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Att: General Director Jonas Dastikas

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Brussels, 6 September 2010

### **Regarding Lifosa's imports from occupied Western Sahara**

Dear Sir,

We are writing concerning the imports of phosphate rock that your firm is undertaking from occupied Western Sahara, and would like answers to a few questions regarding the trade.

We would like to inform you that purchases from occupied Western Sahara are highly unethical and contribute to undermining both international law and the UN's peace efforts in the territory.

Most of Western Sahara has been occupied by Morocco since 1975. However, to this day, no state or international organization recognizes Morocco's sovereignty over Western Sahara. The United Nations have repeatedly stated that the occupation must end and that the Saharawi population has to be allowed to freely exercise their right to self-determination through a free, fair and transparent referendum.

The occupation of Western Sahara has resulted in enormous suffering and deprivation for the Saharawi people, who are the rightful owners of the land and its natural resources. Approximately 165,000 Saharawi are languishing in refugee camps in the inhospitable Algerian desert since 1975, where they have to survive on humanitarian aid. The Saharawi population remaining in areas under Moroccan control is subjected to grave human rights violations, such as torture, forced disappearances and arbitrary detention.

Although there is no trade embargo implemented by the UN Security Council, the UN has established that Morocco has no right to extract and sell Western Sahara's resources, if carried out in the manner it is today.

It is our firm conviction that the firms that import phosphates from Western Sahara contribute in supporting the continuation of the Moroccan presence in the area. Money from phosphate extraction and trade goes directly to OCP, the Moroccan state-owned company that extracts the phosphates in Western Sahara. This kind of support makes Morocco less inclined to contribute to finding a solution to the occupation, and makes delaying tactics and attempts to

profit from the existing situation more attractive. The phosphate trade in Western Sahara therefore increases the risk of further armed conflict, destabilization and suffering in the region.

Morocco's control and exploitation of Western Sahara also hurts the Saharawi's labour rights and their economic development. According to a report by the French organization France Libertés - Fondation Danielle Mitterrand, the Saharawi have been systematically marginalized from the phosphate industry in Western Sahara. In 1968, before Morocco took control over the phosphate mines, all 1600 workers in the industry were Saharawi. Today, the latest figure we have, is that 1568 of the 1734 workers are Moroccan settlers who have illegally been moved into the territory.

A substantial number of firms from around the world have realized their ethical obligations and have stopped importing natural resources from occupied Western Sahara. For example, Yara, the world's biggest fertilizer company, terminated the imports to Norway in 2005, for ethical reasons. They have stated that they do not wish to import from the territory until the conflict is solved. A number of shipping firms which previously transported this phosphate have also stopped its involvement – one of them was Norwegian firm Arnesen Shipbrokers, which announced their decision to not call in Western Sahara few days after it was discovered they had carried out a shipment to Lifosa.

In addition to ethical concerns, Lifosa should know that its involvement contributes in supporting a violation of international law and the rights of the Saharawis.

The International Court of Justice in its 1975 Western Sahara Advisory Opinion established that Morocco has no legal claim to Western Sahara. That same opinion affirmed that the Saharawi people has a right to self-determination, which includes, inter alia, the right of permanent sovereignty over its natural resources. Permanent sovereignty over natural resources is a customary principle of international law. Numerous resolutions of the United Nations Security Council and General Assembly and a legal opinion by the former UN Under-Secretary General of Legal Affairs, on 29 January 2002 affirm this position ([www.arso.org/Olaeng.pdf](http://www.arso.org/Olaeng.pdf)). Because the Saharawi have not been able to exercise their right to self-determination, and because they have not been properly consulted, trade with Morocco of natural resources emanating from Western Sahara is a violation of the Saharawi's right to permanent sovereignty over their resources.

The right to self-determination is a human right, established through numerous human rights conventions, as well as a number of resolutions in the UN General Assembly. More than 100 UN General Assembly and Security Council resolutions specifically refer to the right to self-determination of the Saharawi people.

We take note of the fact that your firm is a member of Global Compact. As your firm itself has stated on its homepages, the first principle of the GC establishes that members of the initiatives are expected to respect the human rights within their sphere of influence.

We believe it is not to the interest of Lifosa to be associated with this business. It clearly undermines Lifosa's intention to be perceived as a socially responsible firm, and conflicts starkly with your company's claim to adhere to the principles of the UN Global Compact initiative.

**We urge Lifosa to immediately demonstrate its attachment to international legality, human rights and basic standards of corporate social responsibility by terminating the trade.**

**Furthermore, we would like a clarification from Lifosa to the following question:**

- 1) Does Lifosa today have a trade agreement with Moroccan state phosphate company OCP for purchase of phosphates with Western Sahara origin?
- 2) If yes, when was the agreement signed, and when does it expire?
- 3) How many tonnes of phosphates from Western Sahara has Lifosa received in the years 2008, 2009, 2010 under this agreement?
- 4) Has Lifosa on any occasion, since the first imports were made, ever consulted representatives of the Saharawis to investigate whether the imports are to the wishes or interests of the Saharawis?

We will be more than happy to provide you with any additional information that you may require to study this matter more closely, and look forward to a reply to our questions.

Looking forward to hear from you,

Sincerely yours,

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**Copy of this mail sent to:**

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