FRANCO-EUROPEAN FUND FOR CRITICAL MINERALS OF BLUE GUIANA

Sovereign Fund Proposal — Reference Model

Reduce Chinese dependence • Secure strategic resources • Ensure European sovereignty

25,000 t	**2nd**	**+47 %**	**1.5 %**
Gold estimated in Guiana (significant share captured by China)	Oil reserves per inhabitant in the world (Guiana Plateau)	Average annual growth of Guyana (2022-2024)	Chinese credit rate vs 4 % for France

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WORKING DOCUMENT

I. EXECUTIVE SUMMARY — Strategic synthesis for decision-makers

France is the only European state to possess a territory in South America: French Guiana. This overseas department, located on the Guiana Plateau, constitutes a major geostrategic border between Europe, the Amazon basin and the South Atlantic. The "**Blue Guiana**" — a notion encompassing the Exclusive Economic Zone (EEZ), the seabed and the terrestrial mining space — holds considerable potential for critical resources: gold, submarine rare earths, manganese, polymetallic nodules.

Since 2018, China has taken effective control of the supply chain for illegal gold mining in Guiana: it provides credit for engines, equipment, mercury and supplies to the *garimpeiros* (illegal miners), then buys the gold in repayment of debt, exporting it directly to China. According to a report transmitted to French authorities, the stock of gold of private and public origin in Chinese hands would exceed **25,000 tonnes**. French resources are being plundered.

In parallel, neighboring Guyana — holder of the world's second largest oil reserves per inhabitant after Kuwait, ahead of Saudi Arabia — has experienced average growth of **47%** between 2022 and 2024. This country created in 2019 the Natural Resource Fund (NRF), a transparent sovereign fund, aligned with the Santiago Principles, to manage its extractive revenues. France must draw inspiration from it.

CENTRAL PROPOSAL

- Put an end to the Chinese plundering of Guiana's gold and mineral resources
- Finance legal and supervised extraction, creating jobs and revenues for the territory
- Secure European supplies of critical minerals without Asian dependence
- Constitute an instrument of economic and diplomatic power for France in South America

The Institut Atlantique Sud proposes the creation of a **Franco-European Fund for Critical Minerals (FFEMC)**, a sovereign fund dedicated to the sovereign valorization of the strategic resources of Blue Guiana, in Franco-European partnership.

II. GEOSTRATEGIC CONTEXT — The Guiana Plateau: an undervalued zone facing an offensively present China

A. Blue Guiana: a strategically insufficiently exploited space

French Guiana concentrates several geostrategic assets that remain largely unexploited by the French State and the European Union:

- Territory of 84,000 km² in South America, bordering Brazil and Suriname, the only continental European territory in America
- Exclusive Economic Zone (EEZ) of 130,000 km² offering potential for mining extraction in the high seas (polymetallic nodules, submarine rare earths)
- Terrestrial subsoil among the richest of the Guiana Plateau: gold, bauxite, tantalum, niobium, uranium
- Potential for legal gold mining extraction in a geographically limited zone, allowing effective control of operating conditions
- Guiana Space Centre (CSG) offering unique technological projection and maritime surveillance

B. The Chinese takeover: documented situation

Since 2018, the transformation of the illegal gold mining sector in favor of Chinese interests is documented by French military authorities and the Senate Committee on Foreign Affairs and Defense (2025):

Vector	Chinese Capture Mechanism
Mining equipment	Credit sale to garimpeiros: boat engines, supplies, small tools, mercury. Repayment required in raw gold.
Gold capture	Collected gold goes directly to China without transformation on French territory. Total tax and sovereignty evasion.
Estimated gold stock	According to a military report, China would hold more than 25,000 tonnes of gold, a significant fraction from Guiana.
Logistics network	Neighboring Suriname has 43 clandestine airstrips serving both drug trafficking and the illegal gold sector.
Financial leverage	Chinese credit conditions (1.5%) are two to three times lower than French rates (4%), creating an eviction effect for legal actors.
Illegal fishing	According to Ifremer (2024 report), the number of sea days by foreign clandestine boats has doubled in the last decade in Guianese waters.

The kilo of cocaine bought for €3,950 on the other side of the Maroni is resold for €50,000 on national territory once transported by the same channels. Transnational cartels converge on Guiana, shifting from drug trafficking to gold trafficking, considered more lucrative and less monitored. This criminal context is inseparable from the question of mineral resources.

