



EU mineral resource cooperation with developing countries: Creating win-win relationships (*Workshop B1*)

**European and global extractive industries –
Steps towards sustainable partnership approaches and
responsible mining practice**

Bedford Hotel & Congress Center
Brussels, Belgium, 20 June 2017

Johanna Carstens

projekt  consult
Member of GEA Consulting Group



Outline

- Research aim & background
- Guiding questions
- Research activities
- Findings
- Hypotheses on areas for EU resource cooperation with developing countries
- Further issues and questions



Research aim and background

- Develop recommendations for the design and planning of an integrated EU interaction strategy with resource-rich developing countries in order to support sustainable mineral supply
- RMI is EU-centered and does not sufficiently take partner countries' perspectives into account
- In order secure long-term mineral supply to EU, especially with growing competition of emerging countries, strategy needs to be adapted and reflect development agendas of partner countries

Guiding questions

- How can the strategy increase the stability in raw materials supply and prices?
- How can the strategy stimulate the sustainable development (economically, environmentally and socially) of resource-rich developing countries based on mining and mineral trade?
- How can the strategy promote responsible mining in a non-patronising way?
- How can the strategy increase social acceptance of mining and transparency and accountability in mining and mineral trade?

Research activities (completed)

- Analysis of roles, mandates and interests of different EU institutions involved in resource-related cooperation with developing countries
- Analysis of EU and member states' resources policies with focus on cooperation with developing countries
- Analysis of developing countries' and regions' mineral policies with focus on needs for the development of their mining sectors and visions for their mining and minerals-based development
- Analysis of EU and member states' cooperation activities in the mining and minerals sector

Research activities (upcoming)

- Workshops and expert meetings to verify and refine desk research findings:
 - EU (today)
 - Latin America
 - Africa
- Interviews with key stakeholders from government, industry and civil society active in the mining and minerals sector in developing countries

Findings – EU institutions

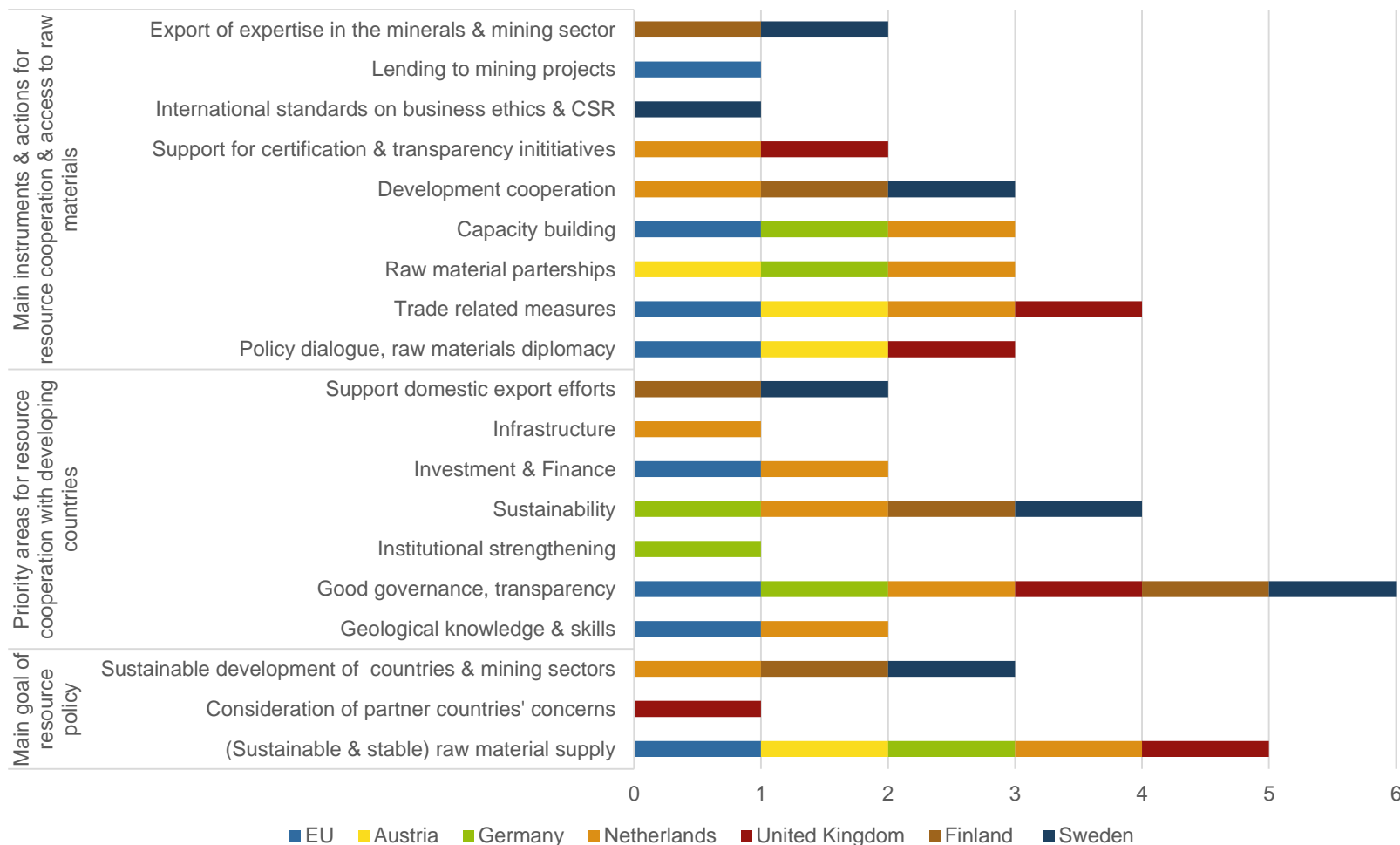
- 6 different EU institutions directly involved in resource cooperation with developing countries
- Further 2 EU institutions potentially involved
- Each institution has different mandate and interests
 - cooperation strategies and activities differ
- Hypothesis: Working together for a common goal would increase likelihood and efficiency of achieving it
- But: Harmonisation probably very difficult
- Question: How can challenges in harmonisation be overcome and alignment be reached?

