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on an effective raw materials strategy for Europe
(2011/2056(INI))

Committee on Industry, Research and Energy

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(*) Associated committee - Rule 50 of the Rules of Procedure

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on an effective raw materials strategy for Europe (2011/2056(INI))

The European Parliament,

- having regard to the Commission Communication of 2 February 2011 entitled ‘Tackling the challenges in commodity markets and on raw materials’ (COM(2011)0025),
- having regard to the Commission Communication of 4 November 2008 entitled ‘The raw materials initiative - meeting our critical needs for growth and jobs in Europe’ (COM(2008)0699),
- having regard to the report on ‘Critical Raw Materials for the EU’ by the Subgroup of the Raw Material Supply Group of Directorate-General for Enterprise and Industry¹,
- having regard to the Commission Communication of 3 March 2010 entitled ‘Europe 2020: A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission Communication of 26 January 2011 entitled ‘A resource-efficient Europe – Flagship initiative of the Europe 2020 Strategy’ (COM(2011)0021),
- having regard to the Commission Communication of 8 March 2011 entitled ‘A Roadmap for moving to a competitive low carbon economy in 2050’ (COM(2011)0112/4),
- having regard to the Commission Communication of 28 October 2010 entitled ‘An Integrated Industrial Policy for the Globalisation Era Putting Competitiveness and Sustainability at Centre Stage’ (COM(2010)0614),
- having regard to the Commission Communication of 06 November 2010 entitled ‘Europe 2020 Flagship Initiative Innovation Union’ (COM(2010)0546),
- having regard to the Commission Communication of 9 November 2010 entitled ‘Trade, Growth and World Affairs - Trade Policy as a core component of the EU’s 2020 strategy’ (COM(2010)0612),
- having regard to its resolution of 9 March 2011 on Industrial Policy for the Globalised Era²,
- having regard to its resolution of 3 February 2011 on waste electrical and electronic equipment (WEEE)³,

¹ http://ec.europa.eu/enterprise/policies/raw-materials/files/docs/report-b_en.pdf.

² Texts adopted, P7_TA(2011)0093.

³ Texts adopted, P7_TA(2011)0037.

- having regard to its resolution of 16 June 2010 on EU 2020¹,
- having regard to the guidance document on ‘Non-energy mineral extraction and Natura 2000’ by the Directorate-General for the Environment, European Commission²,
- having regard to the Staff Working Document accompanying the Commission Communication of 4 November 2008 entitled ‘The raw materials initiative - meeting our critical needs for growth and jobs in Europe’ (COM(2008)0699) (SEC(2008)2741),
- having regard to the ‘Raw materials policy 2009 annual report’ by the Directorate-General for Trade, European Commission³,
- having regard to the study on ‘The links between the environment and competitiveness’ by the Directorate-General for the Environment, European Commission⁴,
- having regard to the Commission Green Paper of 10 November 2010 entitled ‘EU development policy in support of inclusive growth and sustainable development – increasing the impact of EU development policy’ (COM(2010)0629),
- having regard to the Commission Communication of 10 November 2010 entitled ‘on the consolidation of EU Africa relations’ (COM(2010)0634),
- having regard to the upcoming Commission Communication on trade and development,
- having regard to the Commission Communication of 15 September 2009 entitled ‘Policy coherence for development – Establishing the policy framework for a whole-of-the-Union approach’ (COM(2009)0458),
- having regard to its resolution of 18 May 2010 on the EU Policy Coherence for Development and the ‘Official Development Assistance plus’ concept⁵,
- having regard to its resolution of 25 November 2010 on the inclusion of Corporate Social Responsibility clauses in international trade agreements⁶,
- having regard to the Council Conclusions of 10 March 2011 on tackling the challenges on raw materials and in commodity markets,
- having regard to Article 208 of the Treaty on the Functioning of the European Union (Lisbon Treaty), which reaffirms that the EU shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries,
- having regard to the current Doha Round negotiations,

¹ Texts adopted, P7_TA(2010)0223.

² http://ec.europa.eu/environment/nature/natura2000/management/docs/nee_i_n2000_guidance.pdf.

³ <http://ec.europa.eu/trade/creating-opportunities/trade-topics/raw-materials/>.

⁴ Study ‘The links between the environment and competitiveness’, Project ENV.G.1/ETU/2007/0041, http://ec.europa.eu/environment/enveco/economics_policy/pdf/exec_summary_comp.pdf.

⁵ Texts adopted, P7_TA(2010)0174.

⁶ Texts adopted, P7_TA(2010)0446.

- having regard to the 2007 Africa-EU Joint Strategy and the Tripoli Declaration by the 3rd Africa EU Summit on 29/30 November 2010,
 - having regard to the current WTO case on nine raw materials by the EU, US and Mexico against China,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on the Environment, Public Health and Food Safety, the Committee on Foreign Affairs, the Committee on Development, the Committee on International Trade and the Committee on Agriculture (A7-0288/2011),
- A. whereas the EU requires a strong industrial base, which is highly dependent upon adequate supplies of raw materials (RM), as it greens, in order to move towards a low-carbon economy and to remain competitive,
 - B. whereas the complexity of the administrative processes and the lack of coordination between administrations can result in delays of several years in obtaining authorisation for the exploitation of mineral resources, whereas such delays are excessive, increase the capital costs of investment and exclude small and medium-sized undertakings from the market,
 - C. whereas worldwide demand for RM has been steadily increasing, especially for ‘technology metals’,
 - D. whereas the EU Member States, Australia and the United States have the potential to develop their own resources’ extraction of the critical RM (CRM), base metals and rare earth elements (REE),
 - E. whereas advances in new technologies will continue to increase demand for resources central to the development of these industries,
 - F. whereas international supply is partly restricted by export quotas, and prices are reaching record heights,
 - G. whereas, in the manufacturing sector, the share of material cost as part of the total production costs is significantly higher than the share related to workers’ payroll and whereas, in all sectors, the upward trend in the former is not expected to be reversed, at least in the medium term,
 - H. whereas markets benefit from a fair and level playing field,
 - I. whereas increased competition over RM can aggravate international relations and lead to resource conflicts,
 - J. whereas these challenges can be an opportunity for new innovative partnerships of mutually beneficial cooperation between the EU and third countries,
 - K. whereas, in many developing countries, the exploitation of natural resources has not been

undertaken to the benefit of the population because of the existence of undemocratic regimes, fraud, corruption or armed conflicts,

- L. whereas the actions proposed by the Commission to boost resource efficiency and recycling are mostly limited to assessments of what could be done, instead of concrete measures to be taken, and are therefore insufficient to reach the stated goals,
- M. whereas the Commission states that better implementation and enforcement of existing waste legislation is essential to the promotion of a more resource-efficient Europe,
- N. whereas the increase in recycling of valuable materials, especially REE, requires intensive dismantling,
- O. whereas profitable recycling lies in reliable and efficient classification and separation technology, as the value of recycled materials depends on their fraction purity,
- P. whereas increasing efficiencies and recycling are conducive to sustainability, competitiveness and security of supply,
- Q. whereas labour productivity has developed much faster in recent decades than resource productivity, with estimates showing that labour costs represent less than 20 % of a product and resources costs represent 40 %; whereas this implies that swift action is needed to improve resource efficiency,
- R. whereas it is paramount to take timely and decisive steps in implementing an efficient strategy and delivering results on the European Raw Materials Initiative,

A Raw Materials Strategy

1. Believes that Europe faces both challenges and great opportunities with regard to RM; underlines that the EU now, as demand for RM surges globally, has the chance of reaping benefits by strengthening RM supply and efficiency while satisfying the needs of EU industries and the RM sector; emphasises that the availability of fair access to, and stable and predictable prices of, RM are of vital importance for the development potential, competitiveness, innovation and preservation of European industry; while restrictions in access and supply, particularly to CRM such as REE, as well as high price volatility, can hinder the competitiveness, eco-efficiency and innovation prospects of EU industry, especially SMEs; welcomes the fact that the Commission spearheaded the issue of RM policy with its Raw Materials Initiative (RMI) in 2008, and calls strongly on the Commission and the Member States to move towards its swift implementation; believes that resource policy and resource diplomacy are of high importance for the EU, not only with regard to industrial policy and international trade but also as a transversal issue concerning different fields of domestic policy, as well as foreign and security policy; asks the Commission to pay as much attention to this issue as to the energy issue; sees this also as a task for the European External Action Service (EEAS);
2. Believes that the responsibility for a coherent and effective EU diplomacy must lie with the EEAS and the relevant Commission services – and especially with DG Trade with regard to trade issues – acting in close coordination with the Council and Parliament;

believes, furthermore, that the strategic relevance of RM should be reflected in the organisation of the EEAS and in the staffing of relevant EU delegations; stresses the importance of coordinating the foreign policy of the EU and of the Member States in the field of RM;

3. Calls on the Commission to give adequate focus to commodity markets and the RMI separately, since the two fields differ in nature and require specific measures to address their divergent problems; highlights the fact that financial and commodity markets today are more intertwined than ever and that price volatility is exacerbated by speculation; notes that properly functioning RM markets would provide the necessary incentives for business to use resources more efficiently, substitute resources, recycle and further invest in R&D activities for substitution; encourages the Commission, therefore, to foster proper functioning of the RM markets by, for example, proceeding with the review of the Markets in Financial Services Directive in order to provide for more transparent trading; stresses that the three pillars of the RMI complement each other in solving the issues of RM and securing RM supply in the EU; calls on the Commission to implement the RM strategy in a balanced and coherent way, particularly with regard to other important European policies, especially within industry, research, environment, transport and Europe 2020; notes in this context, particularly, the important role played by a strong innovation and industrial policy;
4. Welcomes the Commission's work on identifying CRM, all of which are important 'technology metals' and must be taken into account in subsequent measures; calls on the Commission:
 - to regularly update the CRM list and to observe non-scarce but strategically important RM with a view to countering tendencies towards inflation that give rise to concentrations in ownership of suppliers;
 - to establish a 'risk radar for CRM', to analyse current and future needs and prices as well as the negative effects of shortages in potential CRM, especially REE, with regard to the renewable-energy, high-technology, defence and even automotive sectors;
 - to analyse the supply chains depending on CRM, the refining capacity, also leading to semi-finished products, and the interaction between CRM and their associated base metals;

Recalls that, within RM and CRM in particular, the criticality of different elements varies, as well as their availability, use, need for processing and, consequently, pricing at the different stages of the supply chain, which should be taken into consideration in the analysis; draws attention further to the diversity of logistical paradigms for RM streams in the common market;

5. Notes that not all RM markets behave in the same way and, in particular, that RM markets in the agricultural sector are subject to strong seasonal and climatic factors and therefore require particular attention;
6. Calls on the Commission, therefore, to produce a study on Europe's imports of RM which, though not listed as critical (for example lithium, hafnium and nickel) are nevertheless of

strategic importance in terms of meeting Europe's industrial needs and producing consumer goods with high added value; the study should also assess our industries' dependence on these RM and measures to secure their supply, as well as the environmental cost of extracting them and the alternatives which might be envisaged;

7. Welcomes the fact that a broad range of RM, such as natural rubber, wood and aggregates, are included in the Commission Communication; calls on the Commission to carry out analyses on the availability of, and potential demand for, these materials and on this basis to take appropriate action, if and where needed; states that this report focuses on strategic and critical RM;
8. Points out that effective governance of RM policy is key to an effective RM strategy; notes that an effective strategy must include a continuous dialogue with the stakeholders concerned; emphasises the need for close coordination and provision of information within the Commission and the European Parliament and between Member States; recommends the establishment of a high-level interdepartmental RM task force in 2011, as is the case in France and the United States, encompassing the relevant DGs, the Joint Research Centre (JRC), the European Environment Agency and the EEAS, to elaborate, monitor and review policies, including partnership agreements, to ensure strategic coherence and to promote the establishment of an early-warning system, inter alia for market distortion and resource-fuelled conflicts, complemented by a monitoring group; calls on the Commission to set up a long-term 'European Raw Materials Roadmap to 2050', which would identify future developments, threats and opportunities in the RM and CRM sectors and which could help European industries, academic and research institutions to engage in long-term planning and investment; calls further on the Commission to support Member States in developing their own RM strategies and to foster coordination and the exchange of best practice among them, including on the external dimension; suggests that the upcoming communication on the external dimension of energy could serve as a template;
9. Insists that the European Parliament be regularly informed on the development of non-energy RM in the framework of the RMI and on the fulfilment of the latter's objectives via an annual progress report, also focusing on policy coherence with regard to trade, development and environmental policies and social impacts, as well as data on CRM;

