

Madrid Raw Materials Declaration 2010

Press release

The Spanish Minister of Industry, Tourism and Commerce, Miguel Sebastián, together with the Vice-President of the European Commission and Industry and Entrepreneurship Commissioner, Antonio Tajani, concluded, the 17 June 2010, the European Minerals Conference Madrid 2010 - The EU Raw Materials Initiative: Sustainable access to resources in Europe -, under the Spanish Presidency of the European Union. The Conference, recorded a significant level of participation and a high level of speakers and the personalities present. The final figure of those intervening was more than **350 participants**, from over **30 countries**, pointing to the interest aroused in this matter for EU countries' economic development.



From left to right, Antonio Tajani, Miguel Sebastián and Antonio Guerrero Salom, in the closing session



Antonio Tajani, Vice-president of the European Commission and Industry and Entrepreneurship Commissioner, during his speech

Mr. Sebastián and Mr. Tajani were accompanied at the closing session by Enrique Guerrero Salom, Member of the European Parliament, by Manuel Hermoso Villalba, President of the Spanish Non Energy Extractive Industry Confederation - COMINROC - and by Jim O'Brien, President of the European Aggregates Association - UEPG, who was entrusted with the role of reading the **Madrid Raw Materials Declaration 2010**, summarizing the conclusions of the Madrid Conference and the views of the European Non Energy Extractive Industry – NEEI – on the progress of the **EC Raw Materials Initiative**.



Miguel Sebastián, Minister of Industry, Tourism and Commerce, in the closing session



María Jesús Rodríguez de Sancho, General Director for Environment Quality and Assessment from the Spanish Ministry for Environment, Rural and Marine Environment and Antonio Hernández García, General Director for Energy Policy and Mines of Spanish Ministry for Industry, Tourism and Commerce

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The European Conference has been organised together by the Spanish Ministry of Industry, Tourism and Commerce, the Spanish Geological Survey and the Spanish Non Energy Extractive Industry Confederation – COMINROC, with the support of the European Commission and the European No Energy Extractive Industry Panel – NEEIP. A very high level political representation with one EC vice-president, one minister, representatives from the European Parliament, from the European Commission, from the European Economic and Social Committee, one State secretary and 17 general directors from different Member States, show the success of the Conference.

In his speech, the MEP Enrique Guerrero highlighted the strategic importance of raw materials supply for the European Parliament. Commissioner Antonio Tajani stressed that the supply of raw materials - rock and minerals - is a very important objective for the European Commission on the future economic development strategy. Finally, Miguel Sebastián highlighted that this initiative will allow the EU to maintain the competitiveness of its industry.



From left to right, Manuel Hermoso, President of COMINROC, Gwenole Cozigou, Director General for Chemical, Metal, Forest-based and Textile Industries of DG Enterprise & Industry of the European, Pedro Marín Uribe, Spanish State Secretary for Energy and Antonio Hernández García, General Director for Energy Policy and Mines of the Spanish Ministry for Industry, Tourism and Commerce, in the opening session



From left to right, Michel Catinat, of DG Enterprise & Industry of the European Commission, Gwenole Cozigou, Director for Chemical, Metal, Forest-based and Textile Industries of DG Enterprise & Industry of the European Commission and Antony Fell, Secretary General of UEPG

Minerals are essential to every industry and every aspect of life. Minerals include Aggregates (that is crushed stone, sand & gravel), Dimensional Stones, Industrial Minerals (used for example in cement, glass, paper, paints, ceramics and environmental applications) and Metallic Minerals (used to make cars, trains and planes). The associated construction, chemicals, automotive, aerospace and machinery sectors provide a total added value of €1,324 billion and 30 million jobs, all depending on access to raw materials.



Antonio Cuevas Delgado, President of the Industry, Commerce and Tourism Committee of the Spanish Parliament



General view of the plenary meeting room

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These minerals have to be extracted from the ground in quarries and mines. In Europe, we need over 3 billion tonnes of these mineral raw materials every year. About 70% of EU manufacturing depends on minerals. Despite the current recession, demand for all these raw materials is predicted to increase significantly in the next 5-10 years, even with increased levels of recycling.

The continued availability of raw materials is vital to the future of the Minerals Industry and to the European economy. Some raw materials have to be imported as there are simply no geological deposits in Europe, and so may be at risk from supply disruptions. Others are geologically present in Europe, but access to these deposits is becoming increasingly difficult due to competing land-uses, conservation measures, growing regulatory constraints and, unfortunately, uninformed public opinion.



Micheal O'Briain, Natura 2000 Unit Policy Officer of DG Environment of the European Commission



María Spiliopoulou – Kaparia, of DG Enterprise & Industry of the European Commission

For these reasons, the European Commission launched its Communication in 2008: “**The Raw Materials Initiative – Meeting our Critical Needs for Growth and Jobs**”. The Minerals Industry has warmly welcomed this Initiative, and has cooperated very actively with the Commission and its Working Groups in developing the strategy to achieve our common vital goals.



