



Raw Materials Week 2018

15 November 2018, Le Plaza Hotel, Boulevard Adolphe Max 118-126, 1000 Brussels

How to reconcile the needs of the extractive industries with the protection of ecosystems and biodiversity

1. Nature of the meeting

As part of the European Innovation Partnership on Raw Materials (EIP-RM)'s Raw Materials Week, this meeting presented progress on implementing the Commission's Action Plan on Nature, People and Economy.

2. Sessions I & II: Update of the Commission guidance on Natura2000 and non-energy raw materials – state of play (Session addressing an action from the Natura2000 Action Plan. The EC will identify best practices on investment into extractive operations that show how to implement legislation for nature and biodiversity objectives while meeting the demands for raw materials and sustainable development of NEEI activities.)

The process of identifying and evaluating the best-practice across the whole lifecycle of mineral extraction case studies was presented. Positive outcomes from the good practice captured include supporting the social licence to operate, greater multi-stakeholder engagement, and benefits such as flood risk reduction and financial benefits. Delegates raised the importance to not overstate the transferability of the good practice examples, accepting that all ore-bodies are different. Land-use permitting procedures of Member States also vary, as does local or national will, halting progress in many cases. It is not always possible to reconstruct/remediate habitats in a short timeframe and mining in protected areas will therefore always be a contentious issue.

Common aspects of extractive projects that are key to reconciling their impact on nature and biodiversity include: clear and honest communication, with a strategy in place as early as possible; the related need to identify the right stakeholders and tap into the right expertise at every stage of the project; as well as respect for the natural, economic and cultural characteristics of their environment, needed to achieve a social licence to operate.

The EC will disseminate all case studies being prepared. The final best-practice document will give realistic advice on the transferability and adaptability of the case studies. Additional work planned includes updating the guidance on permitting and species protection and clarifying why areas are designated for special protection measures. An area of increasing interest for the Commission is that of nature / ecosystem services and promoting the benefits of these services.

3. Session III: Reconciling sourcing and extraction of raw materials with the protection of ecosystems and biodiversity – international approach (existing best practices)

The extractive sector – by underpinning the transition to green energy technologies – has a role to play in arresting climate change and halting biodiversity reduction. Availability and transparency of data is the single most important catalyst for this transition; companies should be obligated by standards to facilitate this. Lack of local and regional 'data democracy' also hampers effort to improve sustainable development and thus biodiversity. The trial of MapX in NW Ghana will assess whether the expected benefits of easy access to information are realised.

The Aluminium Stewardship Initiative (ASI) certifies responsible aluminium producers and suppliers along the whole value chain using regularly updated standards and guidance for promotion of best practice. Certificated mining companies find it easier to get a licence to

operate; certified aluminium may also realise a premium price, attract new customers, and enable longer-term contracts that allow the sustainable management techniques that benefit biodiversity. However, the scheme is voluntary and building consensus within the multi-stakeholder group is hindered by a lack of data. ASI has reached out to China, as it dominates mineral supply chains.

The artisanal and small-scale mining (ASM) sector suffers from ‘informality’, with fewer rights and poor safety for workers as well as poor efficiency. Though governments would like to ignore ASM, it exists in over 80 countries, including many with biodiversity hotspots, and employs 40 million directly and around 120 million indirectly. Formalising the sector through permitting would enable miners to access finance and international markets, and regulate space allocation which could reduce environmental harm. The FairMine certification scheme for gold has recently developed realistic certification standards for ASM: it could be adapted for other minerals.

Post-mining, there are opportunities for sustainable tourism to increase biodiversity. Industrial landscapes - especially post-mining lakes - have a large potential for tourism. The Malopolska region has 100s such lakes and, in 2014, local government and private investors collaborated with University of Science and Technology, Kraków, to plan for sustainable tourism with a focus on biodiversity. Features of the scheme were coherence, high architectural standards and balancing human economic and environmental needs. The reclaimed sites are now integrated with the few still-active extraction sites nearby. The scheme has reconciled small-scale mining with nature and sustainable tourism.

Key messages from this session were identified as:

- Regulation and political will is key
- Urgent action to improve access to data is needed, enabling support of good governance and sharing of benefits to with the communities involved.
- The market must adopt the responsible behaviour spearheaded by voluntary schemes.
- The lack of mining rights for ASM is one of the main stumbling blocks to biodiversity.
- Multi-stakeholder engagement, and cooperation towards objectives, benefits all.

4. Session IV: Reconciling sourcing and extraction of raw materials with the protection of ecosystems and biodiversity – knowledge gaps in the international framework

The lack of understanding of the ASM sector hampers the ability to attain traceable, transparent and verifiable data. Environmental protection requires data on pollution, emissions, mercury contamination, land use and degradation but this is difficult to obtain from a low-tech, informal sector. Concern for the nature is a low priority for ASM miners who operate in unregulated spaces with no security of tenure. ASM is neglected sector in SDGs and development policies. Data is required on geological deposits, population numbers and livelihoods, including on food security. Data should be contained on a platform from which we can monitor it and facilitate a sustainable process; this requires us to acknowledge then formalise the sector.

Delegates outlined similar experience in fishing/agriculture: once there is formalisation, banks lend money, leading to higher incomes and thence environmental stewardship. The EC was urged to take note, when forming policy, of the danger of ignoring this sector, as Europe may need to exploit its small-scale primary sources of RMs.

