

6. Raw Materials [103]

Commitment

“To this end we will build capacity for good governance of mineral resources consistent with social and environmental standards and sound commercial practices by reducing barriers to investment and trade, through the provision of financial, technical and capacity building support to developing countries for the mining, processing and trading of minerals.”⁶²⁴

Growth and Responsibility in the World Economy

Assessment

Country	Final Compliance Score		
	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada		0	
France		0	
Germany		0	
Italy		0	
Japan		0	
Russia		0	
United Kingdom		0	
United States		0	
European Union			+1
Average Score			+0.11

Background

The issue of good governance in the raw materials sector first arose at the 2004 Sea Island Summit,⁶²⁵ where G8 leaders stressed the need for resource-rich nations to be attentive to potentially corrupt practices within the business practices of raw materials firms.⁶²⁶ The G8 countries had been involved with good governance raw materials programs outside the G8 forum prior to the Sea Island Summit. One particular program of widespread attention was the Extractive Industries Transparency Initiative (EITI), which brought together producer nations, major importing nations and firms in a forum designed to spread best practices among resource producers and consumers.⁶²⁷ At Gleneagles, petroleum-producing nations were encouraged to implement best practices with regards to transparency in order to stimulate greater investment in their extractive industries.⁶²⁸ African states were also encouraged to comply with the EITI and implement its code of best practices, and the G8 countries pledged to continue their support of the EITI.⁶²⁹ The St. Petersburg Summit featured little emphasis on the issue of transparency and good governance in extractive industries, with only a short mention of continuing G8 support for the EITI.⁶³⁰ G8 support for the EITI facilitated the formation of an independent EITI organization based in Oslo and incorporating diverse stakeholders involved in the accomplishment of EITI objectives, including the

⁶²⁴ Growth and Responsibility in the World Economy, G8 Information Centre (Toronto) 7 June 2007. Date of Access: 1 December 2007. <<http://www.g7.utoronto.ca/summit/2007heiligendamm/g8-2007-economy.html>>

⁶²⁵ Fighting Corruption and Improving Transparency, G8 Information Centre (Toronto) 10 June 2004. Date of Access: 22 January 2008. <<http://www.g8.utoronto.ca/summit/2004seaisland/corruption.html>>

⁶²⁶ Fighting Corruption and Improving Transparency, G8 Information Centre (Toronto) 10 June 2004. Date of Access: 22 January 2008. <<http://www.g8.utoronto.ca/summit/2004seaisland/corruption.html>>

⁶²⁷ EITI Summary, Extractive Industries Transparency Initiative (Oslo) 23 September 2007. Date of Access: 22 January 2008. <<http://www.eitransparency.org/eiti/summary>>

⁶²⁸ Global Economy and Oil, G8 Information Centre (Toronto) 8 July 2005. Date of Access: 22 January 2008. <<http://www.g8.utoronto.ca/summit/2005gleneagles/globaleconomy.pdf>>

⁶²⁹ Africa, G8 Information Centre (Toronto) 8 July 2005. Date of Access: 22 January 2008. <<http://www.g8.utoronto.ca/summit/2005gleneagles/africa.html>>

⁶³⁰ Global Energy Security, G8 Information Centre (Toronto) 16 July 2006. Date of Access: 22 January 2008. <<http://www.g8.utoronto.ca/summit/2006stpetersburg/energy.html>>

business community, governments and civil society.⁶³¹ The G8 commitment made at the Heiligendamm Summit marks a departure from the historic G8 discussions on good governance in the raw material sector, as it calls for the establishment of new policies and programs outside the framework of EITI. It is also novel in the fact that it excludes third parties, such as civil society groups and multi-national firms, from discussions.

Team Leader: Sarah Koerner

Canada: 0

Canada has partially complied with its commitment on raw materials. The Government of Canada's general statement on trade in goods states that "[o]ur current and future growth and prosperity depend on open world markets and a stable, predictable, and transparent trading environment."⁶³² Canada's actions following the Heiligendamm Summit support this position.

Canada has worked extensively to lower trade barriers. On 7 June 2007, Minister of International Trade David Emerson announced the launch of negotiations towards a Free Trade Agreement (FTA) between Canada, Colombia, and Peru.⁶³³ These countries held negotiations on 16-20 July 2007, 1-5 October 2007 and 26-30 November 2007.⁶³⁴ Major imports from Colombia include coal and fuel, while those from Peru include gold, copper, and other ores.⁶³⁵ Negotiations included a wide range of issues such as customs procedures, trade facilitation, non-tariff measures and cross-border trade in services and investment.⁶³⁶ Canada and the Dominican Republic announced separate negotiations for an FTA on 7 June 2007, and held the first round of negotiations on 9 July 2007.⁶³⁷ The Government of Canada expects that an FTA with the Dominican Republic will provide a more secure and predictable business environment for Canadian investment as well as enhanced market access opportunities in the wood and forestry sectors.⁶³⁸

Canadian Prime Minister Stephen Harper and King Abdullah II of the Hashemite Kingdom of Jordan announced that Canada and Jordan would begin studying the feasibility of negotiating an FTA on 13 July 2007.⁶³⁹ On 20 October 2007, the Government of Canada launched a comprehensive consultation process seeking views of Canadians on the scope of such an agreement.⁶⁴⁰ On 20 February 2008 the launch of negotiations towards an FTA was announced by the Honourable David Emerson, Minister of International

⁶³¹ History of EITI, Extractive Industries Transparency Initiative (Oslo) 23 September 2007. Date of Access: 22 January 2008. <<http://www.eitransparency.org/eiti/history>>

⁶³² Trade in Goods, Department of Foreign Affairs and International Trade (Ottawa) 30 November 2007. Date of Access: 8 December 2007. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/goods-produits/tariffs.aspx?lang=en>>