Turning a challenge into an opportunity for European industry: resource efficiency, re-use, recycling and substitution

10. Notes that overcoming the RM challenges provides an opportunity to invigorate the EU's industrial base, technological capacity and know-how and to increase competitiveness and stable qualified employment via an ambitious industrial innovation strategy; notes that notwithstanding the importance of an effective trade policy and the use of own resources, good RM governance and increasing efficiencies, re-use, energy-efficient recycling, lowering resource use, also through improved product quality standards and the 'use-it-longer' principle, where appropriate, and employing green technologies will be key to competitiveness, sustainability and supply security in the medium to long term; believes that any initiative in this regard should be based on proper impact assessments focusing on potential environmental, social, and competitiveness impacts; highlights the importance of

applying consistently the legally binding European Waste Hierarchy as set out in the Waste Framework Directive, which prioritises prevention, reuse and recycling, followed by recovery and disposal; remarks that social innovation, lifestyle changes and new concepts such as eco-leasing, chemical leasing and sharing should be supported by the Commission;

11. Notes that lower consumption levels, prevention of waste generation and re-use are key components for the transition to a resource efficient economy;
12. Suggests that the Commission undertake a comprehensive study on economic leasing models as alternatives to ownership of goods and their impact on material use and recovery; highlights that awareness is the main challenge in this regard;
13. Stresses the need to work towards decoupling economic growth from increased use of resources, which will also help decrease relative import dependency; notes the importance of establishing the RM strategy also within the wider context of climate change; welcomes, therefore, the Commission's plan to launch a flagship initiative on resource efficiency; calls on the Commission to identify the obstacles to increasing resource productivity (including technical barriers, costs, etc.) and to incorporate and assess medium- and long-term resource efficiency improvement targets that reflect the need to reduce EU RM import dependency, as RM imports in the EU are per capita the highest in the world; in order to evaluate progress objectively and draw comparisons with other countries, asks the Commission to develop a more reliable methodology for measuring resource efficiency, taking into account the work of Eurostat in this field, as well as the results of a recently commissioned European Parliament study on the subject;
14. Welcomes the development of instruments and indicators, such as TEEB (the economics of ecosystems and biodiversity); urges the Commission to promote and stimulate the development of these instruments and their use;
15. Believes that a tax on mineral resources is not an adequate fiscal tool for increasing resource efficiency, while calling on the Commission to commission a study on the effects of a tax on water and land use, with specific attention to possible unintended repercussions on economic activities and renewable energy production in the EU;
16. Calls on the Commission to strongly consider extending, based on a thorough impact assessment, the ecodesign approach to RM, to assess the possibility of introducing new instruments, to work with standardisation bodies, to evaluate the feasibility of a top-runner programme for products with regard to resource efficiency, to strengthen advisory services on resource efficiency, particularly for SMEs, for example by strengthening such programmes in the European Agency for Competitiveness and Innovation (EACI); calls on the Commission to support SMEs in this field by promoting the sharing of best practice among Member States, providing access to relevant research under FP7 and future research EU programmes; calls on companies to make use of either the Eco-Management and Audit Scheme (EMAS) or ISO standards; calls on the Commission and the Member States to leverage public procurement in order to enhance resource-efficient products and products utilising secondary RM, as well as securing sound and transparent recycling at their end-of-life; notes that in recycling it is not only quantity that matters, but also quality; stresses, therefore, the importance of recycling-friendly product design; stresses

the value of including resource use in product information and eco-labels in order to empower consumers; calls on the European standardisation bodies to streamline the issue of resource efficiency in setting standards;

17. Calls on the Commission to review how the Eco-Design Directive, the Directive on End-of-Life Vehicles, the Directive on Waste Electrical and Electronic Equipment and the Battery Waste Directive could be modified so as to increase recycling, not just in general but also for valuable RM including REE, e.g. by more specific requirements on dismantling, and to propose amendments to these acts accordingly;
18. Notes the contribution that re-use and recycling can make to reducing greenhouse gases (GHG), as the use of RM is a significant source of GHG production; further notes the high recycling rates for specific sectors governed by recycling legislation; asks the Commission to identify ways of further increasing recycling in pertinent sectors by inter alia improving the legal framework for the circular economy; stresses the need to invest in the recycling of RM, particularly REE; calls on the Commission to launch an in-depth EU material flow analysis based on the entire life-cycle of RM (from mining to waste) by sector and in view of assessing and proposing cost-efficient ways of increasing recycling of RM while respecting the environmental impact; calls on the Commission to harmonise European legislation and minimum recycling standards with a view to greater consistency; calls on the Member States to ensure proper implementation of existing legislation, and calls further on national industry associations to actively promote recycling among their members and to facilitate cooperation with research institutions and other sectors; notes the importance of decoupling the amount of manufactured waste from the increase of manufacturing production;
19. Notes the importance of creating industrial synergies on recycling and helping companies discover how their waste and by-products can serve as resources for others; calls on the Commission and Member States to promote approaches such as that taken by the UK with its National Industrial Symbiosis Programme;
20. Calls on the Commission:
 - to investigate and promote projects on urban mining as it can be much richer than primary mining ores, and a large part of valuable secondary RM can be extracted, re-used and recycled, and to invest in projects that generally reduce the use of RM and thereby bring about societal change,
 - to investigate, including via an independent impact assessment, whether closed landfills could be re-opened to recycle potential scrap material with best available technologies (BAT), as this would lead to increased availability of RM and additional employment across the Union,
 - to examine remaining mining and metallurgical waste dumps,
 - to complete an EU database on mining waste sites by 2012 and to enforce the mining waste directive,
 - to ensure that this waste is treated with the BAT,

- to encourage life-cycle management of buildings, ensuring, where appropriate, the recyclability of materials used in their construction,
 - to gradually introduce a general ban on waste landfill throughout the European Union;
21. Is of the opinion that there is a dire need for more information on urban mining and therefore asks the Commission to assess especially the potential but also possible limitations in this regard;
 22. Encourages the Commission to develop a recycling strategy with retrieval as close to the source of waste as possible, including the purification of waste water, as this would permit the retrieval of higher concentrations of RM, prevent irretrievability, lower the negative impact on the environment and possibly be more energy efficient;
 23. Calls, furthermore, on the Commission to submit a proposal to amend the Landfill Directive¹ and to develop and expand the objectives set out in Article 5(2) thereof; considers, further, that, pursuant to the Waste Framework Directive, the reduction target of the ban on sending biodegradable municipal waste to landfill should be extended, starting in 2020, to all biodegradable waste, with the reduction target fixed at 5%;
 24. Calls on the Commission to support recycling partnerships with developing countries; asks the Commission to support pilot projects like zero-waste zones;
 25. Asks the Commission to evaluate how the European Investment Bank (EIB) can help reduce the financial risks of investments in breakthrough-technology recycling plants and other recycling initiatives;
 26. Calls on the Commission to foster research and development on economic incentives for recycling, including recycling of REE, also looking at impact assessments; calls on the Commission, further, to investigate how markets for recycled materials can be supported by, inter alia, certificates for recycled materials, and eco-design requirements, and to ensure that cohesion policy and budgets are also leveraged to promote resource efficiency and recycling;
 27. Emphasises the need to combat the illegal shipment of recyclable materials and of waste containing useful RM, particularly electronic waste covered by the WEEE Directive (2002/96), by improving legislation and enhancing implementation, and calls on the Member States to give urgent attention to this task; asks the Commission to investigate how the further use of the producer responsibility concept could support this goal; highlights the need to establish a global certification scheme for recycling facilities; notes the importance of cooperation between national customs officials; calls on the Commission to examine whether a collective mechanism informing authorities on illegal shipment flows is necessary; asks the Commission to study illegal waste streams and to report regularly on successes in fighting illegal waste exports; asks the Commission to promote an effective distinction in customs declarations between new and second-hand goods by addressing this in the Implementing Provisions of the Modernised Community Customs Code (MCCC-IP);

¹ Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste; OJ L 182, 16.7.1999, p. 1.

28. Calls also, in this context, on the Commission, where welcomed, to support the EU's trading partners in adopting appropriate laws and enforcing adequate control measures to prevent illegal imports of any kind of waste onto their territory and to fight actively against the corruption that often enables these illegal imports;
29. Calls on the Commission to take into account the critical remarks from some Member States on the Council Regulation establishing criteria determining when certain types of scrap metal cease to be waste under Directive 2008/98/EC, and asks the Commission to strengthen the requirements on product quality and improve the possibilities for checking and ensuring that scrap declared as end-of-waste scrap is of the required quality;
30. Calls on the Commission to identify priorities for research and innovation into sustainable exploration and production methods, product lifecycles and recycling (cradle-to-cradle), substitution and resource efficiency, as this could also lessen European import dependency on monopolistic suppliers; calls on the Commission to address existing challenges with regard to recycling within the framework programmes, and stresses that attention should be given to the different recycling strategies needed for mass metals and for CRM such as REE; calls on the Commission to couple research funding on RM such as REE with clear goals, such as for example the Japanese target of reducing REE consumption by one third; calls on the Commission to incorporate the experience of third countries that have already achieved high re-collection levels, such as Norway, where around 80 % of electronic waste is re-collected, and to set adequate re-collection targets of its own; stresses the importance of public-private partnerships in this field, involving industry, academia and government; acknowledges the valuable service such institutions also deliver to SMEs; insists on the importance of a European Innovation Partnership on strategic RM to promote the development of resource efficiency, key technology, supply security and the domestic RM sector; calls on the Commission to launch such a partnership in 2011;
31. Regrets that substitution and re-use are not sufficiently addressed in the Communication; recalls that substitution, particularly for CRM and REE, is of great relevance and can offer efficient solutions to supply and environmental risks when possible; calls on the Commission, therefore, to ramp up its work in this field by leveraging research and innovation funding through the possible development of a substitution R&D programme in the forthcoming research framework programme, supporting demo-plants; encourages the Commission and the Member States to consider setting substitution targets while taking into account relevant impact assessments; calls on the Commission to make full use of the existing REE competency within the EU;

Sustainable supply in the EU

32. Calls for non-fiscal policies to support domestic RM sectors in attracting investments; welcomes, therefore, cooperation between national geological surveys; calls for increased collaboration between them and encourages the use of common standards and practices that would facilitate the exchange and exploitation of available geological data; welcomes the publication of an annual European RM Yearbook (ERMY), stressing that data on secondary resources and urban mining should be included; asks the Commission to assess whether the creation of an EU Geological Service that pools the work of national surveys

and works with international partners is necessary; supports the Commission's work in improving the EU's geological knowledge base; calls on the Commission, in cooperation with the Member States, to develop a digital resource map of the Union;

33. Notes the importance and supply of domestic RM supply in Europe; calls, therefore:

- for better coordination with regard to exploration, extraction, distribution, processing, reusing and recycling;
- on the competent public authorities (national, regional and local) to apply clear, efficient and coordinated administrative procedures for the granting of authorisations to exploit domestic RM, possibly including establishing a one-stop shop to ease and accelerate the licensing process;
- on the Member States to draw up land use planning policies, including long-term estimates for regional and local mineral demand, to be reflected in national RM policies, which should be based on the strong geological RM know-how present in the various Member States and should not impede trade within the EU or exclude cross-border demand;

Notes the important role played by upstream service companies in the context of domestic mining; stresses the importance of stimulating regional or national RM clusters that bring together industry, geological services, upstream service providers, equipment manufacturers, and mining and refining companies, as well as the transport industry and the social partners, in sustainable mining in Europe, also using new mining technologies;