EU resource policies

Goals, priorities & instruments for cooperation with resource-rich developing countries & access to raw materials

STRADE


Funded by the
Horizon 2020 Programme
of the European Union



Findings – EU and member states' resource policies

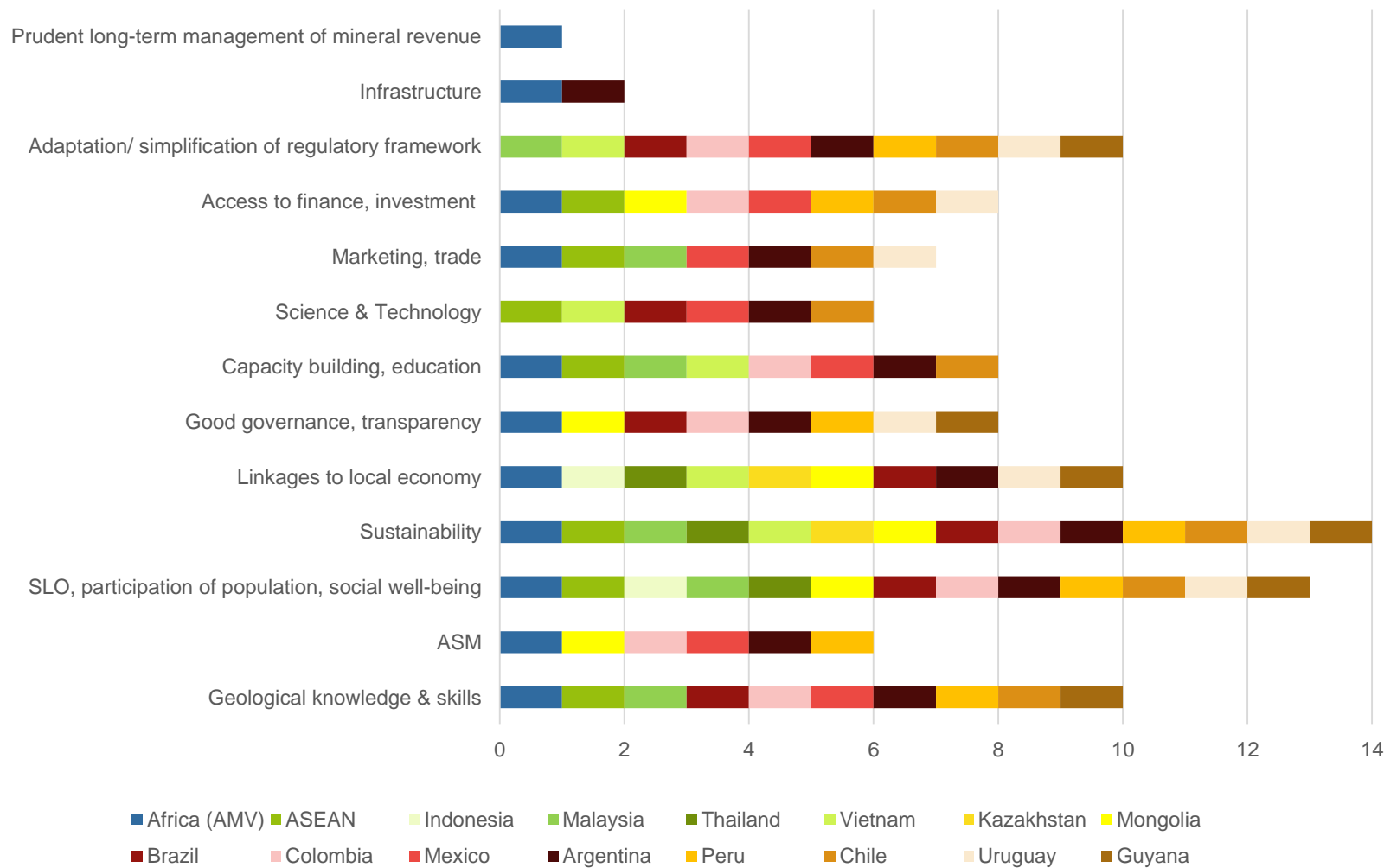
- Diverse landscape of EU und member states' resources policies
- Main interests ranging from pure raw materials supply concerns to sustainable development of partner countries and export of mining, mineral sector management and related expertise
- Most commonly agreed priorities for cooperation:
 1. Good governance & transparency
 2. Sustainability (referring to mining practices and mining-induced development)
- Most commonly named instrument for cooperation/ access to raw materials: trade related measures