III. THE GUYANA NRF MODEL — An international reference to adapt for France and Europe

A. Genesis and principles of the Natural Resource Fund

Following ExxonMobil's discovery of major oil deposits in the Stabroek block (Liza-1 field, 2015), Guyana became in a few years the world's second largest oil reserve per inhabitant, behind Kuwait. Its growth reached 47% on average between 2022 and 2024, the highest in the world. GDP per capita (PPP) could reach $194,723 in 2030, placing Guyana first worldwide, ahead of Singapore and Qatar.

Anticipating the risks linked to this oil "boom" (Dutch disease, revenue volatility, intergenerational inequalities), the Guyanese government instituted by law in 2019 the Natural Resource Fund (NRF), in compliance with the Santiago Principles governing international sovereign funds.

B. NRF Architecture — Key points

Objectives of the NRF

- Mitigate budgetary fluctuations linked to oil revenue volatility
- Prevent revenues from harming the global competitiveness of the economy (Dutch disease)
- Ensure equitable sharing of wealth between present and future generations
- Mobilize extractive revenues for inclusive national development priorities

Component	Description
Supervisory body	Ministry of Finance (overall supervision) + Bank of Guyana (operational management)
Fund alimentation	Royalties, State's share of production, taxes on extractive companies — direct payment to the fund
Asset categories	Secure placements (deposits, Treasury bonds) + long-term investments framed by legal ceilings
Budgetary withdrawal	Subject to opinion of a macroeconomic committee + legal formula guaranteeing intergenerational sustainability
Transparency	Monthly, quarterly and annual reports published. Civil oversight committee of 22 members.
Exceptional withdrawal	Only for major natural disasters, via corrective finance bill
International compliance	Aligned with Santiago Principles (IMF standards for sovereign funds)

IV. PROPOSAL: THE FFEMC — Franco-European Fund for Critical Minerals of Blue Guiana

A. Name and legal nature

The Franco-European Fund for Critical Minerals (FFEMC) would be constituted as a sovereign fund under European law, instituted by a regulation of the European Parliament and Council, on joint proposal of France and the European Commission, in connection with the Critical Raw Materials Act (CRMA) adopted in 2024.

B. Geographical scope: Blue Guiana

The notion of "Blue Guiana" covers all spaces over which France exercises its sovereignty or sovereign rights in the region:

- The department and region of Guiana (84,000 km²) for terrestrial resources (gold, bauxite, niobium, tantalum)
- The Exclusive Economic Zone (EEZ) of Guiana (130,000 km²) for mining extraction in the high seas
- The extended continental shelf for deep geological resources
- The cooperation zone with Guyana and Suriname for cross-border assets

C. Strategic objectives of the FFEMC

SOVEREIGNTY	INDEPENDENCE	VALORIZATION	PARTNERSHIP
Franco-European sovereign control of critical resources	Reduction of dependence on Chinese supply chains	Economic development of the Guianese territory	European co-investment and regional cooperation

- Finance the development of legal and supervised extraction zones in terrestrial Guiana, putting an end to illegal capture by foreign networks
- Secure European supplies of critical minerals (gold, lithium, cobalt, rare earths) within the framework of the CRMA
- Compete with Chinese and Indian financing offers (1.5%) through competitive Franco-European instruments
- Finance maritime surveillance of the Guianese EEZ (fight against illegal fishing, drug trafficking, illegal mining)
- Create an instrument of economic diplomacy to strengthen French influence in Guyana and the Guiana Arc
- Ensure intergenerational conservation of a mining rent for the benefit of the Guianese and European people

V. GOVERNANCE ARCHITECTURE — Proposed institutional structure for the FFEMC

A. Comparative table NRF / FFEMC

Component	NRF Model — Guyana	Proposed Franco-European Fund
Initiator	State of Guyana (law 2019)	Franco-European regulation (base: CRMA 2024)
Legal framework	Law of the State of Guyana	Franco-European regulation (base: CRMA 2024)
Targeted resources	Hydrocarbons exclusively	Gold, lithium, cobalt, rare earths, submarine nodules, bauxite
Supervision	Ministry of Finance of Guyana	Franco-European committee led by DGT France + DG GROW Commission
Operational manager	Bank of Guyana	Caisse des Dépôts + EIB (European Investment Bank)
Macroeconomic committee	Economists qualified and appointed by the State	EIB / ECB experts + representatives Guyana / Suriname
Transparency	Monthly reports + civil committee of 22 members	Quarterly public reports + Civil Committee (Guiana, EU, civil society)
Compliance	Santiago Principles	Santiago Principles + CRMA + European CSRD

