding international standards on multinational companies and human rights. France is against this decision and finds it also hard to put a draft law on this issue on the agenda of the National Assembly.

**What can we do?** We can call the government to demand the adoption of the law on the duty of care and to develop legal binding standards at the European and international level.

**Link:** “Pétrole à Muanda, la justice au rabais” released 2013

[https://www.google.com/url?q=http://ccfd-terresolidaire.org/IMG/pdf/petrole\\_muanda\\_201113.pdf&sa=-U&ei=7aiKVlbZAYbcavKhgMgD&ved=0CAcQFjAB&client=internal-uds-cse&usg=AFQjCNEh2Jepvd-360UmTZZgxmk-6pZCPw](https://www.google.com/url?q=http://ccfd-terresolidaire.org/IMG/pdf/petrole_muanda_201113.pdf&sa=-U&ei=7aiKVlbZAYbcavKhgMgD&ved=0CAcQFjAB&client=internal-uds-cse&usg=AFQjCNEh2Jepvd-360UmTZZgxmk-6pZCPw)

**The European legislation should be binding: all supply chains must go towards a responsible sourcing of minerals from conflict affected areas, and this binding legislation should cover all natural resources.**

**The aim:** to prevent the mineral trade from fueling conflict

**Context:** In many countries, the extraction and trade of natural resources are largely controlled by armed groups known for their violence against the population. Over the last sixty years, 40% of civil conflicts were related to the exploitation of natural resources. By procuring resources from conflict-affected and high-risk areas, companies lay themselves open to financing violence and are accomplices to human rights violations by selling to European citizens mobiles and laptops made from conflict resources.

**What can we do?** On 5 March 2014 the European Commission introduced a Proposal for a Regulation on responsible supply chains for minerals from conflict-affected and high-risk areas. This proposal, which is below the international standards proposed by the UN and the OECD, does not require any obligation from companies and covers only a small part of the actors in the supply chain of natural resources. It is essential to go into action to demand a more ambitious EU Regulation. The newly elected French MPs are mostly engaged to carry the CCFD-Terre Solidaire’s messages on the subject, and could become valuable allies in the coming months.

**Link :** Report “Natural resources at the heart of conflict”

(Des ressources naturelles au cœur des conflits : agir pour une législation européenne ambitieuse) released october 2014

<http://ccfd-terresolidaire.org/IMG/pdf/ccfd-natural-resources-at-the-heart-of-conflict.pdf>

## **We must require a public country by country reporting of French companies in all sectors starting with those who benefit from French government support**

The aim: to fight against secrecy and tax evasion. Every year, developing countries lose more than 125 billion euros in tax revenue due to tax avoidance practices. According to FAO, one third of that sum could eradicate world hunger by 2025.

### **Context:**

France led a battle at European level for the country by country reporting to be extended to all companies in all sectors and mentioned its position in the banking law. France also said that this would be valid only "after the coming into force of a similar disposition adopted by the European Union." Without waiting for a European agreement, the French government can continue to lead the way to advance this proposal for companies receiving public support and of which he is a shareholder.

**What can we do?** Concerning the companies, in which the state is a shareholder and receiving public support (financing, guarantees): we can ask the government to compel those companies to be more transparent by publishing a comprehensive list of their subsidiaries and a full country by country reporting.

**Link** : report « Au paradis des impôts perdus... » : <http://ccfd-terresolidaire.org/>  
[https://www.google.com/url?q=http://ccfd-terresolidaire.org/IMG/pdf/pf2013\\_210613.pdf&sa=U&ei=IKmKVNHNJc22adz-gqAF&ved=0CAcQFjAB&client=internal-uds-cse&usg=AFQjCNGIGfUyN7OVPSj\\_le-VIkFMQOI2PNA](https://www.google.com/url?q=http://ccfd-terresolidaire.org/IMG/pdf/pf2013_210613.pdf&sa=U&ei=IKmKVNHNJc22adz-gqAF&ved=0CAcQFjAB&client=internal-uds-cse&usg=AFQjCNGIGfUyN7OVPSj_le-VIkFMQOI2PNA)

**Link** : Study Qu'emporte le CAC 40 au Paradis ? [Revue Projet](http://www.revue-projet.com/articles/2014-02-cac40-paradis-fiscaux/)  
<http://www.revue-projet.com/articles/2014-02-cac40-paradis-fiscaux/>