

**Public Consultation on the preparation of a new  
Communication on Raw Materials**  
***European Aggregates Association (UEPG) contribution***  
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***Identification number in the register of interest representatives: 15340821653-49***

## **Objective**

The Commission intends to adopt a Communication on the subject above by end of this year.

It will highlight the recent economic developments on the global raw material markets, show the progress made in the implementation of the Raw Materials Initiative (adopted in 2008), but also highlight remaining challenges and draw conclusions in terms of the way forward. The goal of this consultation is to gain an understanding of stakeholders' views on both the implementation of the Raw Materials Initiative (RMI) as well as gather opinions and suggestions on the potential avenues the Commission should explore in order to further progress and strengthen the Initiative, including actions at the level of EU, Member State and/or other stakeholders to address the key issues in relation to non-energy raw materials. For the purpose of this consultation "raw materials" cover all industrial raw materials including materials such as minerals, ores, aggregates, and also wood, hide and skins and other industrial raw materials with the exception of energy and food related raw materials.

## **State of play**

In November 2008 the Commission adopted the Communication (2008) 699 "The raw materials initiative - meeting our critical needs for growth and jobs in Europe" which proposed an EU integrated strategy as a response to the different challenges related to access to non-energy raw materials. As such it tied together various EU policies, both external (e.g. external relations, trade, development) and internal (e.g. environment, competitiveness, innovation), and promoted further cooperation between the Member States where appropriate. The proposed strategy is based on 3 pillars:

1. ensure a level playing field in access for resources in third countries
2. foster sustainable supply of raw materials from European sources, and
3. reduce consumption of primary raw materials by increasing resource efficiency and promoting recycling.

In May 2009, the Competitiveness Council endorsed the major objectives set out by the RMI and invited the Commission, Member States and stakeholders to act swiftly in the implementation of various lines of action outlined by the RMI. It also welcomed the commission's intention to report back on the implementation of the RMI by the end of 2010.

The launch of the RMI coincided with the full onset of the financial and economic crisis. The evolution of the international raw material markets has confirmed the structural nature of the issues at stake and thus reinforced the need to further pursue the objectives of the RMI. Meanwhile the RMI has gathered extra momentum with adoption of the Europe 2020 Strategy that includes as one flagship "An industrial policy for the globalisation era" and that foresees the setting up of a framework for a modern industrial policy that will "address all elements of, the increasingly international value chain from access to raw materials to after-sales service".

Other related flagships are "Innovation Partnership" and "Resource Efficiency".

Work is ongoing to implement the different lines of action outlined by the RMI. On top of a series of actions undertaken in the framework of the RMI, three major deliverables have recently been released:

- Report on defining "critical raw materials at EU level"<sup>1</sup>;
- Report on "exchange of best practices in area of land use planning and permitting"<sup>2</sup>;
- Trade activity report 2009 on raw materials<sup>3</sup>.

Another one is the Guideline document on "Non-Energy Extractive Industry and Natura "2000" aimed to provide clarification. The Guideline document is foreseen to be published by end of July and will be also available via the web site of Environment Directorate General.

Finally, regarding the external angle of the strategy, a first milestone was achieved with the publication of DG Trade's 2009 activity report on raw materials.

<sup>1</sup> [http://ec.europa.eu/enterprise/policies/raw-materials/critical/index\\_en.htm](http://ec.europa.eu/enterprise/policies/raw-materials/critical/index_en.htm)

<sup>2</sup> [http://ec.europa.eu/enterprise/policies/raw-materials/sustainable-supply/index\\_en.htm](http://ec.europa.eu/enterprise/policies/raw-materials/sustainable-supply/index_en.htm)

<sup>3</sup> [http://trade.ec.europa.eu/doclib/docs/2010/june/tradoc\\_146207.pdf](http://trade.ec.europa.eu/doclib/docs/2010/june/tradoc_146207.pdf)

# QUESTIONS

## POLICY AREA: DEFINING CRITICAL RAW MATERIALS

Major issues:

An expert group, chaired by Enterprise and Industry DG, recently released a report<sup>4</sup> that presented a methodology to measure the criticality of raw materials at EU level. A raw material is labelled “critical” when the risk of supply shortage and their impacts on the economy are higher compared with most of the other raw materials. The report provides an analysis of 41 different minerals and metals, and concluded on a list of 14 critical raw materials. It also contained two sets of recommendations: recommendations for follow-up and further support, and policy-oriented recommendations to secure access to and material efficiency of raw materials.

Questions:

1. Do you have any comments on the methodological approach, including the scope, to determine criticality at EU level? If so, please specify.

