

12th EUROPEAN MINERALS FOUNDATION FORUM

HELD AT THE NORTH-RHINE WESTPHALIAN REPRESENTATION, BRUSSELS,

ON NOVEMBER 30, 2011

“Addressing Key Challenges for a Resource Efficient Industry”

OPENING:

Antony Fell opened the Forum, welcomed all panellists and guests, and introduced the new format of this year's event. He introduced the three keynote speakers.

KEYNOTE INTRODUCTIONS:

Abraão Carvalho of DG Enterprise reminded everyone of the huge progress of the Raw materials Initiative since the first meeting between industry and Commission Vice-President Verheugen in October 2007. The Raw Materials Strategy has since been launched by Vice-President Tajani, and followed by the Resource Efficiency Communication. The big debate now was whether its objectives could be met by market forces (as he would favour) or whether some form of taxation on resources might be necessary. He was also acutely aware, particularly in the current financial crisis, of the need for European industry to be highly competitive in achieving the EC's 2020 Strategy, and innovation must play a big part in that.

Pia Bucella of DG Environment also emphasised the central role of innovation in resource efficiency, which is all about achieving more with less. Resources included air, water, land and biodiversity, on all of which the extractive industry must focus. Europe needed greater efficiency in housing (in energy efficiency as well as C&D recycling), in transport and in food. The challenges were big, but there was a strong desire in the Commission to work constructively with the extractive industry.

Jean-Marie Chandelle of Cembureau, on behalf of NEEIP, emphasised the big role that the extractive industry played in the real economy of Europe, plus the essential materials and jobs it provided. The industry had a common imperative need of access to local resources in order to optimise resource and transport efficiency. The various sectors were committed in various ways to recycling, citing examples from the cement, gypsum, clay and aggregates sectors. A common issue was minimising red-tape. The industry was also positively contributing to biodiversity. It was opposed to taxation, believing that positive incentives would be far more appropriate.

In the subsequent **debate**, several echoed the need to reduce red-tape, and to ensure that the strategies developed on resource efficiency must in the end be for the common good of society.

Antony Fell then handed over to **Paul Ames**, journalist to moderate the three panel discussions.

PANEL #1 SUMMARY: best practices in minerals planning and permitting procedures – What is the final goal?

1. Intervention Alain Pasquier – union nationale des producteurs de granulats – UNPG – France

- In France : publication of a white paper on a shared vision between public and private sector (sociologists, economists) on the aggregates future.
- First Suvey
 - Evaluation of the current situation
 - Definition of parameters:
 - Evolution of the demand
 - The intensity of environmental and societal pressure
 - Integration of aggregates conersn in public policies
 - Definition of
 - Continuity scenario
 - Planning scenario
 - Recession scenario
 - Participating democracy scenario
- Second, consultation:
 - 150 proposals received; 22 proposals retained
 - Include aggregates in land use planning (schema départemental des carrières)
 - Improve acceptability of the quarrying activities
 - Include aggregates supply public polcies
 - Implement concerted management of the activities

2. Pekka Suomela – Ministry of Employment and the Economy, Finland

- Objectives of parallel assessment difficult
 - Too many layers in permitting procedure which makes the process less speedy and efficient. Main cause: lack of money to be quicker

3. César Luaces Frades – Federacion de Ardios –Fda Spain

- Good practices in planning procedures in Spain
- Reminder:
 - Mineral extraction is 0.1% of the land used as an average and mineral extraction mean welfare for future generations. Thus we need a strong and competitive non-energy extractive mineral industry
 - Land-use is only temporay
- Main Issue: time-frame: permitting process too long (up to 10 years). Consider also illegal mining which is problematic for industry
- Spain will replicate the French example with a national planning policy

4. Mark Plummer: Department of Communities and Local Government, United Kingdom

- UK: Too long procedures, too bureaucratic

- Solutions: go from a top down approach to a bottom up approach in minerals planning
 - Local communities will be involved and have their mineral planning policies within a pre-established national framework.
- Consultation on the review of the mineral planning policies: March 2012
 - Then produce a guidance document

5. Conclusions

- Some countries like Spain are in favour of top down approach (national minerals policies) as providing certainty to business. However where can the pendulum stop between top down and bottom up approach?
- Question the European level with no real power to improve land-use planning and time frame.
 - Delegates of the Commission reminded its role as facilitator to provide a framework for better access to land in the EU including the development of indicators
 - Geological knowledge: we need to know where are the deposits to include them in LUP
- Land-Use planning (LUP): need to take extraction into consideration in LUP policies: include national LUP into regional LUP. Both may differ (case of France)
- Consider costs of IEA and time frame to get a permit: also time to wait (dossier preparation and evaluation; streamline the current poor time efficiency process.
- RMI initiative to foster sustainable supply of raw material in the EU: positive as leverage tool for improving current national mineral policies in place
 - Indicators to be pragmatic – too many for the time being in the consultation document of the Commission. However, good starting point to improve and go forward

PANEL #2 SUMMARY: Resource Efficiency and Raw Materials – Turning Challenges into Opportunities?