⁶³³ Canada-Colombia-Peru FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 6 December 2007. Date of Access: 10 January 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/andean-andin/index.aspx>>

⁶³⁴ Canada-Colombia-Peru FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 6 December 2007. Date of Access: 10 January 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/andean-andin/index.aspx>>

⁶³⁵ Canada-Colombia-Peru FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 6 December 2007. Date of Access: 10 January 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/andean-andin/index.aspx>>

⁶³⁶ Canada-Colombia-Peru FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 6 December 2007. Date of Access: 10 January 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/andean-andin/index.aspx>>

⁶³⁷ Canada-Dominican Republic FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 5 December 2007. Date of Access: 8 December 2007. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/dominican-dominicaine.aspx?lang=en>>

⁶³⁸ Canada-Dominican Republic FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 5 December 2007. Date of Access: 8 December 2007. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/dominican-dominicaine.aspx?lang=en>>

⁶³⁹ Canada-Jordan FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 30 November 2007. Date of Access: 10 January 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/jordan-jordanie.aspx?lang=en>>

⁶⁴⁰ Canada-Jordan FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 30 November 2007. Date of Access: 10 January 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/jordan-jordanie.aspx?lang=en>>

Trade.⁶⁴¹ Jordan's expanding economy provides opportunities for Canadian investors in several sectors including agriculture, forestry products, and mining.⁶⁴²

On 26 July 2007, Minister of Natural Resources Gary Lunn announced that a Memorandum of Understanding (MOU) signed with Chile will develop geospatial knowledge in both countries.⁶⁴³ The MOU will facilitate the use of Canadian companies' expertise and tools such as remote sensing and satellite imagery to promote environmental projects and enhance the sustainable development of both Canada and Chile's natural resources.⁶⁴⁴

On 29 March 2007, an Advisory Committee released the *Final Report of the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries*.⁶⁴⁵ The Report contained recommendations stemming from the National Roundtables on Corporate Social Responsibility, held in various Canadian communities throughout 2006 with the support of the Canadian government. The recommendations contained in the Report were intended to strengthen Canadian government sanctions against those corporations operating in the extractive sector that violate international environmental and human rights standards.⁶⁴⁶ As of May 2008, the Government of Canada has implemented a limit number of the recommendations included in the report, including support for the EITI and enhanced transparency of the Canada Investment Fund for Africa.

On 27 July 2007, while in Argentina, Minister Lunn reminded his audience that Canada supports the Extractive Industries Transparency Initiative (EITI).⁶⁴⁷ He further noted Finance Minister Jim Flaherty's support for the Initiative and the Minister's announcement of CAD750 000 for the EITI, which was made in February 2007.⁶⁴⁸ This funding is in addition to the CAD100 000 annual contributions made by the Canadian government to the EITI.⁶⁴⁹ A statement of support for the EITI was made in a speech by Minister Lunn on 2 March 2008;⁶⁵⁰ however, no announcements of additional funds have been made since Minister Flaherty's speech in April 2007.

On 6-7 May 2008, Canada participated in exploratory discussions on the possibility of FTA negotiations with Panama.⁶⁵¹ Imports from Panama include mineral fuels, fruits and nuts, oil products and wood products.⁶⁵²

⁶⁴¹ Canada and Jordan – Free Trade Agreement Negotiations. Department of Foreign Affairs and International Trade (Ottawa) 7 May 2008. Date of Access 8 May 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/jordan-jordanie.aspx?lang=en>>

⁶⁴² Canada-Jordan FTA talks. Department of Foreign Affairs and International Trade (Ottawa) 30 November 2007. Date of Access: 10 January 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/jordan-jordanie.aspx?lang=en>>

⁶⁴³ Canada's New Government Strengthens Ties with Chile with Mapping Agreement, Natural Resources Canada (Ottawa) 25 July 2007. Date of Access 18 January 2007. <http://www.rncan.gc.ca/media/newsreleases/2007/200772_e.htm>

⁶⁴⁴ Canada's New Government Strengthens Ties with Chile with Mapping Agreement, Natural Resources Canada (Ottawa) 25 July 2007. Date of Access 18 January 2007. <http://www.rncan.gc.ca/media/newsreleases/2007/200772_e.htm>

⁶⁴⁵ An Important Step Forward: Final Report of the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries, Development and Peace (Montreal) 30 March 2007. Date of Access: 22 February 2008. <<http://www.devp.org/devpme/eng/pressroom/2007/comm2007-03-30-eng.html>>

⁶⁴⁶ An Important Step Forward: Final Report of the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries, Development and Peace (Montreal) 30 March 2007. Date of Access: 22 February 2008. <<http://www.devp.org/devpme/eng/pressroom/2007/comm2007-03-30-eng.html>>

⁶⁴⁷ Notes for a Speech by The Honourable Gary Lunn, P.C., M.P., to the Argentina-Canada Chamber of Commerce, Natural Resources Canada (Ottawa) 27 July 2007. Date of Access: 22 February 2008. <<http://www.rncan-rncan.gc.ca/media/spedis/2007/200768-eng.php>>

⁶⁴⁸ Notes for a Speech by The Honourable Gary Lunn, P.C., M.P., to the Argentina-Canada Chamber of Commerce, Natural Resources Canada (Ottawa) 27 July 2007. Date of Access: 22 February 2008. <http://www.rncan-rncan.gc.ca/media/speeches/2007/200768_e.htm>

⁶⁴⁹ Canada's New Government Supports an International Initiative to Improve Governance in Resource-Rich Countries, Department of Finance (Ottawa) 10 February 2007. Date of Access: 21 June 2008. <<http://www.fin.gc.ca/news07/07-012e.html>>