Funded by the
Horizon 2020 Programme
of the European Union

Developing countries' mineral policies

Main topics & instruments for mining-induced development



Findings – Developing countries' mineral policies

- Most important topics across all continents:
 1. Sustainability
 2. SLO, participation of population, social well-being
 3. Linkages to the local economy
 4. Education & capacity building
- Africa-specific priorities: infrastructure & prudent long-term management of mineral revenue
- Latin America-specific topics: adaptation/ simplification of the regulatory framework, geological knowledge and skills, good governance & transparency, access to finance and investment

Topics for cooperation in the minerals and mining sector: Demand-supply comparison



Findings – cooperation topics demand-supply comparison



- Obvious imbalance between demand and supply
- Need for assistance in good governance & transparency, sustainability and capacity building & education, is well-recognized
- Some topics identified as most important by developing countries (SLO, linkages) are not at all mentioned in EU's raw material cooperation strategies

Hypotheses – Most important areas for EU resource cooperation with developing countries

- **Continue and strengthen** support
 - Across all continents for
 - Sustainability
 - Education & capacity building
 - In Africa and Latin America for
 - Good governance & transparency
 - Geological knowledge & skills
 - Access to finance and investment

Hypotheses – Most important areas for EU resource cooperation with developing countries

- **Develop and implement new** support instruments
 - Across all continents for
 - SLO, participation of population, social well-being
 - Linkages to the local economy
 - In Africa for
 - Infrastructure
 - Prudent long-term management of mineral revenue
 - In Latin America for
 - Adaptation/ simplification of the regulatory framework

Further issues and questions

- What is the common **EU identity** and how can it be identified in engagements with third countries?
- Should the **EU**, as a supra-national organisation, rather try to **engage with other supra-national organisations** (such as AU)? **Or** is engagement on **country level** preferable (as it is more effective)?
- The **EU can support cooperation** in the mining and minerals sector through development assistance and policy dialogue, but the **real players are private companies**. How can EU **support and regulate accountability and responsible practices of its** mining and mineral trading **industry abroad**, while ensuring their international competitiveness?



Further issues and questions

- What should be the **role of multinational organisations and donors** active in the minerals and mining sector?
- What if **developing countries' mineral policies** are not **representative of** the view of the **entire country/ region**? Should EU still base its cooperation on these policy papers? **Is it legitimate for the EU to question the policies' legitimacy?**
- How can the EU **address cooperation demands** of resource-rich countries on **sensitive topics without** giving the **impression of “intervening”** in the internal affairs of the respective countries?



Thank you for your attention and welcome to our workshop!

Johanna.Carstens@Projekt-Consult.de