Corina Hebestreit, Director of Euromines, in session 3 roundtable “Fostering sustainable supply from EU sources - Integrating extractive industry in land planning and permitting”



César Luaces Frades, Secretary General of COMINROC and Secretary of the Organising Committee

The interim results of this cooperative work are the focus of the very important European Minerals Conference, hosted by the Spanish Presidency in Madrid on June 16-18, 2010. The Industry's collective viewpoints are described in detail in its Madrid Declaration (see below), the key points of which may be summarised as:

- § **At European level,** a **Raw Materials Policy** needs to be promoted, defining the strategy to ensure that Europe in future will have sufficient supplies of imported raw materials and sufficient access to indigenous raw materials.

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- § There is a need to develop corresponding **Raw Materials Policies** at **national, regional and local levels** to ensure good present and future access to the raw materials geologically present.
- § There is a need to develop associated **Land-Use Planning Policies**, to ensure that land-use development for minerals extraction around these geologically-present resources is preferentially treated.
- § There is a need to adopt best practices in **Permitting Procedures** following good examples from other Member States, to ensure permits are granted in a timely and efficient manner and for durations that justify the significant capital investments involved.



Michelle Wyart – Rémy, Secretary General of IMA-Europe, rapporteur of session 2 “A critical access to raw materials”



Michel Catinat, representative of DG Enterprise & Industry of the European Commission



Jim O'Brien, President of UEPG, presenting the Madrid Raw Materials Declaration 2010

The Minerals Industry recommends that the Raw Materials Initiative adopts these proposals and incorporates them in the final Communication on the Initiative expected by end-2010. Because of the ongoing importance of the issue of access to raw material resources, the Industry also suggests that the Initiative be followed up by regular reviews over the next 5 years and also be part of the Commission's 2020 Agenda and Strategy.

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MADRID RAW MATERIALS DECLARATION 2010

Madrid, 17 June 2010

I. Future Demand for minerals, in Europe

Whereas:

- (i) Minerals are essential to every industry and every aspect of life. Minerals include Aggregates (that is crushed stone, sand & gravel), Dimensional Stones, Industrial Minerals (used for example in cement, glass, paper, paints, ceramics and environmental applications) and Metallic Minerals (used to make mobile phones, cars, solar panels, trains and planes). The associated construction, chemicals, automotive, aerospace and machinery sectors provide a total added value of €1,324 billion and 30 million jobs, all depending on access to raw materials.
- (ii) These minerals have to be extracted from the ground in quarries and mines. In Europe, we need over 3 billion tonnes of these mineral raw materials every year. About 70% of EU manufacturing depends on minerals. Despite the current recession, demand for all these raw materials is predicted to increase significantly in the next 5-10 years, even with increased levels of recycling.
- (iii) The demand for minerals, in tonnes/capita increases according to economic development in each country, reaching a plateau at high levels of GDP/capita. In the case of aggregates, once the current economic recession is over, demand in Europe is likely to increase steadily to a least 4 billion tonnes in the medium and longer term.
- (iv) Even with increased recycling in countries where it is so far relatively undeveloped, the total of recycled materials is unlikely to exceed 10% of total aggregate supply in the medium term. Marine and manufactured aggregates together currently comprise only 4% of total aggregate supply. Therefore future supply of aggregates in Europe (up to 85%) will still have to come from natural aggregate resources. For other minerals, even recycling rates of more than 50% will not satisfy the demand.
- (v) Due to their bulk and weight, most minerals - aggregates in particular - should be produced close to the point of usage to minimise transport distances, CO₂ emissions, environmental impact, transport congestion and associated costs.

The industry calls for:

- (i) National governments to be encouraged to improve data collection in order to establish short-medium and long-term minerals demand and supply scenarios for the different development regions, taking into account future development plans. These may also include waterway and rail export routes to adjacent markets which lack mineral deposits. These development plans should not a priori exclude areas with Natura 2000 or similar conservation designations.
- (ii) Steps to be taken to progressively fill gaps in the geological knowledge of mineral deposits in the Member States.

II. Minerals policy at EU – and national level

Whereas:

- (i) At EU-level, the importance of the reliable longer-term supply of minerals, in the national and European economic contexts needs to be clearly recognized, and all Member States should be strongly encouraged to ensure the longer-term supply from national, and in the case of aggregates, local resources.
- (ii) Member States should have a clear, structured National Minerals Policy, including both minerals planning policies (strategic and operative level, where minerals are considered in the planning process) and also the permitting processes (which should be efficient, and effective).

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The industry calls for:

- (i) For national minerals, policies to be implemented in Member States and integrated into other policy areas. Each national minerals policy to
 - a) Create awareness of society's dependence on minerals and of the real need for access to local resources.
 - b) Point out the importance of the secure supply of minerals for society, and promote a balanced approach in the assessment of conflicting interests between minerals, development and other land use issues.