*The methodology is not questioned as the definition given of “Criticality” defines the geological and geographical scarcity of minerals. However, it does not foresee criticality of access to local resources due to transport, environmental and abundant administrative constraints including the NIMBY effect, nor the definition of criticality in a long term aspect. The scales used for the report are at International, EU and National level but do not take into account the regional and local scale, which are relevant for aggregates.*

*This particular criticality issue for aggregates has been fully described in the University of Leoben Report of June 2010 “Planning Policies and Permitting Procedures to Ensure the Sustainable Supply of Aggregates in Europe”, which Report has already been submitted to the Raw Materials Initiative and Commission Vice-President Antonio Tajani.*

2. Do you see any additional raw material that should be considered as critical? If so, please explain.

*Aggregates are essential for society, cf. Table p 11 of the Report, and should given specific mention as the primary raw material for all construction. Access to local aggregate resources is a key, fundamental and critical issue. In the absence of adequate policies, aggregate supplies may become critical in several European regions, leading to local supply deficiencies, with costly consequential inefficiencies in raw material consumption efficiency, transport, energy consumption and efficiency, and CO2 emissions. Due to their bulk and weight, aggregates should be produced close to the point of usage to minimise transport distances, CO2 emissions, environmental impact, transport congestion and associated costs.*

Two additional points could be relevant for the Report:

- p. 21 (2.2.1 geographical coverage) case study: aggregates. In chapter 2 we propose to add to the 3. Sentence the wording “if no rail or ship transport options which is usually the case”.
- P.21: A table of aggregates production could be added (2008 data attached).

3. Do you have any comments regarding the recommendations of the report? If so, please specify.

*Further work should be undertaken to gather more data and information on minerals available within the EU. This debate should be open for all EU stakeholders.*

*UEPG welcome the mentioned recommendations on:*

- *a European Raw Materials Yearbook*
- *life-cycle assessments*
- *the creation a working group(s) to further analyse the impact of emerging technologies on demand of raw materials*
- *the creation of a sub-group of the Raw Material Supply Group*
- *the development of a more streamlined permitting processes*
- *the promotion of good governance, capacity-building and transparency*
- *the promotion of sustainable exploration and extraction*
- *the indicator of land use competition*

*The list of critical raw materials should be reviewed after five years and, if necessary, on an ad-hoc basis taking into account policy change and/or increased knowledge of the accessibility of minerals. The focus should not be exclusively on the 14 critical raw materials, as access or availability of other minerals, including aggregates, is limited and could endanger the supply of the EU economy.*

*A list of “super-critical” minerals could be established to have a broader scope.*

4. Are you aware of any initiatives in your country that aim to assess the criticality of raw materials? If so, please describe briefly.

*The German Ministry of Economy has established a Raw Materials Agency assessing the availability of industrially important raw materials. In addition, some German companies launch studies on the availability for raw materials they need.*

*In a few regions of Spain, competent authorities are assessing the problematic aggregates supply. In those cases, a prospective study on future demand and availability of resources (authorised) has lead to a proportional relation between those factors.*

*However, as outlined in the 2010 Leoben Report, most countries have done insufficient assessment of the future availability of aggregates.*

5. The functioning of raw materials markets has not been dealt with. Do you think that further analysis of their functioning should be carried out? What actions should be proposed to increase their transparency?

*As aggregates are mostly traded locally in highly competitive markets, this is not an aggregates issue.*

6. Do you think that the EU should propose a system of stockpiling for the critical raw materials? If so, please indicate whether you consider it more appropriate to do this at Community or alternatively at Member States level.

*Not generally relevant for aggregates, as the market will provide alternatives, albeit at much higher economic and environmental cost.*

<sup>4</sup> [http://ec.europa.eu/enterprise/policies/raw-materials/critical/index\\_en.htm](http://ec.europa.eu/enterprise/policies/raw-materials/critical/index_en.htm)

## **POLICY AREA: TRADE**

Major issues:

One pillar of the Raw Materials Initiative consists in developing a European external strategy in order to guarantee the sustainable supply of raw materials from global markets at undistorted conditions. In this, trade policy plays an important role.

DG Trade has recently completed its 2009 [activity reports](#) on raw materials, which summarizes the progresses accomplished along the three axes of the trade raw materials strategy:

⌚ Include, as appropriate, the relevant trade disciplines on sustainable supply of raw materials in bilateral and multilateral trade agreements.

⌚ Identify illegitimate trade distortive measures taken by third countries and tackle them using all available instruments, including through bilateral consultations, the Market Access Partnership process or, if necessary, the WTO dispute settlement; while delimitating more clearly permissible exceptions for e.g. development purposes.