⁶⁵⁰ Notes for a Speech by the Honourable Gary Lunn, P.C., M.P. Minister of Natural Resources to the World Mines Ministries Forum, Natural Resources Canada (Ottawa) 2 March 2008. Date of Access: 2 May 2008. <<http://www.rncan-rncan.gc.ca/media/spedis/2008/200814-eng.php>>

⁶⁵¹ Canada-Panama Exploratory Discussions Towards Possible Free Trade Agreement Negotiations, Department of Foreign Affairs and International Trade (Ottawa) 5 May 2008. Date of Access: 6 May 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/panama.aspx?lang=en>>

On 26 March 2008, Canada announced Foreign Investment Protection and Promotion Agreement (FIPA) negotiations with Indonesia, Madagascar, Tanzania, and, on 7 May 2008, the intent to conduct Strategic Environmental Assessments of FIPAs with Madagascar and Tanzania.⁶⁵³

Thus, Canada has been awarded a score of 0 for its comprehensive initiatives to further North-South cooperation in extractive industries and its failure to implement previously drafted recommendations on CSR.

Analyst: Valentine Nichita

France: 0

France has partially complied with its raw materials commitment.

As part of the Africa-EU Action Plan 2008-2010, announced at the EU-Africa Summit in Lisbon, Portugal on 8 December 2007, France agreed to continue its support for the Extractive Industries Transparency Initiative (EITI).⁶⁵⁴ France has consistently provided political leadership and economic support for EITI proceedings.⁶⁵⁵ As part of the EITI, France has provided macroeconomic aid and assistance for the Democratic Republic of Congo (DRC), a mineral-rich African nation.⁶⁵⁶ The French Foreign Ministry stressed the need for “encouraging the implementation of the Extractive Industry Transparency Initiative (EITI)” in the DRC and supported DRC participation in the Kimberley Process.⁶⁵⁷ On 24 and 25 August 2007, France also participated in an EITI program to spread best practices in the raw materials sectors of the Chadian economy.⁶⁵⁸

On 18 February 2008, a draft resolution calling for greater transparency in the extractive industries was introduced at the United Nations General Assembly. One of the nations lending its support to the draft was France. The resolution also calls on countries not already members of the EITI to consider joining the Initiative, and recommends that UN agencies support member-states in their implementation of EITI programs.⁶⁵⁹

During a state visit to South Africa, on 28 February 2008, French President Nicolas Sarkozy and South African President Thabo Mbeki jointly agreed to further French company involvement in the development of the South African energy sector.⁶⁶⁰

⁶⁵² Canada-Panama Exploratory Discussions Towards Possible Free Trade Agreement Negotiations, Department of Foreign Affairs and International Trade (Ottawa) 5 May 2008. Date of Access: 6 May 2008.

<<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/panama.aspx?lang=en>>

⁶⁵³ Highlights – Archives 2008, Department of Foreign Affairs and International Trade (Ottawa) 8 May 2008. Date of Access: 8 May 2008. <<http://www.international.gc.ca/trade-agreements-accords-commerciaux/what.aspx?lang=en>>

⁶⁵⁴ DRC ready to embark on next phase of EITI, Extractive Industries Transparency Initiative (Oslo) 11 December 2007. Date of Access: 10 January 2008. <<http://www.eitransparency.org/node/306>>

⁶⁵⁵ Supporting Countries, Extractive Industries Transparency Initiative (Oslo) 23 September 2007. Date of Access 19 January 2008. <<http://eitransparency.org/supporters/countries>>

⁶⁵⁶ Framework Partnership Document- Democratic Republic of Congo (2007-2011), Ministère des Affaires Étrangères (Paris) Date of Access: 19 January 2008. <http://www.diplomatie.gouv.fr/en/france-priorities_1/development_2108/french-policy_2589/aid-instruments_2674/framework-partnership-documents_2675/framework-partnership-document-france-democratic-republic-of-congo-2007-2011_9498.html?var_recherche=eiti#sommaire_9>

⁶⁵⁷ Framework Partnership Document- Democratic Republic of Congo (2007-2011), Ministère des Affaires Étrangères (Paris) Date of Access: 19 January 2008. <http://www.diplomatie.gouv.fr/en/france-priorities_1/development_2108/french-policy_2589/aid-instruments_2674/framework-partnership-documents_2675/framework-partnership-document-france-democratic-republic-of-congo-2007-2011_9498.html?var_recherche=eiti#sommaire_9>

⁶⁵⁸ EITI Workshop held in Chad, Extractive Industries Transparency Initiative (Oslo) 24 August 2007. Date of Access: 19 January 2008. <<http://eitransparency.org/node/255>>

⁶⁵⁹ UN Resolution on the EITI, Extractive Industries Transparency Initiative (Oslo) 30 April 2008. Date of Access: 31 May 2008. <<http://www.eitransparency.org/document/unresolution>>

⁶⁶⁰ Sarkozy to talk energy in South Africa, France24 (Paris) 28 February 2008. Date of Access: 7 May 2008.

<<http://www.france24.com/en/20080228-sarkozy-talks-energy-south-africa-france-Mbeki-electricity&navi=MONDE>>

On 10 April 2008, in an interview from the Second EU-Central Asia troika, French Foreign Minister Bernard Kouchner revealed that French firms such as Bouygues and Total have established a commercial presence in Turkmenistan. The goal of the companies is to train local workers and to develop natural resources industries while respecting environmental standards.⁶⁶¹

French cooperation on issues pertaining to the extractive industries is also conducted by the French Development Agency (AFD). The AFD supports energy initiatives in China in an attempt to prevent import over-dependency in the region and to develop sustainable energy practices.⁶⁶²

Thus, France has been awarded a score of 0 for the progress it has made in addressing the various components of the Raw Materials commitment.

Analyst: Roland Xing

Germany: 0

Germany has partially complied with its raw materials commitment.