34. Calls on the Commission to integrate the biodiversity action plan objectives into the RM strategy to strengthen links between the economy and environment and to take account of the environmental effects of extraction, production, use and disposal of RM; urges the Commission to support the development of strategic land use planning in all Member States to balance RM extraction with other land use demands and to safeguard the environment and biodiversity;

35. Stresses that extraction activities must be carried out with due regard for the highest standards of workplace security and environmental protection so as to prevent accidents and rehabilitate the areas affected;

36. Asks the Commission to pay adequate attention to the development of resource-rich areas and to include a comprehensive approach to improving transport infrastructure linking resource-rich areas of the Union to its industrial areas; calls on the Commission, therefore, to ensure that the revised guidelines on Trans-European Transport Networks (TEN-T) meet the needs of industry by providing smooth access to RM;

37. Reaffirms that the NATURA 2000 guidelines provide a sound basis under which non-energy extraction activities must take place, taking into account the principle of subsidiarity; calls on the Commission to check on a regular basis whether progress has been achieved in the Member States on reconciling RM extraction with nature conservation; notes that codes of practice to achieve technical, social, competitive and environmental excellence are important instruments; recalls Parliament's resolution of 20

January 2011 on a sustainable EU policy for the High North¹ and calls, in this regard, on the Commission, in accordance with the precautionary principle, to assess the possibilities of environmentally sustainable exploitation of sensitive areas that might be valuable suppliers of essential RM, such as the Arctic, the Barents Region and Greenland and, if possible, extend existing partnership agreements with the countries in these regions;

38. Underlines the need for more transparent and predictable framework conditions on regulatory approval processes for setting up new mines for extraction of metals and minerals, while at the same time not compromising environmental standards;
39. Notes that the northern European countries and the Barents Region have substantial deposits of ores and minerals, and forests; believes that the northern European region can make a substantial contribution to the RM supply needs of other European companies and thereby reduce European import dependence; believes that there is a clear need to increase awareness of the potential of northern Europe in the ongoing discussion over RM;
40. Highlights the importance of research, development and innovation (R&D&I) in addressing new challenges; notes the contribution of R&D&I in developing innovative technologies and sustainable methods of mining, refining, ore production and recycling in order to further minimise the environmental footprint and possible adverse social effects;
41. Urges the Commission to take measures to prompt consideration being given to the re-opening of some mines, exploiting them sustainably so as to reduce the risk of European industry being faced with a shortage of RM;
42. Stresses the importance of skills and training and the role played by geologists, engineers, miners and other personnel; calls on the Commission and the Member States to engage in a close dialogue with the social partners, academia and industry in this context; calls on the Commission to identify the need for, and availability of, trained personnel in the field of RM R&D, extraction, refining, processing and recycling by 2012 and to share the findings with the European Parliament; calls on the Commission and Member States, in collaboration with industry and academia, to support education on RM via the establishment of special university programmes and scholarships; further supports, in this context, exchange programmes in this field such as the Erasmus Mundus Minerals and Environmental Programme;
43. Welcomes the proposal for EU diplomacy on RM and REE with the aim of establishing an international regulatory platform, ensuring access to and supply of RM, especially those considered critical, ensuring open global markets and promoting international cooperation on sustainable extraction of RM and an efficient use of resources based on mutual interests; underlines, in this context, the need to establish a strong dialogue in the field of RM diplomacy between industrialised, newly industrialising, and resource-rich developing countries, with a view also to promoting human rights, good governance, regional stability and preventing the risk of resource-based conflicts;
44. Calls on the Commission to ensure strictest enforcement of existing EU legislation, to include safety and standards of gold mining in the actions under the Flagship “Innovation

¹ Text adopted P7_TA(2011)0024

Union”, to include a specific work item on gold mining for the International Panel on Sustainable Resource Management (UNEP), including aspects of safety, innovation, chemicals management, illegal mining and artisanal mining, in order to find a long-term sustainable solution which will ensure that gold is produced or imported for use in the EU in a sustainable manner, and to consider the review of the Berlin II Guidelines on small-scale and artisanal mining;

45. Points out that artisanal and small-scale mining (ASM) can play a vital role in local life, provide employment and support development goals when it is officially recognised, regulated and supported; regrets the relative lack of knowledge and analytical tools in this area and underscores the need to increase its visibility, facilitate more effective ASM policy design and implementation and monitor assistance efforts to help prevent poverty traps such as child labour, unsafe working environments, forced labour, which is often found in artisanal mining, and conflicts associated with small-scale mining activities; also calls on the EU and its Member States to support developing countries at both national and local level by making available expertise on sustainable mining practices, increased resource efficiency and reuse and recycling;
46. Calls on the Commission to assess the need for setting up a stockpiling mechanism for CRM, especially REE, which would guarantee European companies access to strategic materials used in green, high-tech, defence and health industries and protection against monopolist pressure and price rises; underlines the fact that the role of the EU in any potential stockpiling programme should be limited to providing the legal framework and regulatory oversight;

International fair and sustainable supply of raw materials

47. Notes the increasing incidence of trade restrictions and distortions of competition in trade in RM; calls on the Commission to consistently monitor and address on regional, multi- and bilateral levels the issue of export and import restrictions; trade-distorting measures with regard to industrial RM and particularly CRM must be fully investigated and could lead to further legal steps within the WTO framework; calls on the WTO to monitor closely the impact of import and export restrictions and, in this connection, supports the creation in the WTO of a monitoring tool on tariff and non-tariff barriers to trade on RM and REE and the setting-up in the G20 of a 'Raw Materials and Rare Earths Stability Board'; calls on the Commission to make use of all its international networks, including the diplomatic service, to improve relations with RM and CRM supply countries and regions, and thus to facilitate the international trade in RM, and especially CRM; welcomes the EU's intention of pursuing an active RM diplomacy which encompasses various policies such as foreign, trade, environment and development policies and which promotes and strengthens democratic principles, human rights, regional stability, transparency and sustainable development; believes that concrete priority actions and a comprehensive strategy for sustainable supply of REE need to be developed in the very short term; calls on the Commission to involve European REE stakeholders in identifying such actions;
48. Recognises the legitimate rights of developing countries' governments and parliaments to enact policies and regulate foreign investment in the public interest, in consultation with

civil society, in such a way that foreign investment benefits the local economy, creates domestic added value and fosters development; emphasises that the EU RM Strategy should not stand in the way of these rights;

49. Welcomes the EU's efforts to promote sustainable trade in RM with third countries (e.g. FLEGT);
50. Stresses the need to establish clear rules for cooperation in the field of RM trade between all participants involved (producers, exporters, transit countries, importers);
51. Calls on the Commission to ensure coherence between development policy and the RMI whereby EU's RM policy should take full account of the sustainable economic growth in the developing countries and be consistent with the overarching goal of eradicating poverty, as enshrined in Article 208 of the TFEU; stresses that firm support for the economic, social and environmental development of resource rich countries could help them build solid and democratic institutions, which will ensure mutual benefits for both exporting and importing countries; calls, therefore, for human rights and democratisation clauses to be included into future agreements with RM exporting partner countries; believes that the EU should also support developing countries to diversify their economies, reduce their dependence on RM exports and increase the value of their products through domestic manufacturing and processing; calls on the Commission, when preparing the new external action instruments for the period after 2013, to include measures to support good governance and sustainable mining in the programmes for democratic and economic stability of fragile states that are suppliers of RM;
52. Considers it the responsibility of companies to procure resources; acknowledges the difficulties in procuring resources for SMEs; asks the Commission, therefore, to consider how concepts such as a European RM Holding could be supported non-financially; asks the Commission and the Member States to study Japan's JOGMEC closely;
53. Urges Member States to cooperate with each other as part of a European RM strategy; calls for this strategy to take advantage of the synergies between economic, mining, industrial and international policies and to aim to safeguard supplies of strategic substances;
54. Calls on the Commission to evaluate the outcome of the WTO case against China and to make future use of WTO mechanisms where appropriate;
55. Notes the importance of Africa-EU relations and the Addis Ababa agreement of June 2010; insists that this partnership be based on mutual interests, points out that in fostering sustainable mining practices it is important to exchange best practices on good governance, increased resource efficiency, reuse and recycling, management of tailings and waste-rock, rehabilitation of mine legacy, health and safety, protection of workers and the eradication of child labour; points out that the African Union stated in the African Mining Vision that African countries have not been able to benefit thus far from their competitive advantage in natural resources, and that measures therefore need to be considered to ensure that natural resource wealth benefits the population of resource-rich countries;

56. Outlines the importance of bilateral cooperation on RM, as demonstrated by the EU and the African Union in June 2010, and encourages further efforts in the context of the Joint Africa-EU Action Plan for 2011-2013; calls for similar cooperation to be developed with other countries that are major producers of CRM; proposes, as one of the concrete targets of RM diplomacy, source-diversification from South-East Asia towards Latin-America and Africa of certain RM on which the EU is import dependent;
57. Welcomes the approach of this Action Plan that consists in providing training on best practice in negotiating mineral contracts and in fostering scientific cooperation in the mining sector, in addition to promoting good governance, including transparency;
58. Regrets that the Communication fails to name other regions or countries; believes that alternative RM sources should be explored in order to avoid European dependence on a limited number of countries; to this end, calls on the Commission to promote other mutually beneficial partnerships with resource-rich countries and regions; believes that the EU should offer infrastructure, knowledge-sharing and resource triangle partnerships; calls on the EU to support resource-rich developing countries in developing their geological, mining and mineral processing knowledge, as well as in scientific and legal matters, so as to establish sustainable capacity-building; proposes, in this context, the establishment of cooperatively financed chairs at geological faculties; calls on the Commission to monitor international agreements made by resource-rich countries with non-EU Member States which entail exclusive access to resources, and to ensure fair access to resources and guarantee the functioning of international trade laws;
59. Is concerned that a strategy for dialogue and cooperation with China, and other key international players, has not been identified; stresses the need for trade and technology dialogue with China; calls on the Commission to examine how pilot projects on sustainable mining and mineral processing, substitution, resource efficiency or recycling of CRM can be established with China, for mutual benefit; also strongly supports similar bilateral dialogues on pertinent RM issues with other key suppliers, such as the BRICS, as they both have and use a vast amount of RM; calls on the Commission similarly to deal with the issue of RM in its European Neighbourhood Policy;
60. Considers that the EU's RM strategy should reflect the differences between developed and major emerging economies on the one hand and least developed countries on the other;
61. Stresses that the question of access to RM should be integrated successively into peace-building and conflict prevention policy measures, as a substantial number of conflicts have re-emerged in certain regions;
62. Concurs that development policy plays a role in helping countries turn their resource wealth into sustainable and inclusive growth, inter alia by enhancing governance and transparency; underlines the fact that development policy, including the GSP, is not an RM diplomacy tool, but believes that it can play an important supportive role in European RM policy; calls on the Commission therefore to ensure coherence between the two; welcomes the inclusion of explicit guarantees on non-discriminatory market access to RM in EU trade agreements and as a prerequisite for WTO membership; agrees though that trade agreements should provide the necessary flexibility to support developing countries in creating linkages between the extractive industry and local industry; believes that

countries' resource sovereignty must be respected and asks the Commission, in this context, to balance opposition to export taxes in developing countries by employing a differentiated approach taking account of the various national contexts so that development goals and industrialisation of developing countries are not put at risk; underlines that free and fair trade is of importance to the development of the global RM sector and wealth creation in all societies; notes that revenue from RM can play a crucial role in enabling least developed countries to achieve the Millennium Development Goals;