⌚ Reach out to third countries to show that the question of sustainable raw materials supply is an issue relevant to all countries, developing or developed, resource-rich and resource-poor alike as the uncontrolled, unregulated multiplication of trade restrictions can lead to a generalized beggar-thy-neighbour policy detrimental to most countries; while recognising the importance of respecting internationally agreed rules on the subject.

Questions:

7. Do you think that the importance of trade is adequately reflected in the work carried out so far in the Raw Materials Initiative?

*Not a relevant issue for aggregates.*

8. Do you have any comment regarding the main findings of DG Trade activity report? What activities should be prioritised? Are there, in your opinion, additional activities not mentioned in the report which should be pursued in this strategy?

*Not a relevant issue for aggregates.*

9. Please identify trade distortive measures (i.e. export restrictions) concerning raw materials that in your view should be tackled.

<sup>s</sup> [http://trade.ec.europa.eu/doclib/docs/2010/june/tradoc\\_146207.pdf](http://trade.ec.europa.eu/doclib/docs/2010/june/tradoc_146207.pdf)

*Not generally a relevant issue for aggregates, as most aggregates are traded locally.*

10. Are you aware of any initiatives in your country that have one of the above goals in mind such as, for example, developing a raw materials diplomacy, or supporting companies to invest in third countries in the raw materials sector? If so, please describe briefly.

*Not a relevant issue for aggregates.*

## **POLICY AREA: DEVELOPMENT**

Major issues:

The 2008 RMI Communication highlighted that development policies play a relevant role in at three 'levels':

⌚ 'Strengthening States'

⌚ Promote a sound investment climate that helps increase sustainable supplies of raw materials

⌚ Promote sustainable management of raw materials

In 2010, within the context of the EU-African Union partnership, the European Commission and the African Union Commission recently agreed to develop a bilateral co-operation in the field of raw materials and to work together, taking fully into account the Africa Mining Vision of February 2009 and the EU Raw Materials Initiative of December 2008, in particular on issues such as governance, infrastructure and investment and geological knowledge and skills.

Questions:

11. What specific actions would you consider most relevant needed in the following areas:

X Good governance;

X Infrastructure / investments;

Geological knowledge / skills.

12. Regarding transparency, what measures do you believe the EU should take to foster revenue transparency in the mining industry in raw material resourcerich countries? What are your views regarding existing initiatives currently being taken in this area, namely by the Extractive Industries Transparency Initiative (EITI<sub>6</sub>)?

*Not a relevant issue for aggregates.*

13. Concerning the recent agreement between the European Commission and the African Union Commission, in your view, what concrete objectives, targets and

deliverables should be included in such a partnership?

*Not a relevant issue for aggregates.*

14. Do you consider that wood should be addressed in the framework of development policy? If yes, please specify what are the main issues to be analysed.

*Not a relevant issue for aggregates.*

15. Are you aware of any initiatives in your country that contribute to promoting exploration and exploitation of mines in developing countries? Should such initiatives be better coordinated or promoted at the EU level?

<sup>6</sup> <http://eiti.org/>

*Not a relevant issue for aggregates.*

## **POLICY AREA: IMPROVEMENT OF THE REGULATORY FRAMEWORK CONDITIONS INSIDE THE EU**

Major issues:

⌚ The Commission has proposed in the Raw Materials Initiative adopted in 2008 to provide clarity on how to reconcile non-energy extraction activities in or near Natura 2000 areas with environmental protection. In consultation with stakeholders a guidance document has been finalised and will be available on the web site of DG Environment<sup>7</sup> before summer break.

⌚ As regards ways to improve the regulatory framework within the EU by promoting the exchange of best practices in the area of land use planning and administrative conditions for exploration and extraction, a report has been delivered by the relevant ad hoc Working Groups.

⌚ This report covers the following topics:

- Minerals Policy
- Land use planning policy for minerals
- Authorisation and permitting procedures
- Achieving Technical, Environmental and Social Excellence
- Improving the EU's geological knowledge base
- Better networking between the national Geological Surveys
- Need to integrate terrestrial sub-surface information into the GMES

Land Service

Questions:

16. Do you agree that these topics correspond to the major challenges in this policy area? If not, please specify.

*Yes, we agree. However, the main challenge at local level is to convince stakeholders the compatibility of the extractive industry with environment.*

*Aggregates extraction does have little impact on environment, at the reverse aggregates producers have proven that they can contribute to biodiversity, and beyond that, create Natura 2000 sites.*