In October 2007, the Federal Government of Germany financed a pilot project designed to establish Certified Trading Chains (CTC) in mineral production in cooperation with the World Bank.⁶⁶³ CTC is an instrument to implement ethical standards and transparency in the extraction and processing of minerals.⁶⁶⁴

On 13-14 December 2007, an international conference on “Transparency in the Extractive Sector” was held in Berlin, Germany.⁶⁶⁵ It was designed to allow high-level representatives from politics, industry, academia, and civil society to contribute their experience from projects in industrialized, emerging, and developing countries to panel discussions and workshops.⁶⁶⁶ The aim of the conference was to increase the transparency of payments in connection with the extraction of oil, gas, and other raw materials so that the revenues would flow into public budgets used to combat poverty.⁶⁶⁷ Participants also focused attention on certification systems as important instruments contributing to greater transparency in the extraction, trade and processing of raw materials, the reduction of environmental pollution, and the observance of social standards.⁶⁶⁸ Erich Stather, State Secretary, Federal Ministry for Economic Cooperation and Development (BMZ) and Dr. Bernd Pfaffenbach, G8 Sherpa to the Federal Chancellor and State Secretary in the Federal Ministry of Economics and Technology (BMW) presided over the conference.⁶⁶⁹

⁶⁶¹ Interview: French Foreign Minister Speaks on EU-Central Asia, Turkmenistan-France Relations, News Central Asia (Ashgabat, Turkmenistan) 10 April 2008. Date of Access: 10 May 2008. <<http://www.newscentralasia.net/Articles-and-Reports/266.html>>

⁶⁶² L'AFD en Chine : Maîtriser l'énergie pour un Développement durable, Agence française de développement (Paris) Date of Access : 19 January 2007. <<http://www.afd.fr/jahia/Jahia/lang/en/home/activite/Energie/pid/964>>

⁶⁶³ Certified Trading Chains in Mineral Production, Bundesanstalt für Geowissenschaften und Rohstoffe (Berlin) October 2007. Date of Access: 10 January 2007. <http://www.transparency-extractive-sector-conference-2007.info/downloads/en/071001_WaB121_CTCconcept.pdf>

⁶⁶⁴ Certified Trading Chains in Mineral Production, Bundesanstalt für Geowissenschaften und Rohstoffe (Berlin) October 2007. Date of Access: 10 January 2007. <http://www.transparency-extractive-sector-conference-2007.info/downloads/en/071001_WaB121_CTCconcept.pdf>

⁶⁶⁵ Transparency in the Extractive Sector Conference, Bundesanstalt für Geowissenschaften und Rohstoffe (Berlin) 14 December 2007. Date of Access: 10 January 2007. <<http://www.transparency-extractive-sector-conference-2007.info/en/Default.htm>>

⁶⁶⁶ Transparency in the Extractive Sector Conference, Bundesanstalt für Geowissenschaften und Rohstoffe (Berlin) 14 December 2007. Date of Access: 10 January 2007. <<http://www.transparency-extractive-sector-conference-2007.info/en/Default.htm>>

⁶⁶⁷ Transparency in the Extractive Sector Conference, Bundesanstalt für Geowissenschaften und Rohstoffe (Berlin) 14 December 2007. Date of Access: 10 January 2007. <<http://www.transparency-extractive-sector-conference-2007.info/en/Default.htm>>

⁶⁶⁸ Transparency in the Extractive Sector Conference, Bundesanstalt für Geowissenschaften und Rohstoffe (Berlin) 14 December 2007. Date of Access: 10 January 2007. <<http://www.transparency-extractive-sector-conference-2007.info/en/Default.htm>>

⁶⁶⁹ Transparency in the Extractive Sector Conference, Bundesanstalt für Geowissenschaften und Rohstoffe (Berlin) 14 December 2007. Date of Access: 10 January 2007. <<http://www.transparency-extractive-sector-conference-2007.info/en/Default.htm>>

At the conclusion of the Transparency in the Extractive Sector Conference, State Secretary Erich Stather noted that “in many countries, commodity export earnings have had an almost paradoxical impact: more social conflicts, impoverishment of broad masses of the population, even war-like disputes.”⁶⁷⁰ Secretary Stather then stressed the need to support transparency initiatives like the Extractive Industries Transparency Initiative (EITI).⁶⁷¹ However, no definite goals, timelines, or funding commitments were announced.

The German Association for Technical Cooperation (GTZ), under the aegis of the Extractive Industries Transparency Initiative (EITI), also pledged €1 million in bilateral aid to strengthen governance in the extractive industries in countries of the Central African Economic and Monetary Community (CEMAC). The project, approved in November 2007 and employing means such as advisory services, networking and financial contributions, is currently in the implementation phase.⁶⁷²

On 18 February 2008, a draft resolution calling for greater transparency in the extractive industries was introduced at the United Nations General Assembly. One of the nations lending its support to the draft was Germany. The resolution also calls on countries not already members of the EITI to consider joining the Initiative, and recommends that UN agencies support member-states in their implementation of EITI programs.⁶⁷³

Thus, Germany has been awarded a score of 0 for the progress it has made in addressing the various components of the Raw Materials commitment.

Analyst: Valentine Nichita

Italy: 0

Italy has partially complied with its raw materials commitments.

On 25 June 2007, Italy highlighted the benefits of the Extractive Industries Transparency Initiative (EITI) and the Kimberly Process at a Security Council session convened to discuss the exploitation of natural resources in areas of conflict.⁶⁷⁴

As a member of the European Community, the 2007 Brussels Plenary session of the Kimberly Process recognized Italy “for its efforts as chair to strengthen the international implementation of the Kimberly Process.”⁶⁷⁵ Three new members were added at the Brussels Plenary session in November of 2007, including Turkey, Liberia and the Republic of Congo.⁶⁷⁶

On 18 February 2008, a draft resolution calling for greater transparency in the extractive industries was introduced at the United Nations General Assembly. One of the nations lending its support to the draft was Italy. The resolution also calls on countries not already members of the EITI to consider joining the Initiative, and recommends that UN agencies support member-states in their implementation of EITI programs.⁶⁷⁷

⁶⁷⁰ Conference: Transparency in the Extractive Sector, Federal Ministry for Economic Cooperation and Development (Berlin) 14 December 2007. Date of Access: 12 January 2007.

