



## OECD-DG Reform Enhancing EU mining regions to support the green transition and secure EU's mineral supply

### *Proceedings - 10 EU Mining Regions Kick-off Event*

**ÉVORA 21-22 September**

On September 21st and 22nd in Évora, Portugal, the OECD, in collaboration with DG Reform, began their joint TSI project titled "[Enhancing EU Mining Regional Ecosystems to Support the Green Transition and Secure Mineral Raw Materials Supply.](#)" This kick-off meeting ([agenda available online](#)) was attended by representatives from ten participating regions, such as Lapland, North Karelia, Oulu, Kainuu, Central Ostrobothnia from Finland; Region of Central Greece from Greece; Centro and Alentejo from Portugal; Andalusia from Spain; and Örebro from Sweden of which 40 participants present onsite, with another 40 joining virtually.

The event focused on discussing the importance of the project in helping EU mining regions achieve sustainable development, improving well-being communities. Given disruptions in global supply chains, partly due to events like Russia's action in Ukraine, the significance of this project is heightened. It aligns with the EU's objectives of mineral autonomy, aiming for a net-zero emission by 2050, and promoting economic growth across Europe. The discussions covered the challenges faced by these mineral-rich EU regions and the sustainable practices observed in Alentejo's mines. This event marked the start of the two-year project.





### Welcome remarks:

**Carmen Carvalheira, Vice-President, Commission for Coordination and Regional Development**

**(CCDR) Alentejo** welcomed participants to Alentejo and discussed the significant history of mining in the region. She remarked that “mining is part of our identity,” highlighting the relevance of launching the 10 EU Mining Regions project in Alentejo.

**Mario Nava Mario Nava, Director General of DG REFORM** remarked upon the timely and relevant nature of this project in the context of disrupted supply chains due to Russia’s invasion of Ukraine, and the imperativeness of the green transition. He emphasised the following key points:

- Recent EU policy making has focused on restoring the secure supply of critical minerals to decrease dependence on external sources.
- EU policy towards the green transition such as the EU Green Deal and Net Zero Industry Act will strengthen and continue to support European industries such as mining and manufacturing.
- To address regional development challenges faced by mining regions, capacity building through a multi-country and multi-regional approach is necessary. The [OECD 10 EU Mining Regions Project](#) will help facilitate this approach.

**Nadim Ahmad, Deputy Director Centre for Entrepreneurship SMEs, Regions and Cities, OECD**

thanked representatives from DG Reform, CCDR Alentejo, and the ten regions for their collaboration and participation in this event before discussing the following main points:

- Securing a reliable and sustainable mineral supply is of strategic importance for OECD and EU countries. This makes this project increasingly timely and relevant for the EU.
- The ten regions participating in this project have the necessary assets to significantly contribute to the EU Green Deal goal of net zero by 2050. This includes the largest deposit of lithium in the EU, one of the biggest geological formations of copper and the EU’s largest producer of bauxite as well as world class mining companies and research centres. However, these regions face challenges in expanding mining operations such as transport infrastructure capacity, supply of labour force, and policy coordination among levels of government.
- Peer learning is at the heart of OECD work and one of the core elements of the OECD Mining Regions and Cities Initiative. Through this platform, EU mining regions can access good practices in other geographies and build synergies within Europe.

**Jose Enrique Garcilazo Head of the Regional and Rural Policy Unit Centre for Entrepreneurship**

**SME’s, Regions and Cities OECD** highlighted the timely nature of this project in assisting mining regions to secure critical mineral supplies whilst also ensuring sustainable practices and wellbeing for local communities. He remarked on three key points:

- Mining plays a key role in creating the technologies necessary for the green transition. It is also imperative to consider sustainable practices such as circular economy strategies in the mining value chain.
- Governments and stakeholders in mineral-rich regions play a major role in minimising negative effects from mining and ensuring that local economies benefit from the industry.
- This project will support the ten beneficiary regions with capacity building activities and a framework for action per region with common priorities and policy recommendations.



**Mika Riipi, Governor, Lapland, Finland** reemphasised the importance of securing the EU's supply of critical minerals in the current geopolitical context and the integral role of regions in facilitating mining projects. He celebrated the "true commitment" from various stakeholders involved in this project as well as outlining the key challenges of mining in Europe:

- **Social acceptance:** mining regions need to focus on identifying and addressing the main regions facing local communities in order to promote acceptance of mining activity.
- **Lack of skilled work force:** greater investment is needed in regions to equip the region with workers that can meet labour demands of the mining industry.
- **Lack of innovation capacity:** More research and development is needed in the technologies and new possibilities available to the mining industry.

### **OECD/DG Reform TSI Project on Enhancing Mining Regions to Support the EU Green Transition**

**Andres Sanabria, Coordinator [OECD Mining Regions and Cities Initiative](#)** shared the context of the 10 EU Regions project ([ppt available online](#)) including the increasing demand for critical minerals to power the green transition, the global reliance on few countries for mineral projection, and relatively few incentives for exploration of minerals in EU, including the permitting processes for mining projects in the EU. He outlined the goal of the OECD project to improve well-being, sustainability practices, and supply minerals in the 10 EU mining regions through improved policy coordination and strengthening of factors that enable mining projects.

