

**Public Consultation on the preparation of a new
Communication on Raw Materials**

**Join contribution by
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3. Do you have any comments regarding the recommendations of the report? If so, please specify.

Yes, on recommendation 5 see Answers to questions 7 and 8

7. Do you think that the importance of trade is adequately reflected in the work carried out so far in the Raw Materials Initiative?

The perspective on Trade of the RMI is narrow and one-sided. While free-trade is promoted as the solution, the extremely unequal use of raw materials and the unbalanced and problematic structure of the global trade in raw materials are widely ignored. The need for a reduction of the overconsumption of raw materials in the EU is not acknowledged. The EU is a net importer of Raw materials and a net exporter of processed goods. The negative effects of this extremely unbalanced trade structure on countries who get stuck in the role of raw material suppliers is not acknowledged or addressed in the RMI.

8. Do you have any comment regarding the main findings of DG Trade activity report? What activities should be prioritised? Are there, in your opinion, additional activities not mentioned in the report which should be pursued in this strategy?

The EU strategy on Raw Material needs to take into account two fundamental considerations. Firstly that sustainable consumption of resources is central to tackling the environmental challenges that the world faces. To promote equitable use of the world's limited natural resources, the EU must reduce its consumption of resources and move towards a low-resource, sustainable economic model. Secondly, in order to support development as well as the principles of justice and equity, it is vital that developing countries are in a position to manage raw materials in the interest of their populations and the environment. This would include taxing the companies that extract the raw materials, as well as using trade policy measures to encourage in-country value addition or to discourage extraction or exportation. At present DG Trade's activities run counter to this, focusing instead on establishing a supply of cheap raw materials to be processed (and the benefits reaped) in Europe.

To re-balance policy in this area the EU should be helping developing countries to diversify their economies, reduce export dependency on raw materials, increase local

value addition and protect exhaustible natural resources. It should respect the right of developing countries to regulate and tax their exports and stop pushing for the elimination of or restrictions on the use of export restrictions.

Also the new investment policy has a deep impact on raw materials. The new EU investment policy must ensure that governments are better able to regulate investments and companies to promote the public, developmental interest. Investment agreements must better balance investors' rights with their duties and foster positive investor behaviour to promote long-term sustainable development. EU member states' current bilateral investment treaties (BITs) are inappropriate and should not serve as blueprints for the EU's future investment treaty model. The EU's new, comprehensive investment policy must be reoriented to reflect these concerns. The new investment policy must ensure that all EU investors comply with national and international standards and law on issues such as the environment, human rights and labour conditions. The EU must monitor investments by EU companies to ensure they are held accountable for meeting such standards

11. What specific actions would you consider most relevant needed in the following areas:

- **Good governance;**
- **Infrastructure / investments;**
- **Geological knowledge / skills.**

Instead of promoting the unilateral Raw Materials Initiative, the EU should support a transparent international process for the world community to address how to cooperate in managing raw materials in order to reduce global over-consumption, transfer knowledge on sustainable management of resources and promote sustainable development for all.

12. Regarding transparency, what measures do you believe the EU should take to foster revenue transparency in the mining industry in raw material resourcerich countries? What are your views regarding existing initiatives currently being taken in this area, namely by the Extractive Industries Transparency Initiative (EITI6)?

Transparency Initiatives are a positive first step, but they cannot replace binding regulation. The EU must enhance the direct liability and duty of care of its companies. All EU investors must comply with national and international standards and law on issues such as the environment, human rights and labour conditions. EU companies should be held legally liable in their home states for violations of such standards and laws of their subsidiaries and also for other entities they control. They should also be obliged to establish systems to investigate risks of violations of human rights, environmental and other standards, and take all reasonable steps to prevent or mitigate them, for all companies that are not formally part of the company group but which are economically dependent on it, such as joint ventures and supplier relationships.