<http://www.bmz.de/en/press/pm/2007/december/pm_20071214_151.html>

⁶⁷¹ Conference: Transparency in the Extractive Sector, Federal Ministry for Economic Cooperation and Development (Berlin) 14 December 2007. Date of Access: 12 January 2007.

<http://www.bmz.de/en/press/pm/2007/december/pm_20071214_151.html>

⁶⁷² Strengthening of Governance in Extractive Industries, Central Africa, U4 Anti Corruption Resource Center (Oslo) 4 December 2007. Date of Access: 8 May 2008. <<http://www.u4.no/projects/project.cfm?id=800>>

⁶⁷³ UN Resolution on the EITI, Extractive Industries Transparency Initiative (Oslo) 30 April 2008. Date of Access: 31 May 2008. <<http://www.eitransparency.org/document/unresolution>>

⁶⁷⁴ Security Council Underscores Need For Peacekeeping Mandates To Consider Helping States Prevent Illegal Exploitation of Natural Resources from Fuelling Conflict, United Nations (New York) 25 June 2007. Date of Access: 1 December 2007. <<http://www.un.org/News/Press/docs//2007/sc9060.doc.htm>>

⁶⁷⁵ 2007 Kimberly Process Communique, The Kimberly Process (Brussels) 8 November 2007. Date of Access: 1 December 2007. <<http://www.kimberleyprocess.com/download/getfile/678>>

⁶⁷⁶ Kimberly Process Reviews Progress during 2007, The Kimberly Process (Brussels) 31 October 2007. Date of Access: 1 December 2007. <<http://www.kimberleyprocess.com/download/getfile/691>>

⁶⁷⁷ UN Resolution on the EITI, Extractive Industries Transparency Initiative (Oslo) 30 April 2008. Date of Access: 31 May 2008. <<http://www.eitransparency.org/document/unresolution>>

Thus, Italy has been awarded a score of 0 for its lack of concrete initiatives on the issue of transparency in extractive industries.

Analyst: Shiva Logarajah

Japan: 0

Japan has partially complied with its commitment on raw materials.

On 23 August 2007, Japanese Minister of Economy, Trade, and Industry H.E. Akira Amari attended the 4th ASEAN+3 (China, Japan and Korea) Energy Meeting in Singapore, where member states agreed to “promote mutual understanding of the oil markets in a bid to encourage freer trade of oil.” Members also supported the Joint Oil Data Initiative (JODI), which advocates transparency in oil extraction and sales.⁶⁷⁸ Minister Amari, along with other Ministers from China and Korea, acknowledged the mutual dependence of the three nations with regard to natural gas.⁶⁷⁹ The Ministers agreed that discussions on natural gas issues should be in an atmosphere of transparency and on a basis of mutual trust and respect, so as to ensure an open, efficient, and transparent investment climate.⁶⁸⁰ The Ministers also requested assistance from the ASEAN Centre for Energy (ACE) and the ASEAN Council on Petroleum (ASCOPE) for ASEAN+3 countries on the task of preparing a compendium of the natural gas (Coal Bed Methane) industry, which will provide vital information on doing business in the ASEAN+3 region’s natural gas industry.⁶⁸¹

On 23 August 2007, Minister Amari also held a meeting in Singapore with the Hon. Harry Duynhoven, Associate Minister for Energy of New Zealand, on the occasion of the First East Asia Summit Energy Ministers Meeting.⁶⁸² Both parties communicated the importance of bilateral cooperation on petroleum stocks, bearing in mind Article 3 of the Annex to the Agreement on an International Energy Program.⁶⁸³

The Japan International Cooperation Agency (JICA) has been assisting a four-year project in Poland ending in June 2008.⁶⁸⁴ The aim of the project is to establish an Energy Conservation Technology Center with the capacity to provide energy conservation training, energy audit services, public information services, and other services to industry.⁶⁸⁵ Four experts are currently on long-term assignments in Poland and Japan also plans to send experts on short-term assignments.⁶⁸⁶

Thus, Japan has been awarded a score of 0 for its inactivity in promoting transparency in extractive industries.

Analysts: Molly Jung and Dasha Frolova

⁶⁷⁸ 4th ASEAN+3 (China, Japan, and Korea) Ministers on Energy Meeting Singapore, 23 August 2007, Ministry of Economy, Trade, and Industry (Tokyo) 24 August 2007. Date of Access: 9 January 2008. <<http://www.meti.go.jp/english/information/downloadfiles/PressRelease/070823JointMinisterialStatements.pdf>>

⁶⁷⁹ 4th ASEAN+3 (China, Japan, and Korea) Ministers on Energy Meeting Singapore, 23 August 2007, Ministry of Economy, Trade, and Industry (Tokyo) 24 August 2007. Date of Access: 9 January 2008. <<http://www.meti.go.jp/english/information/downloadfiles/PressRelease/070823JointMinisterialStatements.pdf>>

⁶⁸⁰ 4th ASEAN+3 (China, Japan, and Korea) Ministers on Energy Meeting Singapore, 23 August 2007, Ministry of Economy, Trade, and Industry (Tokyo) 24 August 2007. Date of Access: 9 January 2008. <<http://www.meti.go.jp/english/information/downloadfiles/PressRelease/070823JointMinisterialStatements.pdf>>