III. National regional and local minerals, planning policies

Whereas:

- (i) There is often an unbalanced pre-disposition against extractive activities, which needs to be clearly addressed. Given the geologically-determined locations of minerals resources, these deserve the same status in land-use planning as other issues, such as water or other environmental resources, to ensure long-term access to mineral and aggregate resources.
- (ii) Generally speaking, mineral resources are not mapped in detail unless the local industry association has specifically made inputs to the national or regional development plans, and even when this has been done, access requirements can sometimes be largely ignored by the planning authorities, a situation which needs to be addressed and rectified.

The industry calls for:

- (i) Minerals planning policies to address strategic minerals planning (if possible at national or at least regional level) and operative minerals planning based on land-use plans. At strategic level it should be decided which planning strategy will be best for a country. At regional and/or local level land use plans should include minerals by taking into account the specific issues of the minerals industry. The planning horizon should be both mid-term and long-term to ensure that access to local resources is sustainably secured. This is the crucial issue of minerals planning policy.
- (ii) National, regional and local coordinated aggregates planning policies to take account of:
 - a) Local geology, also in relation to economic viability;
 - b) Whether the deposit is of adequate quality (ideally based on some exploratory boreholes);
 - c) Whether or not there is adequate physical unoccupied land surface area over and near (for access routes) these deposits;
 - d) Whether or not the deposits are in potentially sensitive areas such as in protected areas (Natura 2000) or are of high scenic/amenity value, though such designations do not a priori prohibit extraction activities;
 - e) Distance from urban, highly populated or industrial areas or infrastructural projects where there would be large demand;
 - f) Road, rail or waterway infrastructure for transporting the mineral and aggregates from the point of excavation to the point of usage.

IV. Effective permitting procedure

Whereas:

- (i) Permitting procedures are not always linked to land use plans.

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- (ii) Incorporation of mineral deposit information in land-use planning data banks is necessary to facilitate efficient permitting procedures.
- (iii) Some Member States or regions have efficient and timely “one-stop-shop” permitting systems. In some Member States, multi-body permitting regimes exist for historical reasons, often with differing perspectives and areas of responsibility.
- (iv) The authorisation process is complex and very slow in most countries, taking typically 5-10 years to obtain authorisation for a new production site, and furthermore permissions are often granted for only similar timescales, too short to justify capital investment.
- (v) In some countries, deficient or inconsistent permitting systems can allow unpermitted operators to thrive: any such deficiencies or inconsistencies need to be rectified.

The industry calls for:

- (i) All permitting considerations to be linked to the geological presence of minerals and the physical ability to get access; There is a need for a permitting system at member State level that allows efficient and timely granting permissions for projects, entailing:
 - a) A clear and appropriate legislative structure, with clear designation of authorities and competences.
 - b) A rationalised application process through one authority (as a “one-stop-shop”), or at least well co-ordinated procedures between all authorities if there are several, avoiding duplication of requirements or procedures. It is important that regional and local authorities are included in this process, which even if not involved by law, is inherently included as interested parties under EIA procedures.
 - c) Time-limited procedures for clarification by all stakeholders of applications, such that the overall process has to be completed within a 3 year timescale (there are many situations now which take 10-15 years, which few companies can afford).
 - d) A reasonably balanced approach conserving the environment, biodiversity, etc, but equally recognising the real need for minerals and the regional benefits created. Extraction projects should have at least the same importance as other spatial interests, and in no case should extraction be prohibited a priori even in protected areas. Project decisions should generally be taken at a high level, the evaluation balanced in the broader public interest.
 - e) When granting permissions, for mines or hard rock quarries a 50-year timescale should typically be considered. No permissions should be less than 15 years otherwise the major capital investment cannot be justified. Even in such cases, renewals for similar periods should be anticipated from the outset. For sand & gravel pits, the permission timescale should be 15-50 years depending on the scale of the deposit, with further renewals anticipated also proportionate to the scale of the deposit. When granting permissions, the duration of these should always be in line with the lifetime of the deposit, as sustainability requires extraction of the total deposit.
 - f) Permitting authorities should be acutely aware of the potentially sterilising effect of granting permission for even a single dwelling or other building on or close by to a planned or actual quarry or pit area.
 - g) Whatever planning system is used, fixed timescales should be set by which planning authorities must come to decisions. In some countries, the system can be stretched almost indefinitely by planning authorities by a last-minute need to seek further data, inappropriately resetting the timescale of steps within the process. There needs to be an appeal process at the highest level, determined by experts in the fields concerned, who can make objective decisions away from politics.
 - h) In each country, it is useful to provide organisational charts related to land use planning and permitting process. Based on such a schematic diagram, structural issues of efficiency and inefficiency can be discussed and improvements made.

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Finally, the Industry recommends:

- a) That all the above industry requests be incorporated into the future recommendations of the Raw Materials Initiative and be included in its final report.
- b) A progress review as a follow up to the Raw Materials Initiative on an annual basis over the next 5 years.
- c) To incorporate the Initiative into the Commission's 2020 Agenda and Strategy.