The H2020 project *STRADE* will develop recommendations for the EU RMs strategy, based on international cooperation focusing on LDCs and emerging countries. Key pointers to success are: implementing the many responsible mining standards, and engaging those companies that are ‘below the radar’. For responsible supply the EC needs to:

- Above all, keep open the dialogue with China.
- Develop standards for sourcing to complement the many that exist for mining.

- Bring African mines into stewardship schemes.
- Demand that the EU-based mining sector is responsible and exemplary.
- Give good governance, and not leave matters to due diligence by industry.
- Connect ASM programmes to wider rural economy programmes.
- Take a stronger role in multi-lateral/-national dialogues to strengthen responsible mining and sourcing.
- Create a global standard that incorporates standards from other countries, including learnings from both large-scale and artisanal/small-scale mining.

Raw materials criticality is about supply risks, but should also consider environmental risks. Of the plethora of environmental standards and initiatives that DERA has now mapped, some are integrated, some are specific, and this causes confusion. The main challenges are:

- Fragmentation by commodity/region, solvable by more cooperation to get practical solutions.
- Lack of legitimacy or broad-based support, solvable by more public engagement.
- The problem of cost recovery: not yet solvable without sector-wide discussion.

DERA's report, due in February 2019, is not an overarching criticality assessment, but rather a way of looking at criticality and integrating environmental aspects. New work will include social aspects, and eventually the assessments may help achieve a broader 'sustainability' assessment. The report can be used by companies to identify priority materials and environmental hotspots in supply chains; multi-material due-diligence schemes; and governments for focussing funding.

The mining sector has a significant impact on climate change, habitat destruction, water use and pollution. An NGO explained how it is supporting mining industries (both large- and small-scale) with standardised tools and methods, biodiversity assessments to help attain a social licence to operate, and legacy issues after mine closures. It has helped with conservation of forests, and in government policies – e.g. setting up a new 'green bond'. To best effect change, the EC is urged to engage all local stakeholders, not to exclude the smaller players, and to give access to finance.

The impacts of the 30k recorded mines around the world (not including ASM) include habitat loss/fragmentation, water/air pollution, soil erosion, radioactivity, and climate change. Impacts are direct, indirect and induced (from mining infrastructure e.g. dams, roads), and cumulative. As reserves are exhausted, mining takes place in more marginal areas for which we have no data. The IRP has found that governance of mineral resource is scattered, fragmented and multi-level; integrated and multi-stakeholder consensus is needed. A flexible, integrated, harmonized but non-regulatory 'sustainable development licence to operate' (SDLO) is proposed, that will include protecting ecosystems and biodiversity. The next steps are: global agreements, a platform for continued dialogue, regional platforms and national gap analysis and benchmarking.

Annex: Agenda of the meeting

Raw Materials Week

12-16 November 2018



How to reconcile the needs of the extractive industries with the protection of ecosystems and biodiversity

15 November 2018

Le Plaza Hotel (Boulevard Adolphe Max 118-126, 1000 Bruxelles)

09:30-9:40	Welcome and introduction
09.40-11.20	Session I: Update of the Commission guidance on Natura2000 and non-energy raw materials – state of play Presentations on: <ul style="list-style-type: none">• a large-scale river widening and gravel extraction project (Grensmaas)• a biodiversity restoration project in a gravel quarry (Soto Pajaras)• a gold mine in Bulgaria where there was learning from the appropriate assessments required• an Austrian example of a regional approach to applying the appropriate expertise to support extractive companies by creating and implementing measures to conserve and actively manage the species and habitats of quarries, sand and gravel pits.
11.50-13.00	Session II: Continuation of Session I Presentation on: <ul style="list-style-type: none">• an overview of the activities of the UEPG in promoting a more evolutionary approach to biodiversity management and its involvement in the <i>Life in quarries</i> EU funded project and the EU Pollinators Initiative. Interactive discussion
14.00-15.30	Session III: Reconciling sourcing and extraction of raw materials with the protection of ecosystems and biodiversity – international approach (existing best practices) Global policy on biodiversity/ecosystems protection in large-scale mining: (Rio Tinto tbc) Biodiversity/ecosystems protection and Artisanal and Small-scale mining (Ms Laura Barreto , PhD, Director, MERG - Materials Efficiency Research Group International Specialist in Mining and Sustainable Development Strategies, Policy and Law) Biodiversity/ecosystems protection and due diligence along value chains (NN) Biodiversity enrichment in process of reclamation and revitalisation of post-mining areas through proper land use planning and sustainable tourism concept - case study from Poland (Prof. Anna Ostrega , AGH – University of Science and Technology, Kraków) Protecting biodiversity/ecosystems in investment decisions: Responsible Investor (NN TBC) Q&A

16.00-17.30

Session IV: Reconciling sourcing and extraction of raw materials with the protection of ecosystems and biodiversity – knowledge gaps in the international framework - chaired by **Michal Spiechowicz**

Data transparency, traceability and verifiability on environmental issues along global value chains (**Gavin Hilson**, NN)

Recommendations of H2020 Project STRADE on environmental issues (**Doris Schueler**, Oeko Institute)

Environmental criticality of raw materials and related due diligence schemes (**Mr Jan Kosmol**, German Environment Agency)

Perspective of environmental NGO (**Mr Peter Koegler**, Conservations International)

Findings from International Resource Panel (**Sharon Brooks** and **Janyl Moldaliev**)

Q&A

17.30-17.40

Closing remarks