⁶⁸¹ 4th ASEAN+3 (China, Japan, and Korea) Ministers on Energy Meeting Singapore, 23 August 2007, Ministry of Economy, Trade, and Industry (Tokyo) 24 August 2007. Date of access: 9 January 2008. <<http://www.meti.go.jp/english/information/downloadfiles/PressRelease/070823JointMinisterialStatements.pdf>>

⁶⁸² Joint Statement between the Minister of Economy, Trade and Industry of Japan and the Associate Minister for Energy of New Zealand on Cooperation in the field of Petroleum Stocks, Ministry of Economy, Trade, and Industry (Tokyo) 23 August 2007. Date of Access: 9 January 2008. <http://www.meti.go.jp/press/20070823002/03_enq.pdf>

⁶⁸³ Joint Statement between the Minister of Economy, Trade and Industry of Japan and the Associate Minister for Energy of New Zealand on Cooperation in the field of Petroleum Stocks, Ministry of Economy, Trade, and Industry (Tokyo) 23 August 2007. Date of access: 9 January 2008. <http://www.meti.go.jp/press/20070823002/03_enq.pdf>

⁶⁸⁴ The Project on Poland-Japan Energy Conservation Technology Center, Japan International Cooperation Agency (Tokyo) Date of Access: 9 January 2008. <<http://www.jica.go.jp/english/global/ener/poland.html>>

⁶⁸⁵ The Project on Poland-Japan Energy Conservation Technology Center, Japan International Cooperation Agency (Tokyo). Date of access: 9 January 2008. <<http://www.jica.go.jp/english/global/ener/poland.html>>

⁶⁸⁶ The Project on Poland-Japan Energy Conservation Technology Center, Japan International Cooperation Agency (Tokyo). Date of access: 9 January 2008. <<http://www.jica.go.jp/english/global/ener/poland.html>>

Russia: 0

Russia has partially complied with its commitment on Raw Materials.

Russia pursues a policy of open partnership with developing countries on issues of mining, processing and trading of minerals. On 20 September 2007, meeting with Minister of Foreign Affairs of Iraq Khoshiyar Zibari, Russian Minister of Industry and Energy Khristenko pointed out important directions of cooperation, among which are oil and gas, infrastructure, and science and technology development.⁶⁸⁷ According to Minister Khristenko, active partnership and new projects in the sphere of minerals processing are also planned between China and Russia.⁶⁸⁸

At the end of June 2007, the Ministers responsible for fuel and energy development in the framework of The Shanghai Cooperation Organization (SCO) met in Moscow. Representatives created the SCO Energy Club for further partnership and informational exchange development.⁶⁸⁹ The goal of this new framework is the efficient and timely dissemination of information about energy production, consumption and transit among governments, businesspeople and the financial markets, thereby increasing transparency of energy flows.⁶⁹⁰

At their joint meeting on 29 June 2007, Deputy Minister of Industry and Energy Anatoly Yanovsky and Deputy Minister of Oil of Iran developed a partnership of companies from Russia and Iran in the sphere of oil, gas and coal industry. Iran declared its interest in Russian equipment for Iranian mines. The Russian state company Gazprom declared that it is ready to collaborate with the Iranian gas industry to increase its efficiency.⁶⁹¹

On 6-7 May 2008, Minister Khristenko and Minister of Energy and Mineral Resources of Kazakhstan Sauat Minbaev discussed partnership in the sphere of fuel and energy, as well as future investments in oil projects in Russia, Kazakhstan and third countries.⁶⁹²

Thus, Russia has been awarded a score of 0 for its financial and technical assistance, and aid for capacity building to developing nations in the extractive industries.

Analyst: Natalia Churkina

UK: 0

The UK has partially complied with the raw materials commitments of the Heiligendamm Summit.

The UK is a founding member of the Extractive Energy Transparency Initiative (EITI), and was a sponsoring country of the initiative.⁶⁹³ The UK's Department for International Development (DFID) continues its engagement in developing countries and has several ongoing financial commitments with other nations to emphasize the importance of energy transparency and commitment to EITI objectives.

⁶⁸⁷ Not from the very beginning, Ministry of Industry and Energy (Moscow) 20 September 2007. Date of access: 18 December 2007. <<http://www.minprom.gov.ru/activity/inter/news/179>>

⁶⁸⁸ East window of opportunities, Ministry of Industry and Energy (Moscow) 10 July 2007. Date of Access: 18 December 2007. <<http://www.minprom.gov.ru/activity/inter/news/171>>

⁶⁸⁹ The SCO Energy Club will appear, Ministry of Industry and Energy (Moscow) 29 June 2007. Date of Access: 18 December 2007. <<http://www.minprom.gov.ru/activity/inter/news/168>>

⁶⁹⁰ The SCO Energy Club will appear, Ministry of Industry and Energy (Moscow) 29 June 2007. Date of Access: 18 December 2007. <<http://www.minprom.gov.ru/activity/inter/news/168>>

⁶⁹¹ 21 Azar 1386 of the Solar Hijra Calendar, Ministry of Industry and Energy (Moscow) 29 June 2007. Date of Access: 17 December 2007. <<http://www.minprom.gov.ru/press/release/showNewsIssue?url=activity/inter/news/190>>

⁶⁹² Moscow-Astana, Ministry of Industry and Energy (Moscow) 7 May 2008. Date of Access: 11 May 2008. <<http://www.minprom.gov.ru/press/release/showNewsIssue?url=activity/inter/news/206>>

⁶⁹³ Supporting Countries, Extractive Industries Transparency Initiative (Oslo) 23 September 2007. Date of Access 19 January 2008. <<http://eitransparency.org/suppliers/countries>>

A Department for International Development (DFID) press release states that “[i]mproving the management of natural resource exploitation for the benefit of all the DRC [Democratic Republic of Congo]’s people” is a priority.⁶⁹⁴ The Department does not, however, give specific details of cooperation between the UK and the DRC on the issue of transparency in the extractive sector. DFID also has ongoing, long-term development projects in China, with a projected duration from 2006-2011, specifically addressing the need to “engage” China in EITI goals.⁶⁹⁵