63. Is concerned that the revamped RMI does not refer to the GSP or GSP+ or propose alternative trade incentives for the promotion of human rights, environmental standards, avoidance of child labour and support for domestic reforms for countries falling outside of the scope of these schemes; asks the Commission to support and encourage diversification initiatives in developing countries' economies, which are highly dependent on certain RM;
64. Calls on the Commission to help developing countries to overcome information asymmetry in negotiating RM and mining contracts through capacity-building, and to help with negotiating technology transfer, both at national level and among local communities;
65. Stresses the role that corporate social responsibility plays by adhering to high environmental and social and labour standards abroad and applying best available technologies; believes these should be promoted through relevant fora such as the G8, G20, WTO, OECD, UNCTAD, UNEP and its International Panel for Sustainable Resource Management, the international metals study groups and other bodies; applauds, in this context, positive contributions through the UN's Global Compact; calls on EU companies to develop an appropriate code of conduct for those operating in third countries and to base their activities on the OECD guidelines for multinational enterprises and ISO 26000; calls on the Commission to take measures which ensure compliance with social, environmental and labour standards by European companies mining natural resources in third countries; calls on the Commission to come forward with a proposal of its own on country-by-country reporting concerning conflict minerals and to establish legally binding requirements for extractive companies to publish their revenue payments for each project and country they invest in, following the example of the US Dodd-Frank bill; supports the Extractive Industries Transparency Initiative (EITI) and the global network Publish What You Pay (PWYP); believes that these standards should, in particular, be applied to projects receiving EU funding, for example from the EIB; urges the EU to investigate how the importing of illegally traded or extracted minerals can be prevented; asks the Commission to investigate whether 'fingerprinting' technology could be used in this context and to promote pilot projects based on the experiences of the 'coltan fingerprint'; calls on the EIB to undertake a regular analysis of the expected impacts of its lending in the extractive industry;
66. Expresses its great concern regarding the numerous well documented cases of EU companies violating environmental and labour standards and human rights;
67. Reiterates that transparency initiatives in the sector of extractive industries are in effect pro-business, that they can create legal security and sustainable long-time partnerships and that they can act as safeguards against the re-opening of negotiations or expulsion; notes

that there are challenges to be addressed and that some contracts require confidentiality but should nevertheless be under public scrutiny; notes that the Ghanaian Petroleum Revenue Management Bill is a good example of retaining a certain confidentiality on the one hand while safeguarding parliamentary scrutiny on the other;

68. Considers that EU companies should be legally liable in their home countries for any violation of human rights, environmental standards or ILO core labour standards by their subsidiaries abroad and the entities they control;
69. Asks the EIB and the Commission to consider more rigorously whether projects contribute to poverty eradication, sustainable development and inclusive growth before deciding on supporting the extractive industries sector in developing countries;
70. Is concerned about the continuing trade in, and use of, minerals from conflict zones, whose production gives rise to unacceptable violence and illegal activities; calls on the Commission, the EEAS, the Council and the Member States to take this situation into account in the context of their relations with third countries; calls on the Commission and the EU's strategic suppliers' countries to jointly develop an effective RM traceability systems from import through to recycling or disposal and to introduce a mutual certification scheme for RM and their trading chains (Certified Trading Chains), so that trade can be guaranteed to be fair, and, in particular in order to prevent abuses with regard to trade in RM from crisis regions; calls on the Commission to cooperate with the relevant international institutions (UN, OECD, ILO) with a view to identifying, and endeavouring to harmonise, the best certification practices;
71. Stresses that financial markets can play an important role in hedging the risk of both producers and consumers of RM and commodities; calls on the Commission to take the necessary measures to ensure there is transparency on commodity markets and to act decisively against unjustified commodities speculation, leading to commodity market abuse; if regarded as necessary on the basis of in-depth empirical analysis; notes that this includes appropriate initiatives within the context of the G8 and G20 negotiations;
72. Is concerned about the impact of derivatives markets on price trends for RM; considers that there should be more effective controls on OTC derivatives markets; against this background, supports measures such as enhancing transparency on OTC derivatives under the supervision of the ESMA; considers that such measures could lead to greater security for investors and SMEs and enable European producers to plan with greater certainty;
73. Welcomes the work on RM and sustainability in the OECD, G8 and G20 and stresses the further need for a G20 dialogue on RM in order to develop a common perspective; further welcomes the will of G8 and G20 members to fight RM price volatility and calls for the development of concrete measures to curb speculation in that field; calls on the Commission to promote the work of the OECD on the impact of export restrictions and their use as a policy tool; supports the inclusion of non-OECD members in these discussions; calls for the creation of strategic cooperation between the EU, US and Japan on CRM towards a "global RM watch" by sharing demand and supply data, common forecasting, encouraging the exchange of best practice, technological know-how and patents, analysing supply chains, investigating the possibility for joint strategic stocks and the establishment of joint R&D projects; takes the view that such issues should be part of

the agenda of the next EU-US Summits; calls on the Commission to promote Track-II diplomacy on RM by supporting the exchange of non-governmental organisations, academia and think-tanks from the EU and other resource-relevant countries; calls on the Commission to organise regular events, such as JOGMEC's 'Metal Saloons' on RM with other resource-relevant countries; further asks the Commission to investigate the feasibility of an international statistics initiative on CRM based on the example of the Joint Organisations Data Initiative (JODI), as well as whether an international covenant for metals might be a useful tool; calls on the European Defence Agency to contribute, in accordance with Article 42(3) of the TEU, to the identification of measures to strengthen the industrial and technological base of the defence sector with regard to RM;

Agricultural products and commodity markets

74. Supports the analysis provided by the Commission with regard to agricultural products in the context of global food security, with diminishing global food reserves and increasing population and hunger, and as regards market perspectives, underlining the extreme volatility in food and feed prices, the imperfections of the food and feed chains and the role of financial instruments and speculative behaviour as a possible cause of instability, which must be seriously considered; recalls that there are four EU Member States among the countries which are especially vulnerable to rising food prices;
75. Demands that careful attention be given to the fundamental uncertainty surrounding the increasing interaction between the price movements of energy and non-energy commodities, especially food;
76. Insists, in line with the Commission, that the international community must adopt a long-term coordinated approach to global food security, including increased research efforts and investment in the agricultural sector in developing countries, notably through development policy priorities, in order to increase resilience and adaptability to food shocks;
77. Is supportive of the recent efforts undertaken by the G20 on policy responses to price volatility in food and agricultural markets, including through more information exchange in food production forecasts and stresses the need for more transparency and more timely information on food commodity reserves and stocks;
78. Welcomes the joint communiqué of the 3rd Berlin agriculture ministers' summit of 22 January 2011, signed by 48 countries, which called for an improved ability of agricultural markets to function properly and recognised the importance of trade in terms of creating a balance between the different actors in agricultural markets and improving farmers' access to RM and energy;
79. Ask for a report from the Commission regarding financial derivatives and commodities regulation so as to establish whether separate regulation is needed for the agricultural commodities given the specificities of the sector; supports the recent Commission proposal on regulating OTC derivatives and the public consultation on the MiFiD Directive; believes that abusive speculative behaviour, malpractice and abuse on derivatives markets should be addressed as a matter of urgency;

80. Asks the Commission to propose concrete measures to guarantee food security, tackle market instability and, with sustainable overall responsibility, reinforce the operability of the derivatives markets for agricultural commodities as a matter of urgency;

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81. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

EXPLANATORY STATEMENT

Introduction

European industry is facing an increasingly difficult situation with regard to the supply of RM. This is particularly the case for the 14 critical RM, which the European Commission identified. Increasing global demand coupled with a lack of supplies due to long lead-times in the mining industry and the increased use of export restrictions by resource-rich countries, are not only pushing prices to record heights, as is the case with copper, but are also leading to potential supply shortages. In addition, the EU is highly dependent on imports for many RM, particularly critical ones. The rare earth elements are a particular case in point with China currently controlling 97% of global production and curtailing their export.

This is significant since the European Union's industrial future hinges after all to a large extent on such non-energy, non-agricultural RM. These resources are particularly important for the transformation to a low-carbon and sustainable economy as they are used in high-tech products such as catalysts, batteries or the construction of renewable energies.

In addition, resource scarcity can aggravate the international political arena possibly culminating in a scramble for resources and widening divisions between resource-rich and resource-poor countries. Neither would benefit from such a scenario. New approaches therefore need to be developed that deal with the issue of non-energy, non-agricultural RM, particularly the resources identified as most critical, in an innovative and innovation-promoting manner, in order to ultimately avoid zero-sum games.

In this context, the RM Initiative is an important first step. The European Union needs to develop a coherent and focused strategy with priority actions, particularly for those RM most critical. In order to do this, the European Commission should not only differentiate between giving adequate focus to the RMI and commodity markets but should also establish a working group on RM that encompasses all the relevant DGs. Such an inter-departmental working group should develop priority actions for the critical RM, particularly the rare earths, and can ensure strategic cohesion. France and the United States have already created such working groups.

An industrial innovation strategy to secure raw materials and our competitiveness

Any strategy on RM will ultimately have to focus on increasing innovation in how European industries use RM as this will make a significant contribution to our competitiveness, sustainability and the security of supply. The RM challenge needs to be turned into an opportunity to invigorate Europe's industrial power by tapping our innovation and R&D potential, which is one of the key aspects of the Commission's Innovation Union Flagship Initiative, the Industrial Policy for Europe, the Resource Efficiency Flagship Initiative and an Innovation Partnership on RM. If other countries are competing with us in the field of RM, we need to focus on our own strengths, which lie particularly in our innovation capacity and our strong tradition in research and development.

Leveraging these in the fields of resource efficiency, cradle-to-cradle recycling, substitution

and sustainable mining will be crucial. For example, the German Material Efficiency Agency calculated that around 100 billion EUR a year could be saved through more efficient processes. This would drastically increase competitiveness by lowering costs. This simultaneously cuts CO2 emissions and resource use thereby increasing our resource security by lowering demand. The same holds true for recycling, which positively contributes to tackling climate change. For example, according to industry, the aluminium recovered from recycling is 95% per cent lower as when it is produced from virgin material. For recycling, there are also great amounts of sources for urban mining available. One can also go beyond that by potentially opening up old landfills. According to industry, if only 4 per cent of landfills hold metals and scrap materials this would already equal to millions of tonnes recoverable in Germany alone. Last but not least, the recycling sector is home to a large number of jobs and can create even more. In this context, it is important to support and strengthen this sector, *inter alia*, by ensuring that recycling stands above incineration.

Other countries are already taking ambitious steps. Japan, for example, is putting on the table close to EUR 1 billion to leverage another billion from private industry, to address resource efficiency, recycling and other measures to strengthen its situation with regard to the rare earth elements. In this context, it has put forth a preliminary target of cutting its use of rare earths by one-third in the upcoming years.

The European Union needs to ensure that it is not being surpassed in its competitiveness through increased efficiencies undertaken by others. We have ample policy measures at our disposal to safeguard our future competitiveness including, amongst others, eco-design, FP7 and FP8 funding, recycling policies as well as other creative economic incentives, in order to stimulate the much-needed resource and material innovation.

It is in this context, that the establishment of an Innovation Partnership on RM gains particular urgency. Substitution is also a crucial aspect that needs to be better embedded in the European Commission's RM Initiative. The same holds true for lifestyle changes and social innovations such as eco-leasing and sharing. Setting preliminary targets are also important in order to have a vision. The EU should put forth an annual resource efficiency target of 3% and aim to lower its resource use per year per head to 6-10 tonnes by 2050.

Sustainable mining also plays an important role in this context. The European Union naturally also holds reserves of RM, for example also rare earths in Sweden, and is continuing to increase its geological knowledge base through such projects as PRO-MINE. This work can also be increased through an improvement in the cooperation between the different national geological surveys, which the Commission is planning to undertake. Simultaneously, the EU has a good basis for the sound extraction of non-energy RM through its NATURA 2000 guidance document. Here, too, the EU can advance by continuing to develop better and more sustainable as well as efficient mining technologies. Particularly more environmentally friendly mining technologies will be important especially so as the mining of some resources, like rare earths, can entail radioactivity. Such technologies, coupled with high environmental and social standards, will not only ensure that sustainability and security of supply are balanced but they will also increase the reputation of European companies abroad if these conditions are continually adhered to and improved. This will ultimately also provide greater business opportunities in resource-rich countries as they will see the benefits of European companies operating in their country under high EU standards as opposed to other non-EU

corporations.

Raw Materials Diplomacy

Besides an industrial innovation strategy that aims to lower resource consumption and increase recycling in addition to the sustainable domestic potential that the EU holds, the European Union will, naturally, have to continue to rely on external suppliers for its RM. RM diplomacy is therefore of critical importance.

