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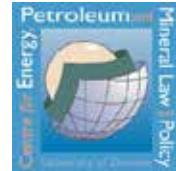
# How can EU raw-material policy support international responsible mining practice?

Findings and recommendations from the  
STRADE project

Dr. Doris Schüler, Raw Materials & Environment, 19 February 2019, Berlin



## Project team



*Member of GEA Consulting Group*



International  
advisory board  
with members from  
Africa, Latin-America,  
China, Canada and  
Europe

### STRADE conferences:

- Ø Brussels conference 2017+19
- Ø Beijing conference 2017
- Ø Johannesburg conference 2017
- Ø Bogota workshop 3/2018



# Research & dialogue areas

→ Dialogue-based policy recommendations for the EU Raw Material Strategy

## International cooperation

Developing & Emerging countries  
(Focus: Africa and Latin America)

China

Other industrialised countries

Global dialogue

EU  
mineral  
sector

Mining  
Mine-tech

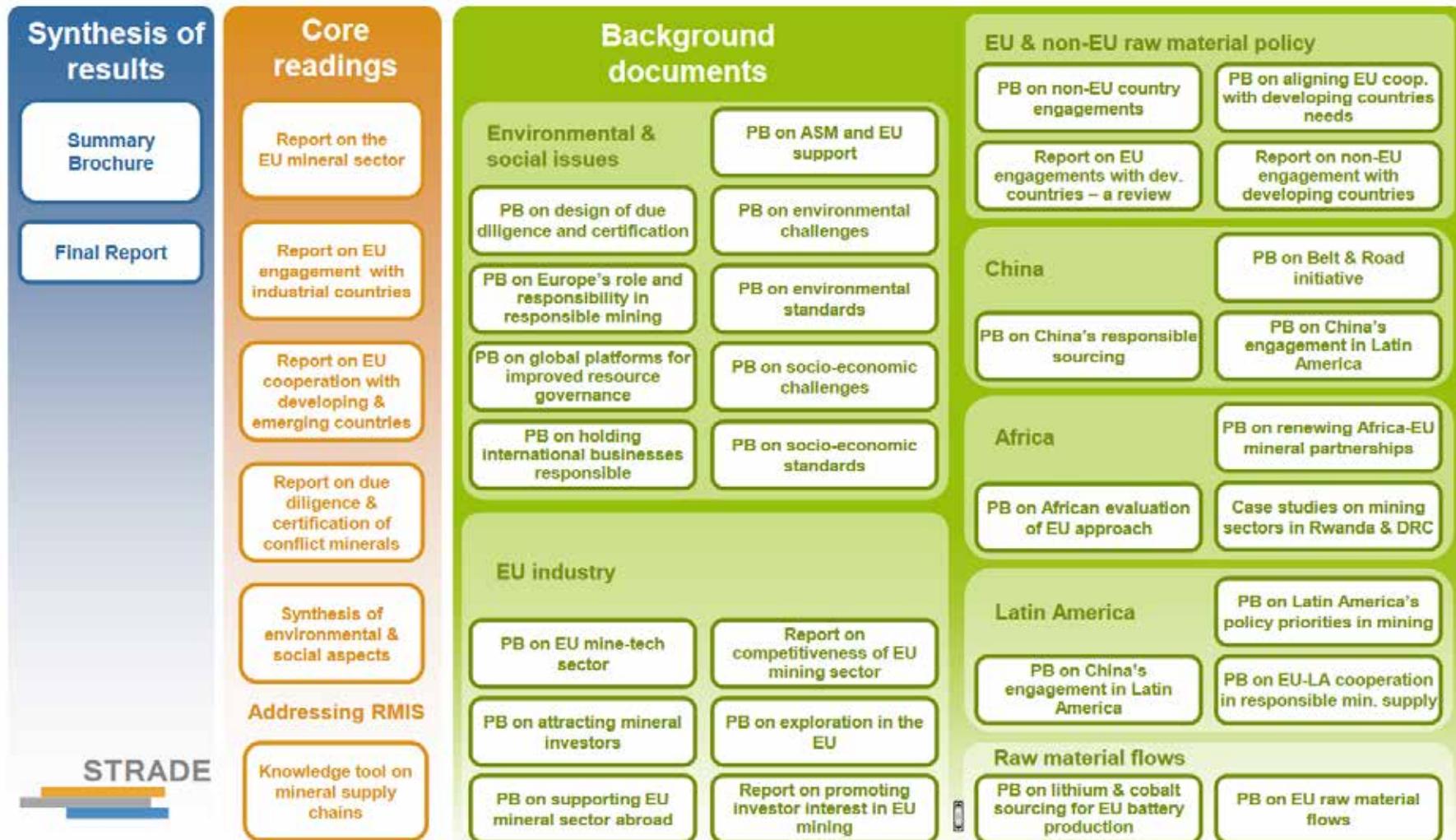
- Ø Security of supply
- Ø Environmental challenges
- Ø Social challenges, human rights
- Ø Economic contribution of mining

