

27 February 2008

## Internet Consultation on the EU Raw Materials Initiative Assessment of BUSINESSEUROPE

See: <http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=RM>

### ON GENERAL ISSUES AND PRIORITIES

#### What is your opinion on the following statement?

"There is a need for further action towards ensuring the long term sustainable supply of non-energy raw materials to the EU economy and ensuring a coherent political approach to the key challenges arising." (compulsory)

- Agree, but the main focus should be on national initiatives
- Agree, but the main focus should be on international initiatives
- Agree, but the main focus should be on EU initiatives
- Agree. The initiative should be taken at all levels of public policies
- Neither agree or disagree
- Disagree
- Strongly disagree

#### Recommended BUSINESSEUROPE Answer

Agree. The initiative should be taken at all levels of public policies.

*Comment:* An effective raw materials strategy should encompass measures on the national, EU and international level. There must be complementary and mutually enforcing strategies in member states and on the EU level. Moreover, additional initiatives on the international level (OECD, G8, WTO) would be desirable.

<b>Please give your opinion on the following key challenges</b>					
	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Don't know
increase the sustainable supply of raw materials from European sources (compulsory)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ensure sustainable and a more transparent supply from third countries (compulsory)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
encourage capacity building in developing countries (compulsory)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
encourage greater efficiency in the use of resources (compulsory)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
establish an adequate EU knowledge base on raw materials (compulsory)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Recommended BUSINESSEUROPE Answer**

We recommend “strongly agree” except for “encourage greater efficiency in the use of resources”. For this point we recommend “Don’t know” complemented with the following comment: A comprehensive effective approach must entail the various areas indicated above. As regards resource efficiency we advocate for a Research & Development based approach. We strongly oppose binding provisions on product design. The Raw Materials Initiative should lead to less bureaucracy not more. Business already has a clear economic incentive to design and manufacture efficient products.

## **INCREASE THE SUSTAINABLE SUPPLY OF RAW MATERIALS FROM EUROPEAN SOURCES**

**Please rank the three most important issues regarding the sustainable supply of raw materials from European sources in terms of exploration and access to land:**

- 1. The potential for commercially viable mineral deposits in Europe is insufficiently explored*
- 2. Administrative requirements linked to permitting for new and extended extraction activities are disproportionate and constitute an important disincentive to exploration and extraction*
- 3. In a situation in which access to land is increasingly constrained by conflicting land uses (e.g. agriculture, urban and infrastructure development, nature conservation) the lack of clearly defined mineral planning policies within Member States is a serious impediment*
- 4. Implementation of EU environmental legislation does not take sufficient account of the extractive industry's needs to access new areas of land*
- 5. Resistance to exploration and extraction at local level can be due to insufficient communication with stakeholders, especially on the environmental and social aspects*

### **BUSINESSEUROPE Priorities could be:**

- Administrative requirements linked to permitting for new and extended extraction activities are disproportionate and constitute an important disincentive to exploration and extraction. In some situations, abuse of administrative procedures can lead to unjustified delays and non-respect of obligations towards investors.
- In a situation in which access to land is increasingly constrained by conflicting land uses (e.g. agriculture, urban and infrastructure development, nature conservation) the lack of clearly defined mineral planning policies within Member States is a serious impediment.
- Implementation of EU environmental legislation does not take sufficient account of the extractive industry's needs to access new areas of land.

**Please rank the three most important issues regarding the sustainable supply of raw materials from European sources in terms of research and innovation:**

- 1. Minerals research (public and private) in the EU lacks sufficient critical mass in comparison with other global players to support innovation and to guarantee a sustainable future*
- 2. There are insufficient partnerships between the private and the public sector, including universities and higher technical education institutes*
- 3. EU minerals research is insufficiently focused on areas such as mine life cycle (exploration to reclamation) and resource processing*

4. *EU minerals research is insufficiently focused on areas such as reuse and recycling and the development of innovative materials*
5. *There is insufficient knowledge on the conversion of resources embedded in our infrastructure, houses and products to create new economic opportunities at the end-of-life stage*

**BUSINESSEUROPE Priorities could be:**

- There are insufficient partnerships between the private and the public sector, including universities and higher technical education institutes.

**Please rank the three most important issues regarding the sustainable supply of raw materials from European sources in terms of skills and health and safety:**

1. *There is an increasing lack of available skilled staff in the extractive industry*
2. *There is a mismatch between the industries' human resources needs and output of education establishments*
3. *The rate of accidents in the extractive industry is too high in comparison with most industrial sectors*
4. *National statistics in relation to health and safety of workers in the mining sector need to be better harmonized at the EU level in order to give a reliable picture of situation*

**BUSINESSEUROPE Priority could be:**

- There is a mismatch between the industries' human resources needs and output of education establishments.

