

**The European Commission** is looking to forge “win-win partnerships” with raw material-producing countries in a bid to develop new mining projects across the globe and reduce the bloc’s dependence on [China](#).

Trade is “part of the solution” to the rise in demand for [critical raw materials](#) like cobalt, lithium and rare earths, that are needed for the **green transition**, said Leopoldo Rubinacci, deputy director general at the European Commission’s trade department.

Although necessary, EU efforts to increase mining at home “will never be enough” to meet all the demand coming from Europe, he told an event in Brussels hosted by the Friedrich Ebert Foundation, a think-tank affiliated with Germany’s Social Democratic Party (SPD).

“We will never be self-sufficient,” Rubinacci acknowledged, saying the EU would be wrong to close its market to protect its domestic mining industry. “On the contrary, we absolutely have to continue being open,” he said at the event, which took place on 24 May.

At the same time, Europe cannot be naïve and must also “act decisively against any attempt to restrict trade” in critical raw materials, the EU official added, referring to a recent OECD paper that found export duties rising “exponentially” over the past years.

Published in April, the OECD paper cited China, India, Argentina, Russia, Viet Nam, and Kazakhstan as the top six countries in the world regarding new export restrictions on critical raw materials in the period 2009-2020.

“And that creates a fundamental threat for us,” Rubinacci said.

**The EU** won a first case against China over raw materials at the World Trade Organisation (WTO) in 2012 and launched a second case the same year – alongside the United States and Japan – in reaction to Beijing’s export restrictions of rare earth metals.

But Rubinacci rejected accusations that the European Union was seeking to decouple from China.

“We have never said that decoupling was a good idea, never,” the official said. Instead, the EU is “talking about de-risking, not decoupling,” he added in reference to a March speech by European Commission President Ursula von der Leyen, which clarified the EU’s stance on China.

“Decoupling would be a mistake,” Rubinacci declared.

### **Providing an alternative to China**

Europe has grown increasingly nervous as China tightened its stranglehold on global raw materials value chains and related green technologies such as solar panel manufacturing. In the past decades, Beijing developed its domestic mining industry and acquired mines in Africa to expand its dominance in raw materials like cobalt and copper.

But China also suffered setbacks due to accusations of child labour in mines it operates in

the **Democratic Republic of Congo**. Last year, a court suspended the Chinese owner of one of the world's largest copper and cobalt mines there in a dispute involving billions of unpaid royalty fees amid reports of declining worker safety and attempted bribery by the Chinese owners to cover up incidents.

What the EU is looking for, Rubinacci said, is to promote an alternative model for African countries and other raw material producers that makes European investors more attractive than Beijing. That approach was laid down in the EU's Critical Raw Materials Act, presented in March, which seeks to build a "win-win partnership" with resource-rich countries that is beneficial for both sides.

This includes the selection of "strategic projects" for raw materials mining, processing or recycling in Europe and foreign countries that will benefit from streamlined permitting processes and easier government financing under EU state aid rules.

"We have to propose something new - a new partnership that is not just about seeking to have access to the materials, then extract and leave," Rubinacci explained, saying the EU was looking to ensure there is "local value addition" to mining activity for host countries. For instance, the European Commission is currently working on a new strategic partnership with **Chile** for raw materials such as copper and lithium, which both appear on the EU's list of critical raw materials, he said.

"And here, trade rules matter enormously," Rubinacci added, saying those deals add legal security, transparency and enforceability to mining contracts that are typically "extremely risky", with "huge capital" requirements and long lead times from inception to market. Claude Chanson, general manager of Recharge, the European battery manufacturers association, said the industry welcomes the Commission's focus on partnerships bringing added value to host countries.

"We are aiming to generate a new dimension of competition, which is a sustainability dimension," he said, referring to the European battery regulation, which imposes sustainability and transparency standards for batteries including the origin of raw materials used in the manufacturing process.

The industry's hope, he said, is that those standards will become worldwide so that European manufacturers can compete on a level playing field. And the sustainability dimension could be a way of making European manufacturers more competitive, he added.

### **'Colonial greenwashing'**

Yet, there are plenty of questions as to how these new partnerships and standards will be enforced.

Diego Marin, a green campaigner at the European Environmental Bureau (EEB), praised the

EU's Critical Raw Materials Act for its comprehensive approach to new mining projects, which includes a development dimension involving countries in the Global South.

However, he also slammed the EU's approach as "colonial greenwashing" because it doesn't address the more fundamental issue of sovereign debt in the Global South, which is held by European and American banks.

"These countries are forced to sell their [raw materials](#) on the cheap because they have to service this foreign debt," Marin said, criticising the role of Export Credit Agencies for fueling indebtedness in poor countries.

"There is a lack of transparency on how we're going to fund these projects," Marin said, questioning the benefits that new mining projects will actually bring to the Global South. "Is it even in their interest to provide these materials to the European market?" he wondered. Chanson acknowledged issues related to poverty and child labour in the cobalt supply chain but said new transparency and traceability requirements for batteries in Europe "at some point will eliminate this type of business".

The challenge for [Europe](#), he said, will be to enforce those standards on imported goods and not only its home production. "We are worried that the custom controls will not be able to verify" the origin of raw materials, he said..

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