B. Proposed governance chart

FRANCO-EUROPEAN GOVERNANCE COUNCIL (political level)
French Ministers of Finance + EU Commission representative + President of the Guiana Regional Council

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FFEMC EXECUTIVE DIRECTORATE
Caisse des Dépôts (France) + EIB (European Union) | Director General appointed jointly

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THREE OPERATIONAL POLES
① Terrestrial Mining Investment Pole | ② Deep Maritime Extraction Pole | ③ Surveillance & Sovereignty Pole

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PUBLIC OVERSIGHT & ACCOUNTABILITY COMMITTEE
Guianese civil society · Local authorities · European Parliament · Environmental NGOs · Academic experts

VI. FUNDING AND FINANCIAL MECHANISMS — Sources of revenue and financing instruments

A. Sources of revenue of the FFEMC

Source of revenue	Mechanism	Estimate
Mining royalties from legal extraction	% on legal supervised gold and mineral production	To be defined according to scope
Tax on export of critical minerals	Levy on all exports outside the EU of minerals extracted in Guianese EEZ	Rate of 8-15%
European participation (CRMA / Cohesion Funds)	EU contribution under strategic autonomy on critical raw materials	Political decision
Green bond issues (Green Bonds)	Franco-European sovereign bonds labeled "sustainable critical minerals"	Up to €2 billion
Asset management revenues	Prudent placements: Treasury bonds, ECB deposits, public bond funds	Yield 2-4%
Fines and confiscations	Proceeds from seizures linked to illegal mining and illegal fishing	Complement

B. Response to the interest rate differential

One of the major obstacles to French competitiveness in the region is the credit rate differential: France is constrained by its OECD commitments to rates rarely below 4%, against 1.5% for China and 1.5-1.7% for India. This gap constitutes a structural handicap in negotiations with Guyana and regional actors.

Proposed solution: Sovereign preferential rate instrument

- Create within the FFEMC a window of financing at subsidized rates for Franco-European projects in Blue Guiana and the Guiana Plateau
- A target rate of 1.5 to 2% for certified strategic projects (legal extraction, maritime surveillance, infrastructure)
- An EU bonification mechanism (InvestEU model) covering the gap between market rate and preferential rate
- Global French offers integrating training, maintenance, technology transfer — added value that compensates the pure rate differential
- Priority targeting on Guyana's oil sector (growth of +47%/year) and legal mining extraction contracts in French Guiana

VII. INVESTMENT AND WITHDRAWAL FRAMEWORK — Principles of responsible and intergenerational management

A. Authorized investment categories

Inspired by the two categories of the Guyanese NRF, the FFEMC would distinguish three levels of investment:

Level	Types of assets	Ceiling / Rule
SECURITY (Tranche A)	ECB deposits, France/Germany/AAA-EU Treasury bonds. Immediate liquidity.	Min. 30% of assets
STRATEGIC (Tranche B)	Participations in legal extraction projects in Guiana, EIB green bonds, co-investments with certified French companies.	40 to 60% of assets
DEVELOPMENT (Tranche C)	Maritime surveillance infrastructure, professional mining training, R&D; for sustainable extraction, regional cooperation (Guyana, Suriname, Brazil).	Max. 20% of assets

B. Withdrawal rule and intergenerational protection

The FFEMC would adopt the same double constraint as the Guyanese NRF:

- Mandatory opinion of a Franco-European macroeconomic committee evaluating the impact of public expenditure on the competitiveness of the Guianese economy and the risk of "Dutch disease"
- Legal formula for capping withdrawals guaranteeing the sustainability of the fund for at least 50 years
- Principle of intergenerational equity: at least 50% of the mining rent must be preserved for future generations
- Exceptional withdrawals only possible in case of major natural disasters or security crises in Guiana, via corrective finance bill

VIII. TRANSPARENCY AND ACCOUNTABILITY — Democratic legitimacy and alignment with international standards

A. Reporting and publication

Frequency	Report content
Monthly	Performance of financial assets, incoming flows from royalties and taxes, market operations
Quarterly	Progress of financed legal extraction projects, state of maritime surveillance, environmental indicators
Annual	Consolidated report (audited financial statements by the European Court of Auditors), socio-economic impact assessment in Guiana, activity report of the public oversight committee
On parliamentary request	Hearing of the Directorate before the French National Assembly and the European Parliament