**Other (please specify)**

Individual assessment

**Have you experienced serious adverse economic or other consequences as a result from above-mentioned issues? YES/NO**

**BUSINESSEUROPE Priority could be:**

Individual assessment

**Please rank the three most important policy actions that could be considered according to their contribution to increase the sustainable supply of raw materials from European sources in terms of exploration and access to land:**

1. *Improve public awareness of importance of raw materials in meeting essential economic and societal needs in Europe*

- 2. Improve the administrative conditions related to exploration activities through an exchange of best practices within Member States and regions, especially on permitting processes*
- 3. Promote more effective dialogue between extractive companies and local communities and Non Governmental Organisations*
- 4. Develop sector-specific guidance documents for legislative framework conditions that have an impact on land use*

**BUSINESSEUROPE Priority could be:**

- Improve public awareness of importance of raw materials in meeting essential economic and social needs in Europe.
- Establish maximum time limits for administrative, legislative or judicial decisions regarding extraction activities.

**Please rank the three most important policy actions that could be considered according to their contribution to increase the sustainable supply of raw materials from European sources in terms of research and innovation:**

- 1. Support research and innovation in the area of exploration and extraction activities through Community instruments such as the 7th Framework Programme*
- 2. Support the activities of the European Technology Platform on Sustainable Mineral Resources*
- 3. Promote the uptake of voluntary initiatives by the extractive industry aimed at building better relations with stakeholders*
- 4. Promote the uptake of voluntary initiatives aimed at improving information on the materials content of infrastructure, houses and products*

**BUSINESSEUROPE Priority could be:**

Individual assessment

**Please rank the three most important policy actions that could be considered according to their contribution to increase the sustainable supply of raw materials from European sources in terms of skills and health and safety:**

- 1. Enhance and promote partnerships between industry, universities and authorities on mining-related educational programmes*
- 2. Promote the further uptake of social dialogue with the aim, inter alia, of improved protection of workers*
- 3. Promote voluntary initiatives aimed at improving the health and safety performance in mines and quarries*
- 4. Harmonise national statistics and monitoring strategies related to accidents and occupational diseases at EU level*



*5. Promote partnerships between mining equipment suppliers and extractive industry in order to reduce risks such as noise, dust and vibrations*

**BUSINESSEUROPE Priority could be:**

- Enhance and promote partnerships between industry, universities and authorities on mining-related educational programmes.

**Other (please specify)**

Individual assessment

## **ENSURE SUSTAINABLE AND A MORE TRANSPARENT SUPPLY FROM THIRD COUNTRIES**

**Please rank the three most important issues in relation to international trade:**

- 1. A high degree of concentration of the worldwide production of raw materials increases the risk to secure supplies to the EU economy at competitive prices*
- 2. Measures taken by some third countries (e.g. export restrictions, subsidies, restrictive investment rules, price-fixing, double-pricing systems and/or import duties) have tangible adverse effects through trade distortions in the international raw material markets*
- 3. The internationally available instruments are not sufficiently effective to deal with trade distortions currently being experienced*

**BUSINESSEUROPE Priority could be:**

All three statements are pertinent.

**Please rank the three most important issues in relation to the transparency of the production chain of raw materials in third countries:**

- 1. There is a lack of transparency in relation to company payments and government revenues from mining*
- 2. Local communities do not benefit sufficiently from the mining activities in their area, often leading to social resentment*
- 3. Involvement of stakeholders throughout the life cycle of mining operations is not always sufficiently ensured*

**BUSINESSEUROPE Priority could be:**

Individual assessment

**Other (please specify)**

Individual assessment

**Have you experienced any serious adverse economic consequences as a result from above-mentioned issues? YES/NO**

**BUSINESSEUROPE Priority could be:**

Individual assessment

**Please rank the three most important policy actions that could be considered according to their contribution to ensure sustainable and a more transparent supply from third countries in relation to international trade:**

- 1. Include conditions in relation to access to resources in future Free Trade Agreements*
- 2. Address the raw materials challenge in the context of international fora, such as OECD and WTO*

*3. Improve policy dialogues on access to raw materials between the EU and resource-rich countries*

**BUSINESSEUROPE Priority could be:**

Individual assessment. All three levels are priorities.

**Please rank the three most important policy actions that could be considered according to their contribution to ensure sustainable and a more transparent supply from third countries in relation to the transparency of the production chain of raw materials:**

- 1. Develop a corporate social responsibility initiative for EU mining companies active in third countries*
- 2. Promote the support of international initiatives such as the Extractive Industry Transparency Initiative*
- 3. Examine the possible application of certification schemes like the Kimberley Process (currently applied to diamonds) to other materials*
- 4. Promote the reporting quality by extractive companies through initiatives such as the Global Reporting Initiative*

**BUSINESSEUROPE Priority could be:**

Individual assessment

**Other (please specify)**

It is important that participation in these initiatives remain voluntary. In addition, the success of such initiatives can generally be assessed efficiently through internal monitoring. External controls and certification schemes do not necessarily result in greater credibility. Consequently external controls and certification schemes should not be implemented.



