

## Non-Energy Extractive Industries Panel

- A one voice approach -



CEPMC

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### POSITION PAPER

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## Securing access to non-energy mineral resources

### Summary

Access to Mineral resources has become a major issue for the European non-energy extractive industries.

While the industry has made significant progress in its environmental and health safety performance, it has been facing an increasingly difficult access to resources. This has impacted not only the mineral supply needed by the EU economy but also the industry's economic performance which is a pre-condition to deliver sustainable development.

The industry is urging the EU Institutions to develop a European Mineral Resources Strategy to ensure a sustainable and long-term access to mineral deposits.

Key objectives should include:

- Encouraging competent authorities to manage permit applications more effectively;
- Enhancing benefits of new extraction sites for local communities;
- Giving higher priority to non-energy minerals in land-use planning;
- Raising awareness on the key role played by non-energy minerals in the EU economy.

## **Encouraging competent authorities to manage permit applications more effectively**

Time required to obtain permits has significantly increased in recent years. The Leoben study<sup>1</sup> on mineral planning has shown that the authorisation process can take several years, decades in some extreme cases. This is due to the accumulation of legal requirements, the complexity of the environmental assessment procedures and the large number of authorities involved increasing litigation risks. This has resulted in situations where the proposed extraction period is the same duration as the authorization process or sometimes less. Furthermore the cost of the authorization process is such that it is no longer affordable for small and medium sized companies.

Simplification is therefore needed without decreasing the level of protection given to local communities and all other stakeholders. The Leoben study recommends that attention should be given to the concept of “one stop shopping” which is being applied successfully in Canada and based on the principle of parallel processing and intense cooperation between the authorities.

## **Enhancing benefits of new extraction sites for local communities**

The European non-energy extractive industries provide measurable and long-term benefits for local communities<sup>2</sup>. They contribute to direct local tax revenues through their investment and the areas they use. If the land being mined belongs to the community, the latter receives royalties in addition to the tax revenues. The industry is also one of the few to operate in rural areas. The industry’s presence and the jobs it creates often help to justify the development of public infrastructure.

Because they offer opportunities for restoration and development projects, the non-energy extractive industries help regions to regain their vitality by contributing to biodiversity and developing new amenities including recreational parks, ponds, wetlands, housing estates, forestry projects, drinking water intakes, and more.

While local communities need minerals to build new homes, schools, hospitals and roads, they increasingly tend to oppose any proposals from the industry to work a new area of land or to extend an existing operation to meet their needs. The NIMBY (Not IN My BackYard) phenomenon contributes to increase costs and uncertainty for the industry.

Therefore enhancing the benefits to local communities as well as communicating on these benefits is needed.

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<sup>1</sup> Study “Minerals Planning Policies and Supply Practices in Europe”, commissioned by the EC Enterprise & Industry Directorate General, University of Leoben, November 2004

<sup>2</sup> Quarrying and Sustainable Development, Lafarge Granulats, 2005

## **Giving higher priority to non-energy minerals in land-use planning**

Minerals extraction usually occupies less than 0.01 % of the EU Member's land areas<sup>3</sup> as compared to 41.5% for agriculture<sup>4</sup>. The ever expanding urban zones and the growing number of Natura 2000 protected areas (12% of the EU<sup>5</sup>) increasingly limit access to deposits.

It is up to the planning authorities to balance competing demands for land-use. In the case of extractive operations, competent authorities are experienced at assessing their environmental impacts but sometimes do not take fully into account the social and economic benefits for local communities when considering a permit application.

In the implementation of Natura 2000, access to raw materials is usually not considered as an overriding public interest. Deposits in protected areas cannot therefore be secured for future uses, although extractive operations are only temporary and can be fully compensated by restoration. The Habitats Directive (92/43/EEC) in its current form does not take this into account.

In addition, the non-energy extractive industry must plan its activities according to production site lifetime – generally 10 to 50 years, due to capital intensive investments. Public decision-makers often focus on shorter timescales. This leads to a shortage of supply in several regions across Europe. The Paris region is a good example: 40% of the Ile de France aggregates consumption is not produced locally<sup>6</sup>. As a result, additional environmental impacts such as CO<sub>2</sub> emissions are generated due to long distance transportation between production and consumption areas.

## **Raising awareness on the key role played by non-energy minerals in the EU economy**

The European non-energy extractive industries - comprising industrial minerals, metals, lime, cement, ceramics, gypsum, aggregates and ornamental stone - provide vital inputs to the EU economy and social well-being. In their great diversity, minerals and their derived products are necessary for almost every aspect of life: homes, transport, energy, storage and transmission, health, information and communication technologies, space technologies, to name a few, would either be non-existent or significantly be reduced without a sustainable supply of minerals. For example, a family house contains up to 150 tonnes of minerals, a car uses up to 100-150 kg of minerals and up to 50% of paint and paper are made of industrial minerals, for glass and ceramics this is even 100%.

Finally, the ever increasing consumption of industrial minerals by booming markets like China, India and Brazil, leads to disruptions in their supply and/or huge price increases. European authorities have therefore to recognise that the competitiveness of many European downstream industries is directly affected by any chosen supply policy for minerals, as it is for other raw materials.

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<sup>3</sup> Bundesanstalt für Geowissenschaften und Rohstoffe, Germany, 2001

<sup>4</sup> Land use Estimates, Eurostat 2003

<sup>5</sup> Natura 2000 Barometer, June 2005

<sup>6</sup> Lafarge Sustainability Report 2004

## Recommendations

The Non-Energy Extractive Industries Panel (NEEIP) would like to complement UNICE' s position and invites the EU Institutions to develop a European Mineral Resources Strategy to meet the objectives outlined in this position paper.

This could be achieved by:

- Simplifying the regulatory framework and making it consistent and balanced in terms of sustainable development, on the basis of a comprehensive impact assessment. Implementing the “one stop shopping” model could be one objective;
- Developing an EU Mineral Policy in order to identify, protect and enhance mineral deposits in land-use planning. This policy should embrace the revision of the Habitats Directive (92/43/EEC) and include access to raw materials as a possible overriding public interest (Article 6 (4));
- Fostering mineral research and innovation in the 7th Research Framework Programme, to increase efficiency in resource extraction, processing and recycling as well as new product development;
- Highlighting the key contribution of non-energy minerals to the overall EU competitiveness. This could be achieved through an EC Communication including recommendations on how to boost the European non-energy extractive industries' performance.

The NEEIP encourages the EU Institutions to use the strong momentum created by the High Level Group on Competitiveness, Energy and the Environment to launch a comprehensive and coherent European Mineral Resources Strategy.

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