### Scope:

- ✓ Minerals
- ✓ Primary raw materials



# Broad range of publications on EU raw material issues



# What is EU's role in the responsible mining & sourcing agenda?



## EU Raw Material Strategy, set out in the Raw Material Initiative

- **Pillar 1: Fair and sustainable supply of raw-material from global markets** Ø supply security issues and responsible mining & sourcing issues
- **Pillar 2: Sustainable supply of raw-material within the EU**
- **Pillar 3: Resource efficiency and supply of secondary raw-material through recycling**



# Relationship of responsible mining inside & outside the EU

**EU engagement for global responsible mining & sourcing must be based on a healthy EU mining sector**

1. The EU is only a credible driver for global responsible mining if it doesn't not export all the pollution associated to its raw material use to third countries.
2. The EU mining tech sector is an important global supplier of environment technologies for resource-efficient mining and rehabilitation.

∅ The EU mining tech sector needs EU mining as home base to develop technologies in cooperation with EU mines.

∅ Continue EU mining sector support



# How to increase mining activities in the EU?

## 1. Increasing exploration expenditure & mining investment is needed.

- Create a One-Stop-Shop for investors.
- Design & execute a targeted investor promotion strategy.
- Point out: EU mining is competitive
- Create an EU wide Mining Rights Information System.

## 2. Increase social acceptance

- Big issue in many EU regions, but not in all
- Some EU projects are working in-depth on this issue
- Create awareness campaigns to improve EU citizens' knowledge & perception of (best practice) mining
- ∅ Still a long way to go



# EU's position in global value chains I

## EU companies & their role in the supply chain

- EU-headquartered mining companies hold a small share in global mining (after Brexit even less)
- EU-headquartered mining companies prefer stable regions
- ∅ For responsible sourcing of “risky” raw materials, EU downstream companies have to take particularly care of
  - ∅ Imports from non-EU-headquarters companies
  - ∅ Imports of finished and semi-finished products