Reinhard Bütikofer MEP

- Taxation: position close to that of RE Roadmap by Commissioner Potocnik. Theoretically, a price signal from market (each rare earth) taxation is unlikely to create a better business environment.
- But, missing price signal on water and land use, it may make more sense to consider taxation as a tool
- Limits to recycling: option raised that maybe recycling would be valid option for urban areas and not countryside, which would not be realistic. Landfill should become outmoded. It should not be part of the future. Should aim for a zero waste perspective, even if it is not possible. It would be a guiding principle
- What kind of targets should we aim for? EU 2020 includes RE, but there is no specific target adopted. This is a mistake. Should develop clear targets. Yes, there are problems in achieving good benchmarks and good estimates of what is attainable. Should maybe take value chain for efficiency progress.
- Question: What could be an alternative to taxation? Many proposals included in the report: recycling, substitution, reuse, tools like public procurement, mandating recycling goals. Could commercialise energy savings thanks to recycling.

Thierry Salmona

- Making more with less is what industry does well
- Less work, less energy, less raw material and less waste. A company does not abide by this rule will eventually go bankrupt
- RE is embedded in the industrial scheme

- Industrial minerals:
 - Improving efficiency of own operations
 - Lime: some kilns are better in using all the limestone available, but others use less energy but cannot use all of the limestone: this raises a question as to which should be preferred. Decision has to be taken
 - Improving mineral yield
 - Improving raw material which is brought to the customers
- There is no one size fits all solution
- Recycling: industrial minerals are being recycled up to 50% (some up to 70%). This depends on the recycling rate of the product in which the mineral is contained
- When preparing a product, should industry take into account the recycling? Yes.
- A missing resource is not efficient
- There is rare earth available in Europe, but no industry. This industry, and its impacts, have been exported outside of Europe. This is not efficient. We should not depend on imports.
- Concerned about taxation. There is no mechanism to ensure a level playing field. If apply a tax on imports, then the manufacturers will go abroad. It will mean even less industry in Europe.
- Endangered species = European manufacturing industry

Brian James

- For construction aggregates, need to use right material for the job with minimum of wastage, but which takes into account, for example, environment
- Need to look at design structure and adaptability.
- Recycled aggregates are an alternative to virgin aggregates
- REACH: makes things very difficult for recycled aggregates
- WFD: need to incorporate joined up thinking
- Need to share best practices and educate
- Cannot simply demand recycling.
- Recycling is not always the most efficient, as local materials, close to the project are needed
- If use a lot of recycled aggregates, you use a greater proportion of cement which counterbalances the argument
- As long as material can be reused then it is not waste.

Tom Harrison

- Indicators: Construction Products Regulation and the Raw Materials Initiative are just two examples.
- If users cannot understand an indicator then they will not support it. In the environmental area there are many indicators which are not understandable.
- What is the purpose of a resource indicator? It is to judge a resource's availability for future generations.
- BUT: one must never look at an individual indicator; it must form part of a wider set of indicators which cover the 3 pillars of sustainability.
- It must not be done at product level, but rather across the whole life cycle.
- This indicator does not include land.
- It reports the quantities and residual lives used. The total amount of a resource is divided by its rate of use. This is the current best estimate. But there is a need to recognise that these numbers will have to be revised periodically.
- To be usable, these numbers have to be combined into an impact score. Resources with a shorter life should be of greater concern.
- All resources have a certain weighting.
- For secondary resources, the developers have accepted the desire for increasing their use, and have therefore not included a residual life in this instance. They have lowest possible weighting, but this is only provided to material itself. It is treated in the same way as all other materials under areas such as transport. The consequence is that secondary materials are not always better than other materials.
- He believes this to be a fair and transparent indicator.
- They would like the EU to include something in their research programme to help further develop the system.
- It would be good for SMEs to have access to benchmark values.

- They hope that this indicator will help people and support the Commission in reaching its objectives.