## **ENCOURAGE CAPACITY BUILDING IN DEVELOPING COUNTRIES**

**Please rank the three most important issues in relation to capacity building in developing countries:**

- 1. Raw materials are often being extracted and processed under poor environmental, social and health & safety conditions*
- 2. Local communities do not have the necessary know-how to evaluate mining-related projects*
- 3. Lack of adequate infrastructure (roads, ports, energy) hampers the establishment of new mine sites*
- 4. In many countries the establishment of (new) mines is constrained by political instability and the related risks of expropriation or physical dangers*
- 5. Effective partnership and cooperation between donors and other stakeholders and the private sector is lacking*
- 6. There are insufficient synergies between mining investments and development aid*

**BUSINESSEUROPE Priorities could be:**

- Lack of adequate infrastructure
- Effective partnership and cooperation between donors and other stakeholders and the private sector is lacking.
- There are insufficient synergies between mining investments and development aid – notably in the field of infrastructure.

**Other (please specify)**

Individual assessment

**Please rank the three most important policy actions that could be considered according to their contribution to encourage capacity building in developing countries:**

- 1. Enhance the use of external policy instruments to improve investment security against expropriation and physical risks*
- 2. Improve the sustainable extraction by artisan and small scale mining through EU development policy instruments*
- 3. Strengthen local capacity in relation to the good management of financial revenues from mining through EU development policy instruments*
- 4. Promote and strengthen initiatives by the extractive industry that provide added value to local communities (HIV, water supply, education)*

**BUSINESSEUROPE Priorities could be:**

- Enhance the use of external policy instruments.
- Strengthen the local capacity

**Other (please specify)**



An integrated and comprehensive approach to EU development cooperation is necessary. BUSINESSEUROPE sees the problem of access to raw materials as an opportunity for both resource holders and companies. The EU can make a great contribution to development projects through private investment and public-private partnerships in developing countries that need investment.

## **ENCOURAGE GREATER EFFICIENCY IN THE USE OF RESOURCES**

**Please rank the three most important issues in relation to encouraging greater efficiency in the use of resources:**

- 1. Production costs associated with implementing new technologies are significantly higher than those of current technologies and do not bring adequate return on investment*
- 2. Availability and cost of credit to invest in new technologies is an important constraint*
- 3. The lack of partners (business, research, design, marketing, finance) is an important constraint*
- 4. There is a lack of reliable long term policy and regulatory orientation*
- 5. Consumers are not sufficiently aware of the advantages of better performing products*
- 6. The price of more efficient products is too high*
- 7. Public procurers do not always purchase better performing products*
- 8. Resource efficiency requirements have an essential role*

**BUSINESSEUROPE Priorities could be:**

Individual assessment

**Other (please specify)**

Individual assessment

**Please rank the three most important policy actions that could be considered according to their contribution to encourage greater efficiency in the use of resources:**

- 1. Promote “design for recycling” through lead market initiatives and European Technology Platforms*
- 2. Set resource efficiency targets at EU level*
- 3. Promote outstanding performance on “resource efficient innovation”*
- 4. Promote projects under the 7th Framework Programme that focus on resource-efficient production and recycling processes (Life Cycle Thinking)*
- 5. Develop new strategies and technologies reducing the environmental footprint of minerals processing*
- 6. Develop toolkits for Small and Mediumsized Enterprises to promote Life Cycle Thinking*

**BUSINESSEUROPE Priorities could be:**

Individual assessment

**Other (please specify)**

The Commission initiative should not lead to new regulatory burdens for EU business, such as mandatory provisions on product design and efficiency targets.



## **ESTABLISH AN ADEQUATE EU KNOWLEDGE BASE ON RAW MATERIALS**

**Please rank the three most important issues in relation to establishing an adequate EU knowledge base on raw materials:**

- 1. Information and data in relation to the geological availability of raw materials are currently scattered among various levels and organisations throughout Europe*
- 2. Economic data in relation to raw materials is incomplete at EU level leading to difficulties of analysis and informed opinion on critical raw materials for the EU economy*
- 3. Ongoing projects that consider various aspects of the earth's surface are not linked to geological information*

**BUSINESSEUROPE Priorities could be:**

Individual assessment

**Other (please specify)**

If a knowledge base is essential, it must have added value. An out-of-date knowledge base is useless.

**Please rank the three most important policy actions that could be considered according to their contribution to establish an adequate EU knowledge base on raw materials:**

- 1. Explore the possibilities of establishing a systematically updated EU resource map*
- 2. Establish links with the European Data Centre on natural resources*
- 3. Improve Member States coverage of and reporting on key economic indicators to Eurostat, while avoiding unnecessary administrative burdens*
- 4. Carry out a strategic analysis of the supply of non-energy raw materials (primary, secondary and wastes) on a regular basis*
- 5. Carry out a mass flow analysis on key strategic non-energy raw materials (primary, secondary and wastes) on a regular basis*
- 6. Develop a strategy to make a link between geological information and satellite-based projects (such as for instance the Global Monitoring for Environment and Security)*

**BUSINESSEUROPE Priorities could be:**

Individual assessment

**Other (please specify)**

Individual assessment