# EU's position in global value chains II

## Origin of ores



share of world production

- >5%
- >10%
- >20%
- >30%

share of imports to EU

- >5%
- >10%
- >20%
- >30%

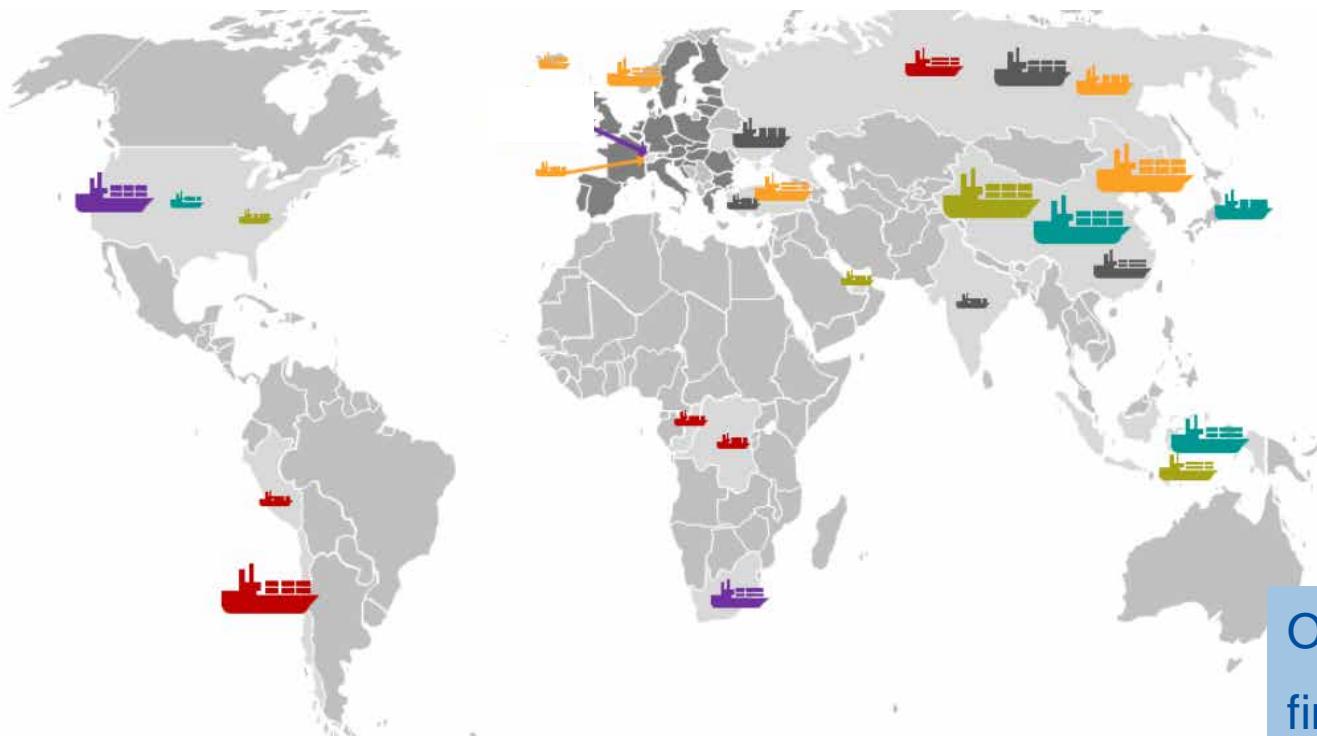
### imports

Copper	Ore
Iron	Ore
Platinum	Unwrought and powders
Bauxite	Ore
Lithium	Lithium oxide / hydroxide / carbonates
Tin	Tin not alloyed

Oko-Institut e.V.



# EU's position in global value chains III



Origin of  
finished and semi-  
finished products

Oko-Institut e.V.



## Need for multilateral dialogues

- ∅ We need multilateral dialogues to deal with the complex global supply chains. Bi-national and bi-regional dialogues are not enough.
- ∅ Broad implementation of responsible supply chains only works in cooperation with China
  - ∅ continue & extend EU-China dialogue



# EU should take a lead role in multilateral dialogues and bringing actors on the table

## State of the play:

- Existing initiatives and efforts are not enough to solve resource governance challenges. We need multilateral and international action along the supply-chains and across nations.
- Lack of a lead stakeholder
- ∅ **STRADE recommends the EU to take a leading role in multilateral and multinational dialogues – together with UN, OECD, IGF - with the aim of significantly strengthening global responsible mining and sourcing**
- ∅ **The EU has the political and economic influences, is an important raw material buyer, has dialogue-oriented core values and has the know-how.**

# Solution-oriented platforms

- Ø Advance the creation of solution-oriented platforms, which deal with a specific problem and its specific solution.
- Ø UNEP RRA outlining a forum for safe tailings dam management
- Ø Legacy mines
- Ø Conflict minerals and human right issues
- Ø ....
- Ø Besides new platforms: Continue and extend cooperation with existing organisations
- Ø New central organization on resource governance – STRADE is highly sceptical on its effectiveness

# Next generation dialogues on a truly global standard

## Discussion on a global standard:

- Con: There are already too many initiatives; we need implementation
- Pro: We need a globally accepted benchmark
- Pro: Chinese and Western standards operate in parallel; there is no broader cooperation, and there is not enough appreciation of China as emerging partner for responsible mining
- Pro: Developing & emerging countries did not play a leading role in most past standard developments.

Ø **We need a political dialogue process to build bridges from East-West and North-South**

Ø **One valuable output could be: a global standard**

Ø **Strong positive signal in the current climate of widespread nationalism**

# Continue EU and MS support for global good mineral sector governance

- Ø Low governance performance in many regions is a basic problem (legislation, implementation, monitoring, sanctions, tax avoidance etc.).
- Ø Due Diligence schemes and certification schemes try to fill this gap. Ideally, they are an interim solution.
- Ø The EU and the MS are important players with support of global good governance and capacity building; good MS competencies available Ø good coordination between EU and MS needed

# Renewing the EU Raw Material Strategy to better address third country priorities

- ∅ Clear commitment to support mining and mineral sectors' contribution to wider economic and sustainable development in developing & emerging countries in order to achieve the SDGs in host countries.
- ∅ Cooperation with Africa: Clear commitment to AMV objectives and building-up of local value chains.
- ∅ Mining-related ODA projects and partnerships need to be better embedded within wider economic engagements and support programmes.
- ∅ The ASM sector is of great importance for local economies and will be so in future; it must be an essential part of mineral development dialogues.
  - ∅ continue engagement on improving the ASM sector's conditions
  - ∅ include it in long-term rural development programmes.

# Thank you!



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