In this context, the European Union needs to establish mutually-beneficial partnerships that provide a win-win for resource-rich countries and the EU itself. Besides an Africa-EU partnership, the EU could also promote partnerships with countries in Eastern Europe, Latin America or Asia. China, particularly comes to mind as it produces the majority of the critical rare earth elements. One will also have to distinguish between the different countries and their economic development. For example, the “infrastructure in exchange for resources” approach is applicable to only a certain number of developing countries. Here European industries could form industrial clusters consisting of extraction and construction companies. For others, particularly resource-rich economies with a higher level of development, such a model is simply of no interest. For these countries the name of the game is ‘resources for technology and know-how’. Such an approach could also be used when it comes to our relations with China. For a given short-term period, for example, we need access to China’s rare earths until new mining operations come on-line in countries such as the United States, Canada and Australia. Likewise, Beijing is very keen on high-technology over that period until it will have increased its own in-house technology development. In this context, one can make deal on the basis of these foundations.

At the same time, the EC could evaluate how to support non-financially a RM Holding, encompassing numerous European companies for procuring RM. Similarly, other companies may wish to undertake a strategy of vertical integration in order to strengthen their RM security.

The European Commission should also ensure that EU companies adhere to environmental and social standards in their work abroad so as to further cement good EU relations with resource-rich countries. In this context, the European Union should follow the US lead on the Dodd-Frank bill and require companies to disclose whether they source their resources from conflict regions and require extractive industries to disclose their payments to foreign governments in order to enhance transparency and ensure good governance. Furthermore, in order to make a credible partnership offer to resource-rich countries, the European Union should not misuse the tool of development policy for such purposes. This is particularly the case for the general system of trade preferences or the European Development Fund. Instead it should help resource-rich countries to overcome pertinent issues such as information asymmetry when it comes to negotiating raw material and mining contracts, since many governments lack the expertise to properly evaluate the value of their natural resources and consequently find it difficult to strike favourable deals.

Last but not least, the European Union should pool work with other industrial and emerging countries in order to create synergies. Besides the OECD and G8/G20, the Commission should put forth concrete cooperation with the United States and Japan. This could include the

sharing of data or creating joint R&D programmes.

Ultimately, in order to successfully meet the RM challenge, the European Union needs a comprehensive and integrated strategy that focuses on short- and long-term measures that can be implemented domestically and internationally, particularly for the critical RM such as rare earths. At the heart of this must be an industrial innovation strategy based on resource efficiency and recycling, which are the only measures that adequately tackle the triangle challenge of ensuring future competitiveness, sustainability and security of supply.

28.6.2011

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY (*)

for the Committee on Industry, Research and Energy

on an Effective Raw Materials Strategy for Europe
(2011/2056(INI))

Rapporteur(*): Judith A. Merkies

(*)Associated committee – Rule 50 of the Rules of Procedure

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the Commission Communication entitled "Tackling the challenges in Commodity markets and on raw materials" (COM(2011)0025) and in particular its broad focus on raw and recovered raw materials from mineral resources and biotic resources, its emphasis on resource efficiency and recycling, and its recognition of the importance of urban mining as a valuable source for retrieving, i.e. re-use, upcycling and recycling raw materials, and its determination to look at all three pillars of this broad challenge, namely assuring a fair and sustainable supply of raw materials from international markets, fostering sustainable supply within the EU and promoting resource efficiency and recycling; notes that recycling often results in downgrading the value of the material, and that more focus should be given to the upcycling of materials which would render a higher value to the retrieved material; points out the potential of re-use as a separate category, to extend the life of products and urges the Commission to develop re-use notably through its ecodesign and waste policies; regrets, however, the lack of proposals for concrete measures by the Commission and cautions that, without such measures, the stated goals are not likely to be reached;
2. Highlights that - especially with regard to the subject of raw materials - a coherent policy, a strategic and long-term vision, as well as a coordinated approach of all involved actors, especially within the Commission, are of utmost importance;

3. Stresses that further data and more studies are needed to ensure a more targeted approach, especially as regards analyses of waste streams, but also the potential of innovative technologies for recycling and substitution;
4. Welcomes the Commission's recognition of the importance of urban mining as a valuable source for retrieving, recycling and upcycling raw materials and is of the opinion that there is a dire need for more information on urban mining and therefore asks the Commission to assess especially the potential but also possible limitations in this regard; points out the potential of re-use as a separate category, to extend the life of products and urges the Commission to develop re-use;
5. Notes that lower consumption levels, prevention of waste generation and re-use are key components for the transition to a resource efficient economy;
6. Highlights that the growth of the world population, the rise in consumption and targets for EU economic growth, make the decoupling of growth from raw material use even more essential; insists, therefore, that reduction targets should be set to stabilise material use and proposes a robust and reliable methodology for measuring efficiency in the use of resources, which would result in EU annual sectoral resource reduction targets; considers that progress towards such targets and the implementation of supporting policies by Member States should be tracked by the European Semester, the reporting system for coordinating and surveying Member States' budgetary and structural policies; recognises that the three 'pillars' of the Communication will be needed to face the future growing demand in raw materials but suggests the introduction of a clear hierarchy between the pillars giving priority to resource efficiency and recycling, then to the development of sustainable mining in the EU and lastly to ensure fair and sustainable access to raw materials from third countries; stresses that an effective raw materials policy must form part of an integrated approach, drawing on the best of existing European environmental legislation which regulates the efficiency of resources in many sectors; also stresses the need for a clear definition of 'resource efficiency' using a scientific basis;
7. Urges all actors to raise awareness about competition as regards the use of raw materials; urges the Commission to research the development of a raw materials hierarchy to encourage a broad discussion on the highest added value use of raw materials without compromising the environment; calls on the Commission to map the competition for the same materials and to address non-essential consumption of raw materials;
8. Calls on the Commission to gather, analyse and publish data on the availability and accessibility and the commercial exchange of raw and recovered materials at EU level; considers furthermore that data should be collected to enable a comparison of material characteristics, options for substitution, most efficient use and exchange of best practices;
9. Stresses the importance of the development, promotion and implementation of a life cycle approach for raw materials, thus identifying the environmental impacts and internalising the external environmental costs associated with the extraction and the use of raw materials, extending the highest quality and life of such materials, and the need for indicators to measure efficient and effective resource use;

10. Underlines the importance of the full implementation of the Ecodesign Directive¹ in this regard with a broadened focus on resource efficiency and other environmental impacts beyond energy efficiency; furthermore calls for mandatory recycling and resource requirements to be introduced in all implementing measures from 2013; believes that the role of designers and scientists should be actively taken into account when ensuring the efficient and effective use of raw materials in the whole life cycle of products, as high quality recycling can only take place when the whole supply chain is closed and all stakeholders cooperate to ensure a high recollection rate;
11. Stresses that innovation is essential for addressing new challenges and that resource efficiency must be an integral part of a policy geared to the promotion of research and innovation that will encourage competitiveness among European firms;
12. Encourages the Commission to develop a recycling strategy with retrieval as close to the source of waste as possible, including the purification of waste water, as this would enable the retrieval of higher concentrations of raw material, prevent irretrievability, lower the negative impact on the environment and possibly be more energy efficient;
13. Calls on the Commission and Member States to further increase the use and development of appropriate economic instruments including incentives to stimulate producer responsibility in order to promote the efficient use of raw materials and to ensure a higher level of raw material re-usability, re- and upcyclability, re-manufacturability, dismantling and recovery; in particular calls on the Commission to review the Ecodesign, End-of-Life Vehicles², WEEE³ and Batteries⁴ Directives; highlights the importance of an effective circular economy in this respect;
14. Calls on the Commission and Member States to organise education and awareness-raising campaigns for consumers with a view to using products obtained from recycling;
15. Takes the view that, as well as reducing the negative end-of-life environmental impact (polluting waste) and helping to tackle the problem of the scarcity of many primary raw materials, the recycling of materials (as completely as possible) also creates indigenous industrial development opportunities; urges the Commission to support action to bring about these opportunities, which are particularly important in the current crisis;
16. Calls on the Commission to develop a system of chain of custody, subject to an appropriate impact assessment, for all raw materials, which instructs producers to record the origin of raw materials through a transparent system, following existing examples (e.g. Timber Regulation (EU) No 995/2010), allowing for the future development of

¹ Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy related products; OJ L 285, 31.10.2009, p. 10.

² Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of-life vehicles; OJ L 269, 21.10.2000, p. 34.

³ Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment (WEEE); OJ L 37, 13.2.2003, p. 24.

⁴ Directive 2006/66/EC of the European Parliament and of the Council of 6 September 2006 on batteries and accumulators and waste batteries and accumulators and repealing Directive 91/157/EEC; OJ L 266, 26.9.2006, p. 1.

sustainability criteria for raw materials;

17. Calls for proper and swift implementation of the Waste Framework Directive¹ and the introduction of a progressive landfill ban on recyclable raw materials, the development of ecodesign criteria to ensure the recyclability of the vast majority of products placed on the market and strict and ambitious efficiency criteria for incineration with energy recovery, which should aim at reuse and recycling of raw materials instead of incineration as a tool to retrieve as many useful raw materials as early and as close to the source of waste as possible, to prevent irretrievability, to reduce any negative impact on the environment and to increase energy efficiency;
18. Calls furthermore on the Commission to submit a proposal to amend the Landfill Directive² and to develop and expand the objectives set out in Article 5(2) thereof; considers further that pursuant to the Waste Framework Directive, the reduction target of the ban on sending biodegradable municipal waste to landfill should be extended, starting in 2020, to all biodegradable waste, with the reduction target fixed at 5%;
19. Concurs with the Commission analysis that better implementation and enforcement of existing waste legislation is essential for promoting a more resource-efficient Europe and therefore calls on the Commission to propose the establishment of an EU waste implementation agency combined with a specific European body to carry out direct environmental inspections by the end of 2011, as better implementation of the existing legislation would, in addition to the benefits to the environment and human health, provide important economic benefits and increase access to valuable secondary raw materials;
20. Believes that targets that have already been set in several Directives regarding the collection and separation of waste, should be further elaborated and set for the highest and most qualitative recovery of materials in each of the phases of recycling: collection, dismantling, pre-processing and recycling/refinery;
21. Calls on the Commission to integrate the biodiversity action plan objectives into the raw materials strategy to strengthen links between the economy and environment and to take account of the environmental effects of extraction, production, use and disposal of raw materials; urges the Commission to support the development of strategic land use planning in all Member States to balance raw material extraction with other land use demands and to safeguard the environment and biodiversity;
22. Welcomes the development of instruments and indicators, such as TEEB (The Economics of Ecosystems and Biodiversity) which reassess the monetary value of biodiversity and ecosystems and give an important indication of the real price of extraction, use and disposal of raw materials, thus internalising external costs; urges the Commission to promote and stimulate the development of these instruments and its use;
23. Stresses that extraction activities must be carried out with due regard for the highest

¹ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives; OJ L 312, 22.11.2008, p. 3.

² Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste; OJ L 182, 16.7.1999, p. 1.

standards of workplace security and environmental protection so as to prevent accidents and rehabilitate the areas affected;

24. Notes that, whilst cyanide mining technology, which poses a serious environmental threat, enables just two grams of gold to be produced from one tonne of ore, 150 times as much – nearly 300 grams – can be made from one tonne of used mobile phones without the need for cyanide; therefore reminds the Commission of Parliament's resolution of 5 May 2010 calling for a complete EU ban on cyanide mining technology by the end of 2011¹;
25. Stresses the role of corporate social responsibility and adherence to the highest international environmental and labour standards and the application of BAT (best available technologies); stresses furthermore the great responsibility borne by businesses in extraction to ensure that the health of nearby residents is not adversely affected by extraction; calls on the Commission to follow the spirit of the US Dodd-Frank Bill on conflict minerals and urges the Commission to present a legislative proposal; supports the Extractive Industries Transparency Initiative (EITI);
26. Underlines that development policy is not a raw materials diplomacy tool; agrees that trade agreements should provide the necessary flexibility to support developing countries in creating linkages from the extractive industry towards local industry; believes that countries' resource sovereignty must be respected and asks the Commission in this context to employ a differentiated approach taking account of the various national contexts so that development goals and industrialisation of development countries are not put at risk;
27. Stresses the need for consistency with proclaimed objectives in the field of cooperation and development aid policy; takes the view that developing countries which are rich in raw materials should not be relegated to the role of net exporters of raw materials but should instead develop their own industrial and development policies, moving further along the value chain; rejects a neo-colonialist vision in the guise of the so-called 'raw-materials diplomacy';
28. Calls for the active introduction and promotion of more sustainable economic models decoupled from material use, to ensure the future availability of raw materials in the EU; calls for the Commission to develop new instruments (for example 'green certificates' aiming at increasing the uptake of secondary raw materials) targeting a more efficient use of resources, avoiding rebound effects; suggests that the Commission undertake a comprehensive study on economic leasing models as alternatives to ownership of goods and their impact on material use and recovery; highlights that awareness is the main challenge in this regard;
29. Underlines that a new indicator which goes beyond GDP and which measures resource consumption and resource productivity is essential for the decoupling of economic growth from material use;
30. Draws attention to the pernicious effects of speculation on raw materials; takes the view

¹ European Parliament resolution of 5 May 2010 on a general ban on the use of cyanide mining technologies in the European Union; P7_TA(2010)0145.

that the physical market should not be obscured by the financial 'derivatives' market, the volume of which has seen a disproportionate increase over the years, making it necessary and urgent to adopt measures in this field; stresses the importance of having reliable official information on flows and physical stocks of raw materials;

31. Urges the Commission to examine the effects of a tax on mineral resources, unused extracted raw materials, non-energy raw materials, water and land use, and in particular on any side effects, such as non sustainable substitution, tax evasion or a shift of economic activities to third countries and to come forward with proposals for EU instruments to this effect in line with the resource efficiency priority; points out that taxation of primary raw materials like metals would help shift the comparative advantage towards recycling instead of virgin extraction and would help shift the tax burden from labour to resources;
32. Encourages the Commission to continue preparations for an Innovation Partnership on raw materials in line with the 'Innovation Union' flagship initiative and stresses the importance of close cooperation already at an early stage between all institutions concerned in this regard;
33. Believes that the extension of the lifetime of products and therefore also raw materials and biotic materials, should be promoted as their extraction, use and disposal have a major impact on land use, water, energy and transport; points out that the raw materials strategy must be incorporated into the wider EU 2020 strategy as an essential part of its overall aims, calls for more targeted resource efficiency innovation and points out that a higher efficiency rate in material use has a major impact on the industry and transport sector;
34. Calls on the Commission to collect data on the potential in the EU of recovering raw materials through landfill mining and to develop standards for the conditions under which landfills could be excavated, including possible recovery of other resources, energy efficiency compared to the extraction of primary raw materials, possible side effects on the environment and human health (such as release of greenhouse gasses and toxic substances) and the potential for energy production and landscape restoration.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.6.2011
Result of final vote	+ : 42 - : 2 0 : 0
Members present for the final vote	János Áder, Kriton Arsenis, Sophie Auconie, Pilar Ayuso, Nessa Childers, Chris Davies, Esther de Lange, Bas Eickhout, Edite Estrela, Jill Evans, Karl-Heinz Florenz, Elisabetta Gardini, Gerben-Jan Gerbrandy, Julie Girling, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Karin Kadenbach, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Gilles Pargneaux, Antonyia Parvanova, Mario Pirillo, Pavel Poc, Vittorio Prodi, Oreste Rossi, Dagmar Roth-Behrendt, Daciana Octavia Sârbu, Carl Schlyter, Horst Schnellhardt, Richard Seeber, Theodoros Skylakakis, Åsa Westlund, Glenis Willmott, Marina Yannakoudakis
Substitute(s) present for the final vote	João Ferreira, Jutta Haug, Marisa Matias, Judith A. Merkies, Miroslav Mikolášik, Bill Newton Dunn, Birgit Schnieber-Jastram, Michail Tremopoulos

31.5.2011

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Industry, Research and Energy

on an effective raw materials strategy for Europe
(2011/2056(INI))

Rapporteur: Elmar Brok

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas, in the context of a multipolar global order, Member States acting alone cannot secure sufficient access anymore to non-energy commodities, such as raw materials and rare earths; whereas only an EU-driven common approach can ensure a strategic and secure supply for European industries,
- B. whereas the supply of raw materials is fundamental for several industry applications; whereas export restrictions hinder the creation of open and transparent markets, can lead to a serious bottleneck in raw material supply and limit the innovation potential of European industries, and could create problems on the labour market,
- C. whereas around 50% of raw materials and rare earth resources worldwide, including critical raw materials, are located in fragile States or unstable regions,
 - 1. Welcomes the proposal for EU diplomacy on raw materials and rare earths with the aim of establishing an international regulatory platform, ensuring access to and supply of raw materials, especially those considered critical, ensuring open global markets and promoting international cooperation on sustainable extraction of raw materials and an efficient use of resources based on mutual interests; underlines, in this context, the need to establish a strong dialogue in the field of raw material diplomacy between industrialised, newly industrialising, and resource-rich developing countries, with a view also to promoting human rights, good governance, regional stability and preventing the risk of resource-based conflicts;
 - 2. Believes that placing a stronger emphasis at EU level on innovation and substitution in the raw materials strategy at all stages could also strengthen the European Union's negotiating position and avoid dependency on monopolistic suppliers;
 - 3. Calls on the Commission to promote Track-II diplomacy on raw materials by supporting exchanges between non-governmental organisations, academia and think tanks from the EU with those in other resource-relevant countries;
 - 4. Calls on the Commission to organise regular events on raw materials, such as JOGMEC's 'Metal Saloons', with other resource-relevant countries with a wide range of stakeholders participating;
 - 5. Notes that raw material policy, although independent, should be in synergy with other EU policies, and especially with policies aimed at non-mineral raw materials (for example agricultural goods) and energy supplies;
 - 6. Considers that raw material diplomacy, development policy and policies aimed at support for democratisation should be mutually beneficial and create synergies; calls therefore for human rights and democratisation conditionality to be included in future agreements with partner countries;

7. Stresses that, as part of the EU's strategic cooperation with relevant key actors from industrial, emerging and developing countries, especially the USA, Russia, China, Japan and the Arctic Region, an early-warning mechanism for market distortion, supply shortages and resource-fuelled conflicts should be established and complemented by a monitoring group at EU level comprising representatives of the EU institutions, the Member States and relevant industry sectors;
8. Points out the role of relations with the BRICS countries (Brazil, Russia, India, China, South Africa), as they have vast raw material resources but will at the same time absorb more raw materials in the future, thus creating stronger competition for European companies;
9. Calls for international regulatory standards on recycling, sustainable mining and good governance, including social, labour and human rights, corporate social responsibility and environmental standards, which should be promoted through relevant fora, such as the G8 and the G20, the WTO, the OECD, UNCTAD, UNEP and its International Panel for Sustainable Resource Management, the international metals study groups, and other bodies that are active in promoting a sustainable global governance structure for the exploitation, production and trade of raw materials, based on the principle of non-infringement of other countries' right to development within the framework of international rules;
10. Welcomes the willingness of the G8 and G20 members to fight raw materials price volatility and calls for concrete measures to be developed to secure raw materials' supply and curb speculation on those commodities;
11. Calls on the WTO to monitor closely the impact of import and export restrictions and other barriers on the price of raw materials; in this respect supports the creation in the WTO of a tool to monitor tariff and non-tariff barriers to trade in raw materials and rare earths and the setting up in the G20 of a 'Raw Materials and Rare Earths Stability Board'; calls also on DG Trade to continue to monitor export restrictions on and other barriers to the price of raw materials;
12. Welcomes the inclusion of explicit guarantees on non-discriminatory market access to raw materials in EU trade agreements and as a prerequisite for membership of the WTO; calls for access to and sustainable governance of raw materials to be included in all EU agreements with relevant third countries, based on recognition of the growing interdependency between countries, but stresses the importance of raw materials diplomacy being differentiated to take into account the respective countries' situations;
13. Is of the opinion that the EU and relevant third countries should work together consensually, in the spirit of true partnership, for their mutual benefit regarding raw materials supply; calls therefore for support for developing countries, to include knowledge transfer in scientific and legal matters, so as to establish sustainable capacity building and further calls for common extraction and production standards, including human rights standards;
14. Outlines the importance of bilateral cooperation on raw materials, as demonstrated by the EU and the African Union in June 2010, and encourages further efforts in the context of

the Joint Africa-EU Action Plan for 2011-2013; calls for similar cooperation to be developed with other countries that are major producers of critical raw materials; proposes, as one of the concrete targets of raw material diplomacy, source-diversification from South-East Asia towards Latin-America and Africa of certain raw materials on which the EU is import dependent;

15. Believes that the significant potential of the Arctic Region is linked to its natural resources and the industries based on them; underlines the need for fair access to raw materials in the Arctic Region, in line with its resolution of 20 January 2011 on a sustainable EU policy for the High North (P7_TA(2011)0024); stresses the importance of sustainable development and safe and controlled utilisation of natural resources in the Arctic Region in accordance with the precautionary principle;
16. Outlines the importance of transparency and reiterates its support for the Extractive Industries Transparency Initiative (EITI) and for Publish What You Pay (PWYP), as being good examples for international transparency standards, and calls on the Commission and the European External Action Service to adopt measures to improve transparency in the area of supply; believes that investments that receive support from the European Investment Bank should apply these standards in order to promote sustainable mining practices in relevant third countries;
17. Welcomes the preparatory work by the Commission on a legislative proposal for extractive industry disclosure requirements for companies listed on EU stock exchanges; encourages the Commission to build on the USA disclosure provisions in Section 1504 of the ‘Dodd-Frank Act’ and calls for reporting requirements at country-by-country level;
18. Calls on the Commission, when preparing the new external action instruments for the period after 2013, to include measures supporting good governance and sustainable mining in its programmes for the democratic and economic stability of fragile States that are suppliers of raw materials;
19. Believes that the responsibility for a coherent and effective EU diplomacy must lie with the EEAS and the relevant Commission services – and especially with DG Trade with regard to trade issues – acting in close coordination with the Council and Parliament; believes furthermore that the strategic relevance of raw materials should be reflected in the organisation of the EEAS and in the staffing of relevant EU delegations; stresses the importance of coordinating the foreign policy of the EU and of the Member States in the field of raw materials.
20. Believes that the EU should coordinate action with the USA and other partners in seeking diversification of rare earth sources and in decreasing dependence on major raw material and rare earth suppliers; takes the view that such issues should form part of the agenda of the forthcoming EU-US Summits;
21. Calls on the European Defence Agency to contribute, in accordance with Article 42(3) of the TEU, to the identification of measures to strengthen the industrial and technological base of the defence sector with regard to raw materials;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	24.5.2011
Result of final vote	+ : 58 - : 3 0 : 0
Members present for the final vote	Sir Robert Atkins, Dominique Baudis, Frieda Brepoels, Elmar Brok, Arnaud Danjean, Michael Gahler, Marietta Giannakou, Ana Gomes, Andrzej Grzyb, Heidi Hautala, Anna Ibrisagic, Anneli Jäätteenmäki, Jelko Kacin, Othmar Karas, Ioannis Kasoulides, Tunne Kelam, Nicole Kiil-Nielsen, Evgeni Kirilov, Andrey Kovatchev, Pawel Robert Kowal, Eduard Kukan, Alexander Graf Lambsdorff, Krzysztof Lisek, Sabine Lösing, Ulrike Lunacek, Mario Mauro, Kyriakos Mavronikolas, Willy Meyer, Francisco José Millán Mon, María Muñoz De Urquiza, Annemie Neyts-Uyttebroeck, Norica Nicolai, Raimon Obiols, Kristiina Ojuland, Ria Oomen-Ruijten, Cristian Dan Preda, Fiorenzo Provera, Libor Rouček, José Ignacio Salafranca Sánchez-Neyra, Nikolaos Salavrakos, Jacek Saryusz-Wolski, Werner Schulz, Hannes Swoboda, Charles Tannock, Inese Vaidere, Kristian Vigenin, Graham Watson, Boris Zala
Substitute(s) present for the final vote	Reinhard Bütikofer, Nikolaos Chountis, Véronique De Keyser, Tanja Fajon, Kinga Gál, Elisabeth Jeggle, Georgios Koumoutsakos, Norbert Neuser, Doris Pack, Vittorio Prodi, Dominique Vlasto, Luis Yáñez-Barnuevo García
Substitute(s) under Rule 187(2) present for the final vote	Joachim Zeller