B. FFEMC Public Oversight Committee

Inspired by the 22-member committee of the Guyanese NRF, the FFEMC Public Oversight Committee would be composed of:

- 4 representatives of the Guiana Region and local authorities (including 2 representatives of indigenous peoples)
- 4 experts from the academic and research world (geology, mining economics, international law)
- 3 representatives of Guianese civil society and environmental associations
- 3 representatives of the European Parliament (Industry, Foreign Affairs, Environment committees)
- 2 representatives of professional organizations in the legal mining sector
- 2 representatives of regional partners (Guyana, Suriname)
- 2 representatives of the French National Assembly

C. Compliance with international standards

The FFEMC would be designed in full compliance with:

- Santiago Principles (IFSWF) — 24 principles of sovereign fund governance
- Critical Raw Materials Act (CRMA, 2024) — objectives of diversification of European supplies
- Corporate Sustainability Reporting Directive (CSRD) — environmental and social standards
- Equator Principles — for extraction projects in sensitive areas
- United Nations Convention on the Law of the Sea (UNCLOS) — for operations in the EEZ

IX. ROADMAP AND RECOMMENDATIONS — Action plan for the implementation of the FFEMC

A. Phase 1 — Preparation (2026-2027)

• Include the creation of the FFEMC in the revision of the European CRMA and in the Commission's strategic sovereignty program

• Mandate a joint Franco-European working group (DGT, DG GROW, Caisse des Dépôts, EIB) to draft the founding legislative text

• Carry out a detailed inventory of critical mineral resources in the Guianese EEZ (Ifremer + BRGM mission)

• Open negotiations with Guyana and Suriname for a regional cooperation Convention on natural resources

• Define legal extraction zones in terrestrial Guiana, framed by a strict authorization regime and high environmental standards

B. Phase 2 — Launch (2027-2028)

• Adoption of the European Regulation instituting the FFEMC, with initial Franco-European capitalization (objective: €500 million in own funds)

• Appointment of the Directorate and the Public Oversight Committee

• Launch of the first calls for tenders for legal extraction projects in Guiana, with preference for Franco-European consortia

• Implementation of the preferential credit instrument (target rate: 1.5-2%) to compete with Chinese offers

• Deployment of additional maritime surveillance capacities in the Guianese EEZ (drones, CSG satellite, radar cooperation with Guyana)

C. Phase 3 — Scaling up (2028-2035)

• Development of the high seas extraction pole (polymetallic nodules, submarine rare earths) with FFEMC financing

• Constitute a Franco-European strategic stock of critical minerals (lithium, cobalt, gold) reducing dependence on Chinese imports

• Strengthening of judicial and police cooperation with Guyana (CCPD of Saint-Laurent-du-Maroni, radar data sharing)

• Possible extension of the FFEMC mandate to other French overseas territories (Polynesia, New Caledonia) depending on results

2026	**2027**	**2028**	**2035**
Legislative preparation and resource inventory	**Adoption of the regulation and initial capitalization**	**First operational projects launched**	**FFEMC fully operational — independence achieved**

X. CONCLUSION — For Franco-European strategic sovereignty over critical resources

France possesses, with Blue Guiana, a geostrategic asset of the first order that neither the Fifth Republic nor the European Union has yet fully valorized. Meanwhile, China has patiently built, since 2018, a network of influence and capture of Guianese gold resources, using the criminal networks of illegal gold mining as a vector of a long-term economic predation strategy.

The lesson from Guyana is precious: this country of less than one million inhabitants, thanks to an anticipatory strategic vision and a well-designed sovereign fund, is becoming the richest country in the world per capita. France, a world power, the only European state in South America, has the means — human, technological, diplomatic — to operate the same transformation in Blue Guiana.

The Franco-European Fund for Critical Minerals (FFEMC) is not an expenditure: it is an **investment in the strategic sovereignty of France and Europe**. Faced with the geopolitical competition for critical resources that will structure the 21st century, not acting is the only real risk.

> *"French resources are being plundered, particularly by China, in Guiana. — Report of the Committee on Foreign Affairs and Defense, French Senate, 2025"*

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For further information, consult the reports of the Committee on Foreign Affairs and Defense of the French Senate (2025) and the publications of the IFSWF on the Natural Resource Fund of Guyana:
https://ifswf.org/members/natural-resource-fund