*Local access to aggregates allows minimal consumption of energy and CO2 emission due to little use of transport means.*

*Better access to National and European fluvial and railway network transport should be emphasised.*

*It is crucial to take into account access to raw materials and the security of continued supply as a cross-cutting issue when drafting EU legislation.*

17. Do you think of any other avenues which should be followed by the Commission? If yes, please specify.

*National governments should be encouraged to improve data collection on the aggregates industry, and thereby to establish short-medium and long-term aggregate demand and supply scenarios for the different development regions taking into account future development plans, also including natural waterway export routes to adjacent markets which lack aggregate deposits. These development plans should not a priori exclude areas with Natura 2000 or similar conservation designations.*

*There is also a general need to progressively fill gaps in the geological knowledge of aggregate deposits in the Member States.*

18. Do you agree with the recommendations made in the report on "Exchanging Best Practice on Land Use Planning, Permitting and Geological Knowledge Sharing" or do you have any specific ones to be added. Please explain.

- *National minerals policy should:*
  - *Create an awareness of society's dependence on minerals, and specifically for aggregates, and in the case of aggregates of the need for access to local resources.*
  - *Point out the importance of the secure supply of minerals, and specifically of aggregates, for society, and promote a balanced approach in the assessment of conflicting interests between minerals development and other land use issues.*
- *National, regional and local coordinated aggregates planning policies need to take account of:*
  - *Local geology, whether or not hard rock or sand & gravel are present geologically (at surface, as underground mining is generally not commercially viable for such materials).*
  - *Whether the deposit is of adequate quality, ideally based on some exploratory boreholes.*
  - *Whether or not there is adequate physical unoccupied land surface area over and near (for access routes) these deposits.*
  - *Whether or not the deposits are in potentially sensitive areas due to being protected areas (Natura 2000) or of high scenic/amenity value, though such designations do not a priori prohibit aggregate extraction activities.*
  - *Distance from urban, highly populated or industrial areas where there would be large aggregates demand.*
  - *The road, rail or waterway infrastructure for transporting the aggregates from the point of excavation to the point of usage.*

- *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.*
- *Effective permitting procedure should be achieved:*
  - *Incorporation of aggregate deposit information in land use planning data banks is necessary to facilitate efficient permitting procedures.*
  - *Few Member States have efficient and timely “one-stop-shop” permitting systems. In many Member States, multi-body permitting regimes exist for historical reasons, often with differing perspectives and areas of responsibility.*
  - *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.*
  - *In some countries, deficient or inconsistent permitting systems can allow unpermitted operators to thrive: any such deficiencies or inconsistencies need to be rectified.*
  - *All permitting considerations have to be linked to the geological presence of aggregates, and the physical ability to get access. In principle, each Member State should have a permitting system that allows efficient and timely granting permissions for projects, which entails:*
- *Planning Policies and Permitting Procedures to Ensure the Sustainable Supply of Aggregates in Europe:*
  - *Clear and appropriate legislative structure, with clear designation of authorities and competences.*
  - *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. It is important that local authorities, which even if not involved by law, are included in this process as interested parties under EIA procedures.*
  - *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).*
  - *A reasonable balanced approach conserving the environment, biodiversity, etc, but equally recognising the need for aggregates, 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.*
  - *When granting permissions, for 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: sustainability requires the extraction of the total deposit.*
  - *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.*
  - *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.*
  - *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.*

*All of these issues were more fully described in the 2010 Leoben Report.*

19. Do you consider it useful to establish an EU geological service based on a

network of Member State geological services?

*National governments should be encouraged to improve data collection on the aggregates industry, and thereby to establish short-medium and long-term aggregate demand and supply scenarios for the different development regions taking into account future development plans, also including natural waterway export routes to adjacent markets which lack aggregate deposits. These development plans should not a priori exclude areas with Natura 2000 or similar conservation designations.*

*There is also a general need to progressively fill gaps in the geological knowledge of aggregate deposits in the Member States.*

<sup>7</sup> <http://ec.europa.eu/environment/nature/natura2000/>

<sup>8</sup> [http://ec.europa.eu/enterprise/policies/raw-materials/sustainable-supply/index\\_en.htm](http://ec.europa.eu/enterprise/policies/raw-materials/sustainable-supply/index_en.htm)

20. Do you consider that EU regulatory framework conditions for wood and/or recovered paper need to be further analysed? If yes, please specify.