14.6.2011

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Industry, Research and Energy

on an effective raw materials strategy for Europe
(2011/2056(INI))

Rapporteur: Birgit Schnieber-Jastram

SUGGESTIONS

The Committee on Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Considers that the EU is dependent on imports of raw material resources for its industry, especially for its high-technology sector, and that the EU raw material initiative aims at securing access to these resources;
2. Recalls that the raw materials initiative (RMI) has been criticised by some NGOs for undermining the development objectives of poor countries and for not complying with the EU's commitments on policy coherence for development; recalls the obligations regarding policy coherence for development enshrined in Article 208 of the TFEU; asks the Commission to set up an inter-departmental working group to devise a more detailed strategy on raw materials that respects those obligations; recalls that illicit trafficking in raw materials is still among the root causes of permanent or long-standing conflicts in developing countries;
3. Underlines the importance for the European raw materials policy of taking sustainable economic growth in the developing countries and their specific social standards fully into account (as enshrined in Article 208 of the TFEU) and ensuring coherence between development policy and the RMI; therefore believes that the EU should also support developing countries in constructing processing facilities, diversifying their economies, reducing their dependence on raw materials exports and increasing the added value of their products through domestic manufacturing and processing;
4. Calls on the Commission to introduce (a) a reduction in the EU's consumption of raw materials, (b) a reduction in the EU's dependency on imported raw materials and (c) the creation of a sustainable and equitable system to manage the world's natural resources, as further key objectives of the raw materials initiative;
5. Insists that the European Parliament be regularly informed on the development of the RMI and the fulfilment of its objectives via an annual progress report; asks for this report also to include an assessment of the RMI from the point of view of the EU's commitment on policy coherence for development;
6. Is concerned that the revamped raw materials initiative does not refer to the GSP or GSP+ or propose alternative trade incentives for the promotion of human rights, environmental standards, avoidance of child labour and support for domestic reforms for countries falling outside of the scope of these schemes; asks the Commission to support and encourage diversification initiatives in developing countries' economies, which are highly dependent on certain raw materials;
7. Notes that revenue from raw materials can play a crucial role in enabling least developed countries (LDCs) to achieve the Millennium Development Goals (MDGs); calls on the Commission to help developing countries diversify their economies and reduce

dependency on raw materials in order to protect exhaustible natural resources, and to support least developed countries with advice and capacity-building in order to enable effective alternative tax-generating mechanisms to be put in place;

8. Calls on the Commission to consider the development benefits that export restrictions on raw materials entail for LDCs, given that export taxes are an important source of income, especially for LDCs, thus providing incentives for the development of domestic manufacturing or processing industries with a potential of higher value-added exports; stresses the importance of enhancing environmental protection by preventing the unlimited exploitation of natural resources;
9. Notes that the price volatility of commodities is to an extent the result of speculation;
10. Asks the Commission to quickly present a legislative proposal for country-by-country reporting founded on the standards of the Extractive Industries Transparency Initiative (EITI) and on Section 1502 of the Dodd Frank Act in the United States; recalls that this was proposed by the Committee on Development as a parliamentary priority within the framework of the structured dialogue on the Commission Work Plan for 2012; urges the Commission to include in its proposal a requirement that extractive companies report on sales and profits, on a country-by-country basis, as well as taxes and revenues, in order to discourage corruption and prevent tax avoidance; stresses that transparency, corporate social responsibility and a functioning administration benefit both extracting companies and the societies of resource-rich developing countries; calls on the Commission to develop a legislative proposal equivalent to Section 1502 of the Dodd Frank act, which requires companies that source minerals from the Democratic Republic of Congo and neighbouring countries to demonstrate the steps they are taking to ensure that their purchases of these minerals are not profiting armed groups which commit human rights abuses; in this connection, calls on the European Union and its Member States to bring pressure to bear on European companies operating in developing countries and to set an example of social responsibility and the promotion of decent work;
11. Calls for a legislative proposal to deprive EU companies that do not apply EU standards when operating in developing countries of any form of European funding, and expresses its great concern regarding the numerous well-documented cases of EU companies violating environmental and labour standards and human rights;
12. Recognises the legitimate rights of developing countries' governments and parliaments to enact policies and regulate foreign investment in the public interest, in consultation with civil society, in such a way that foreign investment benefits the local economy, creates domestic added value and fosters development; emphasises that the EU Raw Material Strategy should not stand in the way of these rights;
13. Calls on the EU and the African Union to propose and implement concrete actions in the area of capacity-building assistance to resource-rich developing countries under the Joint Africa-EU Strategy 2nd Action Plan 2011-2013 in cooperation with the Member States, industry and stakeholders; welcomes the approach of this Action Plan that consists in providing training on best practice in negotiating mineral contracts and in fostering scientific cooperation in the mining sector, in addition to promoting good governance, including transparency;

14. Reiterates that transparency initiatives in the sector of extractive industries are in effect pro-business, create legal security and sustainable long-time partnerships and act as safeguards against the reopening of negotiations or expulsion; notes that there are challenges to be addressed and that some contracts require confidentiality but should nevertheless be under public scrutiny; notes that the Ghanaian Petroleum Revenue Management Bill is a good example of retaining a certain confidentiality on the one hand while safeguarding parliamentary scrutiny on the other;
15. Welcomes the promotion of more disclosure of financial information and the country-by-country reporting for extractive industries envisaged by the Commission and looks forward for its future legislative proposal treating the automatic disclosure of transnational corporations' profit and tax payment in each individual developing countries in which they operate, in order to fight against abuse of tax havens, tax evasion and illicit capital flights; also asks for greater transparency for all industries extracting raw materials in developing countries via payment of the relevant taxes and open declaration of their activities; stresses the importance of EU-UN cooperation with regard to the Kimberley Process;
16. Calls on the EU to conclude fair trade agreements with developing countries, including technology transfer in the case of LDCs, which should serve as a model for sustainable trade policy with a set of social and environmental criteria;
17. Calls for stronger international cooperation on strategic resources with the launch of an open, inclusive, transparent process for discussing future worldwide raw material use and with the participation of civil society networks such as Publish What You Pay (PWYP); takes the view that global initiatives in such a sensitive field may serve as confidence-building measures between the EU and emerging economies like China, Brazil and India;
18. Calls on the EU to introduce investors' obligation and duties to respect human rights, environmental standards and ILO core labour standard while operating in developing countries; takes the view that EU companies should be legally liable in their home countries for any violation of these rights by their subsidiaries abroad and entities they control;
19. Considers that the EU's raw materials strategy should reflect the differences between developed and major economies on the one hand and Least Developed Countries on the other;
20. Asks the EIB and the Commission to consider more rigorously whether projects contribute to poverty eradication, sustainable development and inclusive growth before deciding on supporting the extractive industries sector in developing countries; calls for a moratorium on EU public financing of mining projects until regulations are adopted against tax evasion and in favour of transparency, due diligence and respect for social and environmental standards;
21. Notes that the exploitation of natural resources should be pursued in order to help a country meet its broader social and economic goals, not as an end in itself;

22. Points out that artisanal and small-scale mining (ASM) can play a vital role in local life, provide employment and support development goals when it is officially recognised, regulated, and supported; regrets the relative lack of knowledge and analytical tools in this area and underscores the need to increase its visibility, facilitate more effective ASM policy design and implementation, and monitor assistance efforts to help prevent poverty traps such as child labour, unsafe working environments, forced labour, which is often found in artisanal mining, and conflicts associated with small-scale mining activities; also calls on the EU and its Member States to support developing countries at both national and local level by making available expertise on sustainable mining practices, increased resource efficiency and reuse and recycling;
23. Stresses that the question of access to raw materials should be integrated successively into peace-building and conflict prevention policy measures, as a substantial number of conflicts have re-emerged in certain regions; takes the view that a long-term goal of the EU should be the establishment of an early warning and conflict prevention system that would allow the timely identification of raw materials as drivers of certain conflicts.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	14.6.2011
Result of final vote	+: 23 -: 0 0: 0
Members present for the final vote	Michael Cashman, Ricardo Cortés Lastra, Corina Crețu, Leonidas Donskis, Charles Goerens, Catherine Grèze, András Gyürk, Filip Kaczmarek, Franziska Keller, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theocharous, Ivo Vajgl, Anna Záborská, Iva Zanicchi
Substitute(s) present for the final vote	Kriton Arsenis, Isabella Lövin

23.6.2011

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Industry, Research and Energy

on an effective raw materials strategy for Europe
(2011/2056(INI))

Rapporteur: Bernd Lange

SUGGESTIONS

The Committee on International Trade calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Stresses that EU trade policy must play a stronger role as a vehicle for improving EU access to raw materials on world markets and ensuring reliability and security of raw materials supply for the European industry, and enable true partnerships to be established in accordance with the sustainable development policy pursued in relation to countries possessing natural resources of this kind;
2. Notes that not all raw materials markets behave in the same way and, in particular, that raw materials markets in the agricultural sector are subject to strong seasonal and climatic factors and therefore require particular attention;
3. Stresses the importance of legal trade in raw materials for sustainable economic growth and calls for an integrated EU strategy on raw materials to be developed, including targeted diplomacy towards strategic supplier countries, based on their industrial and agricultural policy agenda and in line with its development and environment policy; also calls on the Commission to create synergies between all the European policies and stakeholders concerned, for example by setting up national strategic metals committees which bring together the public authorities, the companies – including SMEs – operating in this sector and civil society;
4. Calls on the Commission, therefore, to produce a study on Europe's imports of raw materials which, though not listed as critical (for example lithium, hafnium and nickel) are nevertheless of strategic importance in terms of meeting Europe's industrial needs and producing consumer goods with high added value; the study should also assess our industries' dependence on these raw materials and measures to secure their supply, as well as the environmental cost of extracting them and the alternatives which might be envisaged;
5. Calls on the Commission to ensure regular and secured access to industry-relevant raw materials and rare earths through trade and investment agreements, which are mutually beneficial and fair, and long-term strategic trade partnerships that will allow developing countries to diversify and industrialise their economies, and create jobs and sustainable economic growth, while supplying the EU industry with vital resources; calls on the Commission in this context to incorporate compliance with ILO standards and international environmental standards into every trade agreement;
6. Calls on the Commission to consider drawing up guidelines on the social responsibility of European undertakings involved in the mining of raw materials in source countries; calls on undertakings to assume their social responsibility without delay in the form of a voluntary commitment; calls for these commitments to comply with the OECD Guidelines for Multinational Enterprises and with the principle of supply chain due diligence set out in the 2010 OECD Due Diligence Guidance; calls on the Commission, together with undertakings, to monitor and promote the effectiveness of this voluntary commitment process; recalls in this context that all undertakings should respect the law in force in their respective host countries;
7. Is concerned about the continuing trade in, and use of, minerals from conflict zones, whose production gives rise to unacceptable violence and illegal activities; calls on the Commission, the EEAS, the Council and the Member States to take this situation into account in the context of their relations with third countries; calls on the Commission and

the EU's strategic suppliers' countries to jointly develop an effective raw materials traceability systems from import through to recycling or disposal, and to introduce a mutual certification scheme for raw materials and their trading chains (Certified Trading Chains), so that trade can be guaranteed to be fair, and, in particular in order to prevent abuses with regard to trade in raw materials from crisis regions, calls on the Commission to cooperate with the relevant international institutions (UN, OECD, ILO) with a view to identifying, and endeavouring to harmonise, the best certification practices; calls on the Commission to follow the spirit of the US Dodd-Frank bill concerning trade in conflict minerals;

