

Public Consultation on the preparation of a new Communication on Raw Materials

Contribution from:

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Hereafter **RMCA**

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Foreword and recommendations

Some parts of this contribution might be found elsewhere in the BE official contribution, as the two contributions have been written partially together. This contribution focuses on (1) the “technical” aspects and (2) the vision of a holistic EU approach of raw materials issue.

1. RMCA two-fold tool on mineral resources in Central Africa (from 2006 onwards; currently ongoing):

- **Task Force MIRECA “Mineral Resources in Central Africa”**
 - Advice to BE Foreign Affairs
 - Takes part in IC initiatives and relevant meetings
 - Pilot-projects (cobalt in Katanga, mapping in Kivu, gold in Burundi)
- **GECO project “Geology for an Economic Sustainable development”**
 - “Geological expertise” of MIRECA
 - Geological mapping and expertise on Central African ore deposits
 - Capacity building of Congolese mining authorities
 - Follow-up of environmental and health impact of mining activities

2. What RMCA could bring

- **An expertise (reference “knowledge center”) on the geological background and mineral resources in Central Africa**
 - Understanding of ore genesis
 - Mapping, including from space (remote-sensing)
 - Resources DB
 - “New” resources occurrences (e.g. REE in Burundi)

- **An acknowledged expertise on the mining sector** (political aspects) in Central Africa (RDC, Burundi, Rwanda, others)
- **A will to promote multilateral mitigation policies** (together with BE Foreign Affairs), taking into account:
 - The needs and demand of African partners
 - All the aspects of the production in developing countries
 - Including social and environmental aspects in the field

To summarize, RMCA would recommend capitalizing on the existing relationships between EU member States and African countries to reinforce partnership with Africa.

EU added value (when compared to the BRIC block) would reside in the will to promote a holistic approach of mineral resources, including social and environmental aspects. It is hoped that this long-term, strategic, approach would at length take advantage of the shortsighted policy of competitors, for the mutual benefit of both parties.

> For further comments, please contact Dr Thierry De Putter

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POLICY AREA: DEFINING CRITICAL RAW MATERIALS

1. Do you have any comments on the methodological approach, including the scope, to determine criticality at EU level? If so, please specify.
2. Do you see any additional raw material that should be considered as critical? If so, please explain.
3. Do you have any comments regarding the recommendations of the report? If so, please specify.

RMCA: Overall agreement

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

RMCA: These markets are complex and strongly differ from one resource to the other: diamond market is not comparable to cobalt market. Their functioning, as commercial activities, is tackled by professional agencies/trade unions/stock exchanges.

IC initiatives, such as EITI, deal with transparency. BE supports existing initiatives (EITI, OECD, etc), and strives to reinforce them.

It is worth keeping in mind that the issue of transparency is, at least theoretically, a problem that should at last resolve, leaving the key question of the trade flows at the foreground. Hence, EU should focus on assessing its supply policy and securing trade chains.

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.

RMCA: A "buffer stockpile" in highly strategic minerals seems to be an interesting initiative to smooth the market volatility; it should ideally be operated and managed at the Community level, albeit some influential Member States would most probably prefer to manage it on their own.

POLICY AREA: TRADE

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

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?

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

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.

POLICY AREA: DEVELOPMENT

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

Good governance;

RMCA: Follow-up and active support to existing initiatives, such as EITI, OECD guidelines for business in weak governance areas, etc. Special attention should be paid to the artisanal mining sector that matters much in Africa (e.g. Co and Ta in DRC)

Infrastructure / investments;

Geological knowledge / skills.

RMCA: Much has to be done, in some parts of the world, as for instance Africa. It might be part of the EU's added value to foster a real win-win approach in mineral resource management, based on geological expertise, capacity building, and education. Expertise therefore is available in Member States, and at the time still roughly follows the colonial pattern – meaning that France keeps more expertise in Western Africa, Belgium in the Great Lakes area, UK in Eastern Africa, etc.