Discussion

- Is recycling the most efficient way forward?
 - The Parliament is taking differentiated approaches.
- Even if recycling could be increased, this will not meet demand. So why not look at sustainability of the rest of supply. Resource taxations have an impact on industry. Are they being used in a European way? No, they are being applied at national, regional and local level.
- How can we improve recycling rates in countries where it is not taking place?
- Incineration = recovery, but is being put on the same level as recycling.
- Backfilling: C&D waste is being used for the construction of landfills.
- Waste should not go to landfill (taxation or ban).
- Need process for high quality recycling (produce high quality product).
- There is a need to sell recycled products to market – uptake should be stimulated, for example, in public procurement.
- A European movement must be created, rather than the current disconnect. A exchange of best practice should be conducted, with the aim to identify mechanisms which are more conducive to supporting recycling schemes. There may be a need to identify new mechanisms to promote recycling which would make sense in the long term.
- Those who are advanced in recycling never profit from standing still.
- Perhaps the EU should promote a strategy for innovation in extraction.
- Industrial symbiosis is a programme which is pursued ambitiously in the UK.
- There is no definition of resource efficiency so how can we develop an indicator?
- Gypsum is fully recyclable, but there are bottlenecks. This lies with demolition companies. Eurogypsum has submitted a project, but they do not know if they will receive the funds.
- By-products – this is essential. Currently available and a request for “by-product status” has been made.
- The indicator proposed looks interesting. But there are some natural resources which are not taken into account at all. How will this indicator include biodiversity and ecosystem services?
- The researchers would prefer to put these elements into their own indicator. But some are covered, under biotic resources. Water is included when used and not put back into its source. The indicator covers what is collected and processed. The rest should be covered under biodiversity.
- Education: there is a need to educate people on usage of material, and to educate designers on the use of recycled materials. The term ‘secondary’ has a negative connotation.
- Using recycled materials in concrete: have to use more cement to obtain the same performance as primary materials.
- Resource versus energy efficiency: the whole life cycle has to be taken into account INCLUDING the in-use phase. This is important before discussing taxation.
- With recycled materials the economics need to be right. If a recycled material costs more, then it will not be used. Need to implement, for example, a land fill tax, or offer benefits to those who use recycled materials.
- If Europe manages to impose a tax, will the Member States be forced to use the tax to assist quarries in rehabilitating etc? Or will they be free to use the tax for their own purposes?
- Bütikofer indicated that he was not in favour of mineral taxes. It is not allowed in the Member States to designate a tax for one given purpose.
- All production has an environmental impact, but not all production is taxed.
- Should learn from good and bad experiences in the Member States. There is a need to look at the reality.
- Joined up thinking on legislation is necessary.
- A decent indicator is also needed.
- An even consideration of wealth and employment with resource efficiency should be conducted.

PANEL #3 SUMMARY: Reconciling Extraction and Biodiversity: Aspiration or Reality?

Pia Bucella

- When aiming for extraction permits in Natura 2000 areas all stakeholders should be involved
- Companies should start the Environmental Impact Assessment (EIA) as soon as possible to avoid loss of investments
- In most cases an offset must be done to ensure the “no-net-loss principle”
- However, economic activities are not excluded within Natura 2000 areas. Proposal to organise an event to promote sustainable activities raising awareness to the Natura 2000 Guidance published in all EU languages. This should involve national and regional competent authorities and can be organised within the framework of the Business@Biodiversity Platform.

Hans Friederich

- Acknowledged achievements of the non-energy extractive industry in protecting biodiversity
- Extraction activities have an impact on environment; need to mitigate adverse effects and if necessary to offset
- IUCN is not in favour of offsetting, but considers this as an option if no alternative exists
- Part of the problem is that nature and ecosystem services are still considered to be available free of charge
- IUCN to develop a “biodiversity assessment tool”
- While we have red lists on species, there is currently no list of endangered habitats

Jim Rushworth

- The Non-Energy extractive industry is cooperating with stakeholders in the Business@Biodiversity Platform and with many projects at the grass-root level
- Get simple and develop easy indicators to demonstrate progress on biodiversity
- Continue to raise awareness on biodiversity

Debate

- How can the European Commission raise awareness that economic activities and sustainable extraction could take place in Natura 2000 areas?
- Should a Member of the European Parliament put an official question to the European Commission on the questions whether economic activities such as sustainable extraction in Natura 2000 should be allowed? The Commissioner Janez Potočnik could positively answer in line with the Natura 2000 Guidance to clarify this point at highest political level.

CONCLUSIONS – WHAT IS THE BEST WAY FORWARD FOR THE RAW MATERIALS STRATEGY, RESOURCE EFFICIENCY AND BIODIVERSITY?

Jim O’Brien then summed up on behalf of NEEIP members and praised the quality of debate that had taken place in this new panel format. The fundamental success of the event was that there was open dialogue between the many parties present and thereby better understanding all around of each party’s challenges and objectives, which in turn would lead to new cooperation and solutions.

- On the subjects of the **keynote speakers** and the **first panel**, there was overwhelming consensus on the need for good minerals policies and planning in every MS, and that the planning process itself must be resource, time and cost-efficient with minimal red tape. There is an optimal balance to be achieved between top-down and bottom-up approaches, the ultimate goal being an efficient planning system that is best for the common good of society. Pragmatic KPIs are needed to demonstrate tangible progress in the MS. The

important role of the extractive industry needs to be better recognized, though in turn it must be determined to continuously innovate.

- On the subject of the **second panel**, Mr Bütikhofler's opposition to taxes was much encouraging, yet as he said, industry must relentlessly move forward in doing more with less. In turn several industries pointed out the unnecessary challenges to recycling that are imposed by excessive and misplaced regulations, hence the need for real "joined-up" thinking and action by the regulators.
- On the subject of the **third panel**, there was real appreciation of the positive role played by the extractive industry in promoting biodiversity, though KPIs must be developed to better quantify this. It was agreed that there should be a follow-up conference on the specific issue of ensuring that extraction can take place within Natura 2000 areas, an excellent specific outcome of the debate.

He again thanked all for making this Forum such an excellent success, principally Paul Ames as moderator, all the panelists and all the audience who so actively participated. He thanked Antony Fell and Ruth Harland of the EMF and all others who had helped in organizing the event.

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