Each of the ten regions in this project has a different asset and role in the mining value chain, which together can lead to a more robust mineral supply ecosystem:

### **Mineral Supply**

**Luis Martins, President, Mineral Cluster of Portugal** presented on the global outlook of the demand and supply of minerals, reiterating the risks of current EU reliance on critical minerals from outside the EU ([ppt available online](#)). For instance, mitigating imbalances in critical minerals supply is challenging and requires innovative ideas, methods, and solutions to structure critical mineral value chains and metalliferous ores and metal scrap dependence is increasingly large and will continue on this trajectory without action. He discussed the importance of circular economy strategies in mining but encouraged further research and development to improve existing technical and economic barriers. The Mineral Cluster of Portugal has 85 associates including SMEs, multi-national mining companies, and leading universities and research institutes. Collaborations such as this are important in tackling issues relating the secure mineral supplies and sustainable mining practices.

### **The EU Critical Raw Materials Act**

**Salvatore Berger, Policy Officer, DG GROW, European Commission** presented on the EU Critical Raw Materials Act of which the final text will be agreed upon in the next few months ([ppt available online](#)). The act aims to secure the EU's supply of critical minerals and reduce dependence on imports and increase sustainable mining practices. This will be done through:



- Strengthen mining value chains by providing benefits to ‘strategic’ projects, reducing permitting times, and ensuring states undertake frequent reporting on geological information.
- Risk monitoring and mitigation by stress testing critical minerals supply chains and monitoring companies’ risk preparedness.
- Increasing circular economy practices to recover rare earths from tailings. This will also assist in limiting dependency on external sources.
- Building strategic partnerships to improve relationships with reliable third parties such as the EU-US Critical Minerals Agreement and the Canada-EU Strategic Partnership on Raw Materials.

## The Role of EU Mining Regions in the EU Green Transition

### Panel 1

Panelists:

- ❖ Ana Paula Amendoeira, Regional Director of Culture, Government of Alentejo
- ❖ Pentti Malinen, Governor, Regional Council of Kainuu
- ❖ Roula G. Kechri, Governor’s Advisor, Region of Central Greece
- ❖ Lotta Sartz, Region of Örebro, Sweden
- ❖ Saija Tikkanen, Project Manager, Council of Oulu Region

Panelists discussed the main social and economic challenges and strengths of the EU mining regions to support the EU Green Deal. The questions from the moderator talked about: i) *What has been the role of mining in the development of your region? Please refer to positives and negative effects?* ii) *What is the perspective of mining development in your region?* lii) How to ensure that current and future mining projects translate into better social and economic. **Some key takeaways included:**

- Social acceptance of mining projects: Due to past environmental and social damage by mining projects, local communities are skeptical at allowing mining projects in their region. One of the main concerns is adequate mine reclamation.
- Diversification: Support in regions of other industries such as tourism ensure the protection of workers against volatile commodity markets.
- Information: There is a lack of adequate information regarding mining in these regions. This involves geological knowledge for investors and companies as well as transparent information regarding mining activities for local communities. Information needs to be accurate and easily accessible for stakeholders.
- Lack of skilled workers: There needs to be investment in local institutions to educate workers in the skills needed for the industry. These programs should be flexible to meet changing skills relevant to more sustainable mining practices such as circularity.



### Panel 2

Panelists:

- ❖ Jyrki Kaiponen, Governor, Central Ostrobothnia, Finland
- ❖ Mika Riipi, Governor, Lapland, Finland
- ❖ Jesus Portillo, General Director of Mines, Government of Andalusia
- ❖ Markus Hirvonen, Governor, Region of North Karelia, Finland



This panel focused on how the 10 EU Mining Regions are addressing their major challenges and suggestions for the future. Questions of the moderator included: *i) What has been the role of mining in the development of your region? Please refer to positives and negative effects, ii) What is the perspective of mining development in your region? iii) How to ensure that current and future mining projects translate into better environmental and economic outcomes locally. Some examples of best practice were:*



- R&D activities: Centro Portugal is carrying out increasing research and development activities to promote circular economy practices in mining.
- In Andalusia, the government has created a special unit to accelerate permitting of key projects. This unit takes a holistic point of view, working across all industries. This has resulted in mining permits approved in 20 months. This may reflect the practical implications of the 'one stop shop' outlined in the recently approved EU Critical Raw Materials Act.
- In North Karelia, GTK Mintek is a global research and innovation platform for mineral processing and understanding circular economy value of ongoing investments.

### Closing remarks and next steps

The OECD would like to thank DG-REFORM for their collaboration on this project, CCDR Alentejo for hosting this event, and participants from the 10 regions for their contributions and ongoing support.

Access to the [recording](#) and presentations are available online.

### Close-door session- Workshop exercise with ten beneficiary regions:

How do you expect this project to improve policies in your region?:

- Propose the policy conditions and incentives for companies to implement projects on circular mining and better share the risk of the business. Some ideas included a safety net to incentivise companies to implement circular projects.
- Propose strategies to make the best business case for mining and rethink the strategic policies that are in place for a better mining.
- Enhance the dialogue across regions to identify the channels of right funding.

### Next steps:

- **Send inception report and questionnaire by October 2023**
- **Conduct Missions to the ten regions November 2023- April 2024.**
- **Call to participate in the EU Raw Materials Week.** OECD and the regions evaluate the possibility to participate with a standalone event in the EU Raw Materials week to rise the regional angle in the event and integrate other EU regions in these conversations.

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