These practical steps might be relevant, at the Member States level first and then, progressively, at the Community's level:

- Overall, improve the geological expertise on (Central) African resources (including a focus on insufficiently known ore deposits)
- Improve geological mapping and geological info database (DB)
- Capacity building and/or creation of geological surveys, in third countries
- Improve the understanding of ore formation, dating and characterization
- Determine the content in economic metals in ores

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

RMCA: As mentioned above, support and extend the multi-lateral and multi-stakeholder EITI to the artisanal mining sector, where certification initiatives (as those led by Germany, ITRI (tin) and Belgium in DRC and neighboring countries) might, in the short- to medium-term, prove to be a useful step towards a better, more efficient and more transparent organization.

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?

RMCA: Joint efforts and actions in the field of geological knowledge and skills would be highly welcome: direct focus onto the issue of mineral resources (identification, mapping, characterisation, potential) is only one of the relevant aspects therein. Capacity building of African geological surveys and the training of human resources are a second aspect that should be considered. Thirdly, a major concern in Africa is placed on mapping in general. Scientific AU-EU collaboration, especially in the field of remote-sensing mapping (ie from space), is a promising one. Better maps are of high importance for African countries: they allow them to tackle issues as national boundaries, landuse (forestry, mining, agriculture, etc.), but also the various "cadastre" (land register) that underlie most human activities and are lacking in many African countries.

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.

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?

RMCA: assists both the States (e.g. DRC) and private companies in providing relevant geological and mining information on request. It also actively contributes to the capacity building of the DRC Geological Survey (namely the Centre de Recherches Géologiques et Minières, CRGM), and has formerly conducted similar operations in other African countries (Rwanda, Burundi, Sierra Leone, Mali, Tanzania, Gabon)

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

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

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

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.

19. Do you consider it useful to establish an EU geological service based on a network of Member State geological services?

RMCA: EuroGeoSurveys already works as a virtual EU geological survey.

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

POLICY AREA: PROMOTING SKILLS AND RESEARCH, DEVELOPMENT AND INNOVATION

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.

RMCA: Education in geology, metallogeny and mining engineering has suffered from a lack of interest for decades in EU: the expertise in mineral resources is not anymore predominantly European. It is now urgently needed to foster a complete reorganization of these studies. If not, companies will continue hiring graduates from Canadian, Australian and/or South African universities, providing at length no net benefit for EU.

Research, Development and Innovation:

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

RMCA: dedicates a research program (the GECO project, see p. 1), funded by BE Foreign Affairs, to the study and characterization of mineral resources in the Great Lakes area – including cobalt ore in the Katanga, tantalum ore in the Eastern DRC and REE in Burundi. This research program runs until the end of December 2011.

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.

RMCA: See question 21: the reinforcement of the still existing geological expertise in EU needs to be supported urgently. At the political level, the overall visibility of EU and the coherence of European actions need to be reinforced. A European “vision” on mineral resources has to be published and concrete actions to follow. The added value of the EU policy has to be enforced and produce results soon, to ensure the competitiveness of EU vs. other competitors, especially in Africa.

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.

RMCA: A real win-win EU cooperative and sustainable development policy in the African mining sector might make the difference, at the community and technical level. At the highest, political, level, corruption will undoubtedly continue to matter in many countries. This issue is tackled by multilateral actions (e.g. IMF and associated agencies), exerting growing pressure on the ill-performing governments. Unambiguous political support at the Community level is of course needed.

Research results should be shared with African partners and education reinforced. A dedicated certification label could be presented to companies complying with EU guidelines. In the present context, where public opinion pays more attention to the origin of raw materials, this might be relevant.

Pilot projects, operated by EU mining companies, could focus on relatively small or medium-scale deposits of strategic resources, especially in areas where other economic activities are scarce. The economic rationale could be to feed strategic stockpiles. Such projects would make the EU policy quite visible, in the field. This community benefit-based approach might work better in countries where population is a matter of concern for the State authorities. Such is unfortunately not the case in the bottom ranking of IFC's Doing Business rating, where strategic resources sometimes are. Progress in these countries will be slow and come from long-lasting, coordinated, political and financial pressure. BRIC countries cooperation will be needed in these critical countries.

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.

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.

POLICY AREA: RESOURCE EFFICIENCY & RECYCLING

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?

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

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