On 8 December 2007, at the EU-Africa Summit in Lisbon, the UK reaffirmed its support for good governance in the extractive sector. The Africa-EU Action Plan 2008-2010, which was endorsed at the Summit, signaled an intention to “promote transparency in the management of natural resources and conduct a dialogue on relevant international initiatives such as the EITI.”⁶⁹⁶

Concerns over the efficiency of the current system of encouraging transparency in the extractive industries may stall British progress on implementing the EITI and similar initiatives. In a November 2007 review of British Strategic Exports Controls, representatives of the Departments of Foreign Affairs, Defence, Trade, Industry and Development recommended that the government postpone plans to expand its anti-corruption and transparency-based export controls until auditors had assessed whether or not they were indeed capable of preventing illegal dealings.⁶⁹⁷ The auditors suggested that it was too difficult to determine whether or not a deal was corrupt ex-ante and that sufficient evidence for the imposition of the export controls was only apparent after the completion of the transaction.⁶⁹⁸

On 18 February 2008, a draft resolution calling for greater transparency in the extractive industries was introduced at the United Nations General Assembly. One of the nations lending its support to the draft was the United Kingdom. The resolution also calls on countries not already members of the EITI to consider joining the Initiative, and recommends that UN agencies support member-states in their implementation of EITI programs.⁶⁹⁹

Thus, the United Kingdom has been awarded a score of 0 for its lack of concrete action on the issue of transparency in the extractive industries.

Analyst: Roland Xing

United States: 0

The United States has partially complied with its commitment on raw materials. No new developments have been recorded since the Interim Compliance Report was released in February 2008.

Assistant Secretary for Economic, Energy, and Business Affairs Daniel S. Sullivan Assistant Secretary Sullivan praised the Extractive Industries Transparency Initiative (EITI) in his speech on 26 September 2007 in Washington, D.C., noting that the “EITI is an important part of fighting kleptocracy.”⁷⁰⁰ He

⁶⁹⁴ “Country Profiles: Africa, Democratic Republic of Congo”, Department for International Development (London) March 2007. Date of Access: 19 January 2008.

<<http://www.dfid.gov.uk/countries/africa/congo.asp>>

⁶⁹⁵ “China: Country Assistance Plan”, Department for International Development (London) March 2006. Date of Access: 19 January 2008.

<<http://www.dfid.gov.uk/pubs/files/china-cap-short.pdf>>

⁶⁹⁶ First Action Plan (2008-2010) For the Implementation of the Africa-EU strategic partnership, European Union (Brussels) 9 December 2007. Date of Access: 12 December 2007.

<http://ec.europa.eu/development/icenter/repository/EAS2007_action_plan_2008_2010_en.pdf#zoom=100>

⁶⁹⁷ Response of the Secretaries of State for Defence, Foreign and Commonwealth Affairs, International Development and Business, Enterprise and Regulatory Reform, Foreign and Commonwealth Office (London) 23 November 2007. Date of Access: 22 January 2008. <[http://www.fco.gov.uk/Files/KFile/FCO%20Command%20\(2\).pdf](http://www.fco.gov.uk/Files/KFile/FCO%20Command%20(2).pdf)>

⁶⁹⁸ Response of the Secretaries of State for Defence, Foreign and Commonwealth Affairs, International Development and Business, Enterprise and Regulatory Reform, Foreign and Commonwealth Office (London) 23 November 2007. Date of Access: 22 January 2008. <[http://www.fco.gov.uk/Files/KFile/FCO%20Command%20\(2\).pdf](http://www.fco.gov.uk/Files/KFile/FCO%20Command%20(2).pdf)>

⁶⁹⁹ UN Resolution on the EITI, Extractive Industries Transparency Initiative (Oslo) 30 April 2008. Date of Access: 31 May 2008. <<http://www.eitransparency.org/document/unresolution>>

⁷⁰⁰ Developing an Anti-Corruption Program for SME’s: Role of USG Agencies, International Financial Institutions, and NGO’s, U.S. Department of State (Washington D.C.) 26 September 2007. Date of Access: 8 January 2008.

<<http://www.state.gov/e/eeb/rls/rm/2007/93237.htm>>

explained that the EITI is in line with President Bush's national strategy to internationalize efforts against kleptocracy and "enablers" of kleptocracy.⁷⁰¹

On 16 August 2007, in Baku, Azerbaijan, Assistant Secretary Sullivan delivered a speech in which he highlighted the importance of maintaining a good relationship with Azerbaijan in the energy sector. Assistant Secretary Sullivan and his Azeri counterpart Minister Sharifov launched The Economic Partnership Commission (EPC) in February 2007, which intends to deepen economic and commercial engagement between the two countries and to facilitate oil exports to a wider market.⁷⁰² The EPC seeks to ensure Azerbaijan's continued and sustainable development, wise use of its energy resources and revenues, and successful transition toward a market economy.⁷⁰³ The EPC encourages Azerbaijan to diversify its economy and use oil revenue for sustainable ends. It also addresses development in both the oil and non-energy sector.⁷⁰⁴

Thus, the United States has been awarded a score of 0 for its promotion of the EITI and related initiatives in developing countries.