8. Stresses that financial markets can play an important role in hedging the risk of both producers and consumers of raw materials and commodities; Calls on the Commission to take the necessary measures to ensure there is transparency on commodity markets and to act decisively against unjustified commodities speculation, leading to commodity market abuse; if regarded as necessary on the basis of in-depth empirical analysis; notes that this includes appropriate initiatives within the context of the G8 and G20 negotiations; considers, in particular, that the possibilities of recycling, substitutability and the efficient use of resources should be explored with that end in view, and that the Commission should promote and initiate R&D projects in those fields;
9. Is concerned about the impact of derivatives markets on price trends for raw materials; considers that there should be more effective controls on OTC derivatives markets; against this background, supports measures such as enhancing transparency on OTC derivatives under the supervision of the ESMA; considers that such measures could lead to greater security for investors and SMEs and enable European producers to plan with greater certainty;
10. Deplores the attitude of third countries, particularly some emerging countries, which use their position as dominant suppliers to distort the world raw materials market; encourages the Commission to seek solutions at bilateral level and, where appropriate, hold consultations with the countries in question or indeed resort to trade defence instruments in accordance with WTO rules and principles, and supports the recent effort of the EC to call for a WTO panel; calls on the WTO to consider sending a strong signal to members not to abuse development or environmental policies as motivation for export restrictions, unless duly justified on these grounds to the WTO; Urges the European Commission to identify key strategic resources for the EU and guarantee access to them;
11. Takes note of the Commission's strategy in FTA, EPA and PCA negotiations with developing countries to ban the use of export taxes on raw materials; believes that countries' resource sovereignty must be respected and asks the Commission in this context to balance its opposition to export taxes in developing countries by employing a differentiated approach which takes account of the various national contexts, so that development goals and the industrialisation of developing countries are not put at risk; underlines that free and fair trade is of central importance to the development of the global RM sector and to wealth creation in all societies;
12. Stresses that substantial quantities of recyclable waste and waste that contains raw materials are still being illegally exported from the EU; calls on the Commission to take

all possible steps to identify and to put a stop to illegal exports and to incorporate EU-equivalent recycling standards into international agreements; calls on the Member States to significantly reinforce export control regimes, and on the Commission to close the current loopholes in the Waste Shipment Regulation, especially with respect to customs controls at the external borders of the EU; calls also, in this context, on all the EU's trading partners, especially developing countries, to adopt appropriate laws and enforce adequate control measures to prevent illegal imports of any kind of waste onto their territory and to fight actively against the corruption that often enables these illegal imports to happen in the first place;

13. Calls on the Commission to adequately fund research on the recycling of waste that contains raw materials; stresses that recycled industrial waste should not be regarded as dross, but rather as a new resource; suggests to the Commission, therefore, that the EU's internal market in raw materials and legal exports of recycled raw materials and related products from the EU be boosted through appropriate incentives which promote the use of recycled raw materials and related products in the EU, as well as trade in recycled industrial goods;
14. Points out that recycling processes could be improved and that the Commission and the Member States should redouble their efforts to introduce effective incentives and support and develop research, particularly in the field of biovegetal chemistry and the recycling of chemical substances, in order to reduce the EU's dependence on the countries supplying raw materials and rare earths;
15. Stresses that trade in raw materials cannot be used as a tool for achieving political goals but should have a solely economic dimension; points out that it should not be used to generate political dependency, but should be subject to the usual economic rules; welcomes the EU's efforts to promote sustainable trade in raw materials with third countries (e.g. FLEGT);
16. Stresses the need to establish clear rules for cooperation in the field of raw materials trade between all participants involved (producers, exporters, transit countries, importers); at the same time, considers that the Commission should take a stand against projects which run counter to this principle; encourages the Commission and EU companies to promote and invest in environmentally friendly technologies;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.6.2011
Result of final vote	+ : 24 - : 3 0 : 0
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Kader Arif, David Campbell Bannerman, Daniel Caspary, Marielle De Sarnez, Christofer Fjellner, Yannick Jadot, Bernd Lange, David Martin, Emilio Menéndez del Valle, Vital Moreira, Paul Murphy, Cristiana Muscardini, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Tokia Saïfi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Keith Taylor, Iuliu Winkler, Pablo Zalba Bidegain, Paweł Zalewski
Substitute(s) present for the final vote	Josefa Andrés Barea, George Sabin Cutaş, Syed Kamall, Maria Eleni Koppa, Elisabeth Köstinger, Jörg Leichtfried, Jarosław Leszek Wałęsa

28.6.2011

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Industry, Research and Energy

on an effective raw materials strategy for Europe
(2011/2056(INI))

Rapporteur: Daciana Octavia Sârbu

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the Commission's Communication and the approach adopted in it, which defines raw materials and agricultural commodities as a matter of prime concern for the

EU; notes that raw materials account for the greater part of the communication and regrets that agriculture is addressed as only a limited part;

2. Draws attention, in this connection, to the importance of avoiding wasting raw materials and nutrients from manure, and calls on the Commission and Member States to promote manure processing; notes in this context the importance of defining digestate as a replacement for fertiliser;
3. Supports the analysis provided by the Commission with regard to agricultural products in the context of global food security, with diminishing global food reserves and increasing population and hunger, and as regards market perspectives, underlining the extreme volatility in food and feed prices, the imperfections of the food and feed chains and the role of financial instruments and speculative behaviour as a possible cause of instability, which must be seriously considered; recalls that there are four EU Member States among the countries which are especially vulnerable to rising food prices;
4. Demands that careful attention be given to the fundamental uncertainty surrounding the increasing interaction between the price movements of energy and non-energy commodities, especially food;
5. Draws attention to the precarious state of supply in the case of imported agricultural products, given the restrictions on exports recently imposed by certain countries; believes the EU needs to protect its citizens from the consequences of such phenomena by reducing levels of dependency;
6. Believes that Member States need to move towards an optimum level of exploitation of available agricultural land, by rehabilitating deteriorated land and returning abandoned or uncultivated land to the agricultural circuit;
7. Is aware of the impact on agricultural production of the large-scale use of farmland for the production of renewable energies; considers, nonetheless, that the agri-food sector also has an important role to play in terms of bioenergy production, and therefore calls for the identification of possible synergies between the two fields;
8. Calls on the Commission to include incentive-based initiatives in the CAP and the raw materials strategy with a view to unlocking the full potential of farmers to increase their production of sustainable energy, which is currently underexploited, thereby creating new rural jobs and adding an additional revenue stream to the income of farmers;
9. With regard to food security, supports the finding of the Communication that without a Common Agricultural Policy and a direct support mechanism, food production capacity would be put at risk; therefore stresses the need for a coherent future CAP which preserves the existing level of financing. Furthermore, agrees that the EU does and should continue to play an important role in ensuring sufficient food for a growing world population; is therefore supportive of a strategy on raw materials and commodities that is based on an integrated approach which encompasses agricultural, financial, environmental, trade, energy and development policy concerns;

10. Insists, in line with the Commission, that the international community must adopt a long-term coordinated approach to global food security, including increased research efforts and investment in the agricultural sector in developing countries, notably through development policy priorities, in order to increase resilience and adaptability to food shocks;
11. Reaffirms its support for a system of emergency global food stocks, under the aegis of the UN system of institutions, and believes the EU should play a leading role in promoting this initiative; is supportive of the recent efforts undertaken by the G20 on policy responses to price volatility in food and agricultural markets, including through more information exchange in food production forecasts and stresses the need for more transparency and more timely information on food commodity reserves and stocks; furthermore, believes that national emergency reserves should also be put in place in order to ensure the security of food supplies;
12. Welcomes the joint communiqué of the 3rd Berlin agriculture ministers' summit of 22 January 2011, signed by 48 countries, which called for an improved ability of agricultural markets to function properly and recognised the importance of trade in terms of creating a balance between the different actors in agricultural markets and improving farmers' access to raw materials and energy;
13. Expects the raw materials strategy to align with the Europe 2020 Strategy priorities of smart, inclusive and sustainable growth; believes that the proposals should include the agriculture sector's use of raw materials, soil and water resources;
14. Reiterates its commitment to tackling extreme price volatility, which could pose a serious threat to food security, given market behaviour in the case of agricultural commodities; this could be done for example by increasing agricultural productivity and adaptability to climate change; notes that volatility is sometimes exacerbated by barriers to trade, often imposed unilaterally;
15. Recalls the fact that the market for agricultural products is structurally volatile, with seasonality of production, climatic events and other factors that prevent producers from adapting to demand fluctuations in a short time; recalls that agriculture is a strategic sector and that its functioning may not be left only to market forces; stresses that reforms in the food chain should aim at making sure higher prices for agricultural commodities result in higher incomes for farmers, who are faced with increased input production costs and increased price volatility;
16. Ask for a report from the European Commission regarding financial derivatives and commodities regulation so as to establish whether separate regulation is needed for the agricultural commodities given the specificities of the sector; supports the recent Commission proposal on regulating OTC derivatives and the public consultation on the MiFiD Directive; believes that abusive speculative behaviour, malpractice and abuse on derivatives markets should be addressed as a matter of urgency;
17. Recalls that commodity derivatives markets initially fulfilled the purpose of hedging against risk, as well as providing the possibility of raising funding from the market, both of which serve the interests of farmers; notes with concern, however, that many investors

now have no direct link to agriculture and that the number of contracts concluded exceeds many times the global production of food and calls on the Commission to examine whether this paves the way for speculative bubbles;

18. Deplores the fact that too much agricultural waste is currently not used to its full potential; considers that agricultural waste should be seen as an asset and therefore asks the Commission to investigate new means of using it as raw materials for other sectors;
19. Notes that the efficient monitoring of policy on agricultural raw materials is essential for an effective strategy; stresses the need for closer coordination within the Commission and between Member States, and insists on the need to keep Parliament regularly informed on the evolution of the initiative for agricultural raw materials, by means of an annual activity report;
20. Asks the Commission to include these concerns in its strategy and to propose concrete measures to guarantee food security, tackle market instability and, with sustainable overall responsibility, reinforce the operability of the derivatives markets for agricultural commodities as a matter of urgency;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.6.2011
Result of final vote	+: 32 -: 1 0: 0
Members present for the final vote	John Stuart Agnew, Liam Aylward, Luis Manuel Capoulas Santos, Michel Dantin, Paolo De Castro, Albert Deß, Diane Dodds, Herbert Dorfmann, Iratxe García Pérez, Béla Glattfelder, Sergio Gutiérrez Prieto, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Jarosław Kalinowski, Elisabeth Köstinger, Agnès Le Brun, George Lyon, Gabriel Mato Adrover, Mariya Nedelcheva, James Nicholson, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Czesław Adam Siekierski, Sergio Paolo Francesco Silvestris, Alyn Smith, Marc Tarabella, Janusz Wojciechowski
Substitute(s) present for the final vote	Luis Paulo Alves, Pilar Ayuso, Salvatore Caronna, Maria do Céu Patrão Neves, Dimitar Stoyanov, Milan Zver
Substitute(s) under Rule 187(2) present for the final vote	Oreste Rossi

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	30.6.2011
Result of final vote	+: 43 -: 3 0: 0
Members present for the final vote	Jean-Pierre Audy, Ivo Belet, Reinhard Bütikofer, Maria Da Graça Carvalho, Pilar del Castillo Vera, Lena Ek, Ioan Enciu, Gaston Franco, Adam Gierek, Fiona Hall, Jacky Hénin, Romana Jordan Cizelj, Krišjānis Kariņš, Lena Kolarska-Bobińska, Béla Kovács, Philippe Lamberts, Bogdan Kazimierz Marcinkiewicz, Marisa Matias, Judith A. Merkies, Jaroslav Paška, Herbert Reul, Teresa Riera Madurell, Michèle Rivasi, Jens Rohde, Paul Rübig, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Patrizia Toia, Ioannis A. Tsoukalas, Claude Turmes, Marita Ulvskog, Vladimir Urutchev, Kathleen Van Brempt, Alejo Vidal-Quadras, Henri Weber
Substitute(s) present for the final vote	Francesco De Angelis, Ilda Figueiredo, Jolanta Emilia Hibner, Ivailo Kalfin, Marian-Jean Marinescu, Vladko Todorov Panayotov, Algirdas Saudargas, Hannu Takkula, Silvia-Adriana Țicău