*Not a relevant issue for aggregates.*

## **POLICY AREA: PROMOTING SKILLS AND RESEARCH, DEVELOPMENT AND INNOVATION**

Major issues:

🕒 Promote **skills** not only in the mining sector but also in other raw materials sectors is a matter of concern. The Commission is currently supporting this challenge via programmes such as ERASMUS MUNDUS with the specific Minerals and Environment Programme (EMMEP).

🕒 Focussed **research** on innovative exploration and extraction technologies, recycling, materials substitution and resource efficiency. The Commission has recognised the European Technology Platform on Sustainable Mining (ETP-SMR) to catalyse excellent research and development collaborative projects between the industry and research organisations. In addition, via the 7<sup>th</sup> framework programme for research, development and innovation the next call for proposals in the area are expected to be public in July<sup>9</sup>.

Questions:

Skills:

21. What type of actions would you propose to provide better cooperation between companies, universities and public authorities in order to promote skills and in the extractive or other raw materials sectors? Please specify.

*PR and information activities for the raw materials sector are necessary to attract more young people to start their studies in this field on the one hand and to raise the awareness and knowledge of the broad public on the other hand.*

*In the aggregates sector we do have open doors event at local and national level as well as the European Minerals Day at European level which are both good examples to communicate the activities of the industry to a large public.*

*Some taxes exemptions for companies funding skills programmes would be very helpful.*

## Research, Development and Innovation:

22. Are you aware of any research, development and innovation programme(s) at national, regional or local level? Please specify.

*Ongoing research on dredging influence on groundwater bodies, dust prevention studies etc.*

23. Where do you see the major gap / the urgent need for the raw materials sector related research, development and innovation at EU level. Please provide details.

- *Resources efficiency / technical aspects related with extraction / treatment and distribution*
- *Product ecoefficiency*
- *Environment performance*
- *Life cycle*
- *Recycling*
- *Biodiversity*

24. What is your idea of a major research and innovation action that would have the highest positive impact on the security of raw materials supply for the EU industries? Please specify.

*Not a relevant issue for aggregates.*

25. Are you aware of innovative exploration and extraction technologies, where project partners on a European level are needed to develop and implement the new technologies and which are the innovative technologies which need to be developed further. Please provide details.

*Not a relevant issue for aggregates.*

26. Are there any other aspects related to skills, R&D and innovation for other raw materials, such as wood, that need to be further promoted? Please, specify.

<sup>9</sup> <http://cordis.europa.eu/fp7/dc/index.cfm>

*Not a relevant issue for aggregates.*

## **POLICY AREA: RESOURCE EFFICIENCY & RECYCLING**

Major issues:

The 2008 RMI Communication identified that the increased use of secondary raw materials contributes to security of supply and energy efficiency. However, today many end-of-life products do not enter into sound recycling channels, resulting in an irremediable loss of valuable secondary raw materials. This mainly concerns exports of end-of-life vehicles and electronic equipment, which leave Europe as reusable products but end up being dismantled abroad. To counter these trends, the need to reinforce the Waste Shipment Regulation and

related legislation was identified. Furthermore, prices of some recovered materials have reached record levels due to the high demand from third countries.

The Waste Shipment Regulation also contains requirements on exporters of waste to third countries to ensure that this waste will be treated in an environmentally-sound manner. However, compliance with this principle is not always respected.

Finally, stakeholders have identified the need for an improvement in statistics on secondary raw materials. This includes actions to be taken to measure the extent of illegal trade in products containing these secondary materials.

Questions:

27. In your view, and beyond measures already being taken (e.g. the recast of the WEEE Directive), what practical measures can be taken by the EU and by Member States to prevent the illegal shipment of obsolete end-of-life vehicles and electronic equipment?

*Not a relevant issue for aggregates.*

28. In what ways should statistics on trade in, and recycling of, products containing secondary raw materials be improved?

*Related with recycling, since there is no other specific place to make a comment, we would like to highlight the need to improve overall organisation, logistics and efficiency of recycling chains, focused on interfaces and system approach extended to all raw materials.*

*The role of primary raw materials producers has to be highlighted in order to better integrate them in the recycling procedure, because this could be a cost effective way to improve the efficiency of the scheme.*

*The aggregates industry is committed to increased levels of recycling. In some countries (UK, Belgium and Netherlands in particular) nearly all available C&D materials are now recycled, yet this accounts for only 20% of national demand. Recycling rates are gradually improving in other EU countries thanks to various initiatives at national level. However, ultimately only about 10-15% of European aggregates demand can be supplied through recycling. This again underlines the need for continued future access to local natural aggregates resources.*

29. Have you identified major problems with recovered paper? What are the main issues that need to be further analysed?

*Not a relevant issue for aggregates.*