Analyst: Molly Jung

European Union: +1

The European Union has fully complied with its commitment on raw materials. Not only have EU representatives made numerous statements regarding transparency and good governance, but there has also been progress in "reducing barriers to investment and trade."⁷⁰⁵

As chair of the Kimberly Process in 2007, the European Commission was recognized "for its efforts as chair to strengthen the international implementation of the Kimberly Process."⁷⁰⁶ Turkey, Liberia and the Republic of Congo were added as new members at the Brussels Plenary session in November of 2007.⁷⁰⁷ In addition, as chair, the EU brought greater transparency to the Kimberly Process through the publication of diamond production and trade statistics.⁷⁰⁸

In October 2007, the EU sponsored a technical conference to enhance the traceability of diamonds in West Africa. As a result of this conference, "progress to develop 'footprints' [size-frequency distribution diagrams] for West African diamond production" has been made.⁷⁰⁹

On 8 December 2007 at the EU-Africa Summit in Lisbon, the EU reaffirmed its support for good governance in the extractive sector. The Africa-EU Action Plan 2008-2010, which was endorsed at the Summit, signaled an intention to "promote transparency in the management of natural resources and conduct a dialogue on relevant international initiatives such as the Extractive Industry Transparency Initiative (EITI)."⁷¹⁰

⁷⁰¹ Developing an Anti-Corruption Program for SME's: Role of USG Agencies, International Financial Institutions, and NGO's, U.S. Department of State (Washington D.C.) 26 September 2007. Date of Access: 8 January 2008. <<http://www.state.gov/e/eeb/rls/rm/2007/93237.htm>>

⁷⁰² Economic Engagement: Building the U.S.-Azerbaijan Relationship, U.S. Department of State (Washington D.C.) 16 August 2007. Date of Access: 8 January 2008. <<http://www.state.gov/e/eeb/rls/rm/2007/91369.htm>>

⁷⁰³ Economic Engagement: Building the U.S.-Azerbaijan Relationship, U.S. Department of State (Washington D.C.) 16 August 2007. Date of Access: 8 January 2008. <<http://www.state.gov/e/eeb/rls/rm/2007/91369.htm>>

⁷⁰⁴ Economic Engagement: Building the U.S.-Azerbaijan Relationship, U.S. Department of State (Washington D.C.) 16 August 2007. Date of Access: 8 January 2008. <<http://www.state.gov/e/eeb/rls/rm/2007/91369.htm>>

⁷⁰⁵ Growth and Responsibility in the World Economy, G8 Information Centre (Toronto) 7 June 2007. Date of Access: 1 December 2007. <<http://www.g7.utoronto.ca/summit/2007heiligendamm/g8-2007-economy.html>>

⁷⁰⁶ 2007 Kimberly Process Communiqué, The Kimberly Process (Brussels) 8 November 2007. Date of Access: 1 December 2007. <<http://www.kimberlyprocess.com/download/getfile/678>>

⁷⁰⁷ Kimberly Process Reviews Progress during 2007, The Kimberly Process (Brussels) 31 October 2007. Date of Access: 1 December 2007. <<http://www.kimberlyprocess.com/download/getfile/691>>

⁷⁰⁸ Kimberly Process Reviews Progress during 2007, The Kimberly Process (Brussels) 31 October 2007. Date of Access: 1 December 2007. <<http://www.kimberlyprocess.com/download/getfile/691>>

⁷⁰⁹ Kimberly Process Reviews Progress during 2007, The Kimberly Process (Brussels) 31 October 2007. Date of Access: 1 December 2007. <<http://www.kimberlyprocess.com/download/getfile/691>>

⁷¹⁰ First Action Plan (2008-2010) For the Implementation of the Africa-EU strategic partnership, European Union (Brussels) 9 December 2007. Date of Access: 12 December 2007.

On 23 November 2007, the European Union and the Southern African Development Community signed an interim Economic Partnership Agreement which allows for “100% liberalization by value by the EU as of 1 January 2008,” including raw materials.⁷¹¹ On 16 December 2007, the EU and the Caribbean Forum (CARIFORUM) launched an initial Economic Partnership Agreement that will eliminate 90.7% of tariff lines between the two entities over the next 25 years, including tariffs on raw materials.⁷¹²

On 12 May 2008, the EU demonstrated its commitment to removing trade barriers and providing technical assistance with respect to raw materials by granting CARIFORUM US\$2.25 million in order to support renewable energy and cleaner extraction of raw materials. The program “aims to improve energy access through the removal of barriers to renewable energy use, thereby fostering its commercialisation and development.”⁷¹³

The EU is also seeking to improve and expand its efforts through dialogue and the exchange of ideas. On 14 February 2008, under the EU Technical Assistance Information Exchange Unit (TAIEX), the EU held a workshop with focused discussion addressing “sustainability issues in the EU and global raw materials supply as well as capacity building issues in the EU and in developing countries.”⁷¹⁴

Thus, the European Union has been awarded a score of +1 for its comprehensive action on transparency in extractive industries.

Analyst: Shiva Logarajah

<http://ec.europa.eu/development/icenter/repository/EAS2007_action_plan_2008_2010_en.pdf#zoom=100>

⁷¹¹ Update: Interim Economic Partnership Agreements, Office of External Trade (Brussels) 19 December 2007. Date of Access: 28 December 2007. <http://trade.ec.europa.eu/doclib/docs/2007/november/tradoc_136959.pdf>

⁷¹² Update: Interim Economic Partnership Agreements, Office of External Trade (Brussels) 19 December 2007. Date of Access: 28 December 2007. <http://trade.ec.europa.eu/doclib/docs/2007/november/tradoc_136959.pdf>

⁷¹³ Caribbean Receives US\$ 2.25M Grant from European Commission to Support Renewable Energy, Jamaican Information Service (Kingston) 12 May 2008. Date of Access: 12 May 2008.

<http://news.caribseek.com/Jamaica/article_65324.shtml>

⁷¹⁴ EU Non-Energy Raw Materials Initiative, EuroGeoSurveys (Brussels) 14 February 2008. Date of Access: 30 April 2008. <http://www.eurogeosurveys.org/assets/files/news/2008/February/TAIEX_sessions_presentations_02.2008_Brussels.pdf>