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On 4 November 2008, the European Commission has published a [Communication on the Raw Materials Initiative - Meeting our critical needs for growth and jobs in Europe](#).

FoEE expresses its deepest concerns about the Raw Materials Initiative. In particular, we believe the strategy is:

- SELFISH

The Raw Materials Strategy is plainly designed for feeding EU's appetite for raw materials and omits to address the externalities of raw materials extraction and trade. Positive externalities such as increased opportunities for resource-rich countries to alleviate poverty, reduce inequalities and ensure a fair distribution of wealth are not considered. Even more worrying: negative externalities of resource extraction and trade, such as political conflicts, land rights violations, environmental damage, biodiversity loss and increased CO2 emissions, are blatantly ignored. While the Commission could have adopted a more cooperative approach to resource management and trade, it chose to embark in the mad "race" for raw materials without caring for applying *rules* to this race. The EU's own responsibilities in ensuring sustainable and equitable development are silenced, while pushing Europe further away from long-term solutions to the resource crisis, namely increased resource efficiency and overall reduction of resource intensity *in Europe itself*.

- CORPORATE-DRIVEN

The strategy's primary focus is the "competitiveness" of European companies: helping European companies to better access raw materials/natural resources in third country markets (and in the EU) at the best possible conditions. This means removing "unnecessary barriers" or "burdens" that make extraction activities more complicated, but as there is no qualification or distinction in EU's documents between "good" and "bad" (non tariff) barriers, legitimate environmental regulations or measures taken by third countries upon extraction activities might potentially be challenged by the EU through dispute settlement mechanisms in free trade agreements or at the WTO – even if the EU will not actively bring up a legal challenge, the simple fact of leaving the door open might lead to a 'policy chill' situation in which good environmental laws or measures to improve the sustainable management of natural resources are *de facto* prevented. With its narrow focus, the strategy pays lip service to social and environmental concerns and has a heavy political bias towards corporate interests.

- SHORT-SIGHTED

The strategy's focus is purely on the short-term: making sure European companies get their share of the world's remaining resources, and improving Europe's "security of supply", at any possible cost. Long-term thinking is strikingly absent from the Communication. The alarming predictions about the declining reserves of raw materials across the world (most of them being depleted at a speed much higher than once thought) and the growing awareness about the fundamental physical limits of the availability of natural resources for human activity are now an

integral part of the mainstream international political agenda – this EC Communication apparently failed to notice this.

- ANTI-SUSTAINABILITY

The strategy shockingly eludes sustainability considerations related to raw materials extraction: it does not consider the impact of mining operations of EU companies on the environment, local communities or climate change. In particular, the strategy does not address the critical issue of the “resource curse” caused by raw materials extraction in countries with weak governance structures. As such, the strategy is perpetuating and legitimising the “race-to-the-bottom” in social and environmental standards in raw materials extraction, by refusing to link trade with strong, binding and enforceable sustainability standards. Even the mention of the EITI in the Communication is disappointingly tokenistic.

- ANTI-DEVELOPMENT

The Raw Materials Strategy unfairly challenges developing countries’ industrial policies – while developing countries should legitimately be allowed to move up the value chain and implement policies of domestic value-adding, including by protecting infant industries (something industrialised economies have all done themselves!). Instead the strategy is locking in developing countries in the current unfair international division of labour where these countries are mostly exporters of primary raw materials.

- AT ODDS WITH EU’S COMMITMENTS TO STOP DEFORESTATION

The strategy is undercutting efforts – including by the EU! – to curb deforestation in developing countries, by challenging export taxes and export restrictions on log exports<sup>i</sup>

- ATTACKING NATIONAL SOVEREIGNTY OVER NATURAL RESOURCES

The strategy is denying third countries’ sovereign rights over their natural resources although the United Nations – including European States – has adopted more than 80 resolutions relating to “permanent sovereignty over natural resources”, and the principle has been incorporated into a number of multilateral treaties, including the UN Covenant on Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights, both adopted in 1966<sup>ii</sup>;

- THREATENING BIODIVERSITY IN EUROPE

The strategy envisages the revision of the EU’s nature conservation policy by allowing extraction activities in Natura 2000 nature protection areas.

- A SAD EXAMPLE OF “POLICY INCOHERENCE”

The strategy runs against the EU’s objective of “policy coherence” as no clear linkage is provided with the EU Sustainable Development Strategy, in particular the Thematic Strategy on the Sustainable Use of Natural Resources and the Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy.

## ALTERNATIVES

Friends of the Earth Europe refuses to believe that the EU should put forward aggressive strategies and promote a global race-to-the-bottom in standards, just because we Europeans must remain “competitive” (whatever that means) and can keep on living our unsustainable lifestyles.

Instead of embarking in a controversial “resource grab” offensive which risks alienating a number of our economic partners and moving us further away from safe sustainability targets, the EU should invest in long-term solutions such as recycling, re-use, product efficiency and strategies to reduce the overall use of resources by European households and industries.

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<sup>i</sup> See FoEE's latest report “Undercutting Africa”:  
[http://www.foe.co.uk/resource/reports/undercutting\\_africa.pdf](http://www.foe.co.uk/resource/reports/undercutting_africa.pdf)

<sup>ii</sup> Common Article 1 of the Covenants provides in pertinent part:  
*1. All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.*  
*2. All peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law. In no case may a people be deprived of its own means of subsistence.*