



II EU-Latin America dialogue on Raw Materials
II Diálogo UE-América Latina sobre Matérias-primas
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22-23|09 2015 Cartagena de Indias Colombia



II EU-LATIN AMERICA DIALOGUE ON RAW MATERIALS

22-23 September 2015

Cartagena de Indias, Colombia

Flash Report¹

The second EU-Latin America dialogue on raw materials, which took place in Cartagena de Indias on 22 and 23 September 2015, held six sessions on the subjects of governance, politics, technology and innovation, education, investment and cooperation projects. The last subject focused in particular on remote sensing under the *Copernicus Programme*, and on how to set up a platform for the European Union and Latin America having a structured and co-ordinated co-operation on raw materials. An idea-mapping exercise will support how these concepts are to be developed with the support of the "*Partnership Instrument*" (a European Union programme to support international co-operation.)

Summary of the main ideas discussed in the dialogue

Opening session

María Isabel Ulloa Cruz, Deputy Minister of Mining of Colombia

President Santos' government has dubbed the mining sector one of Colombia's engines of economic growth. The sector has therefore taken on increasing importance, leading to the transformation and strengthening of relevant institutions. The objective of this four-year period is to make the mining sector more organised, inclusive and competitive, especially at local and regional levels. The basis for this is the National Mining Development Plan and its six pillars: i) legal certainty, ii) competitiveness, iii) legitimate expectations for the State, businesses and communities, iv) infrastructure, v) more information, vi) strong institutions.

These dialogues are therefore important for the country, especially since the European Union is one of our main markets for coal and gold, some 50 % of which is exported to the EU. It is vital to increase geological expertise, understand the need for due diligence in the production of gold which is threatened by illegal mining, and gain support for securing these sectors and for the business links which may arise from this meeting.

Jean Pierre De Meerleer Sánchez, European Union Delegation, Colombia

The dialogues on industrial cooperation between the European Union and the countries of Latin America seek to: i) consolidate cooperation in areas related to raw materials, promoting the

¹ The aim of this document is to present a general summary of the main points of the presentations, discussions and recommendations made during the second meeting of the dialogue on raw materials between the European Union and Latin America. A future report will contain a more detailed summary of the presentations, observations, opinions and views of the panellists in each of the working sessions.



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presence and development of companies in Latin America; ii) promote the raw materials sector through participation in events with local businesses to create strategic alliances; iii) propose dialogues for cooperation in the use of raw materials based on the pillars of fair and sustainable supply, the drive for resource efficiency and the promotion of recycling.

Colombia, like the other countries present, has large mineral reserves of strategic importance for various industries in the European Union. It is therefore extremely important to encourage a broad and open dialogue on raw materials with the countries of Latin America. This strategy must be based on following up the letters of intent signed by Latin American countries and the European Union, and on last year's meeting in order to make progress in the discussion on specific projects for the extractive industry where the European Union and other countries can cooperate and participate.

Session I: Governance, politics and trade

Delegates from Mexico, Uruguay, Portugal, Chile, Colombia, Peru and the European Commission took part in this session. All referred to the important contribution of the mining sector, its institutional and political framework and the challenges of legislative and fiscal reforms. In recent years these reforms have focused primarily on increasing the industry's production and competitiveness, with particular emphasis on its environmental and social sustainability as well as stressing the trend for participating countries to join the EITI (Extractive Industries Transparency Initiative).

Of particular note were the points raised by Uruguay, which referred to post-consumption materials or urban mining, and by Portugal on land management plans and the urgent need to include criteria such as geological expertise, land use and the environmental, and the economic and social impact of mining in order to correctly classify the areas under consideration.

Session II: Investment, technology and services for the value chain in mining

The World Bank representative stated that due to low mineral prices companies are again aware of the need for competitiveness and business stability. Costs have risen and investment is considerably down, so it is to be hoped that new technological developments will correct this situation and that association and cooperation policies will provide an opportunity to achieve strategic alliances.

Governments can therefore facilitate a pre-competition dialogue to encourage solutions for the development of technology and efficient investment, such as the alternatives offered by the **Partnership Instrument**, one of the key cooperation instruments providing funding for the development and exchange of technology. This programme has a budget of around EUR 1 million for the years 2014 to 2020 and is complemented by the **Europe 2020** strategy (green growth,



stability, research, innovation and sustainability). This instrument will work according to the principle of mutual interest while seeking the common good.

There was also a presentation of the methodology developed by Cochilco intended to define the levels of certainty of their mining projects portfolio, and a presentation by Mexico of the Mining Development Bank and how it is funded and marketed. FIFOMI (Trust Fund for the Promotion of Mining) is a small bank which meets the funding needs of Mexico's small mining companies, especially regarding infrastructure and equipment.

At the end of the session, European initiatives and business models were presented. These underlined the importance of cooperation for progress in multiple areas since they included experiences of European Community investors in Latin America.

Session III: Research and innovation in the mining value chain

The representative of the European Commission's DG GROW reaffirmed the crucial importance of international cooperation for the progress of research and innovation in the raw materials value chain. There was a presentation of the Horizon 2020 programme, the objective of which is to pool the efforts of all European countries in order to improve synergies, coordination and the use of human and financial resources with national and EU funding. This involves a series of calls for tender with a total budget of EUR 64.28 million for the following initiatives: i) RIA - Research, Innovation, Action ii) IA - Innovation, Action iii) CSA - Coordination Support Action.

This was followed by presentations by the geological services of Colombia, Peru and EuroGeoSurveys, with a description of their roles and the progress made in their research programmes, underlining the importance of cooperation and ways of exchanging information and technology. This meeting should lead to practical results in these areas. A case in point is the *I2Mine* research programme, which aims to operate mines at zero or very low impact – 'invisible' extraction using innovation, and applied technologies for measures relating to safety and the environment.

During the presentation of practical cases of innovation as part of the value chain, some speakers pointed out that although they develop capacity, this type of investment is not part of the public agenda and therefore requires strategic socio-political management. Companies cannot be the guarantors of the innovation process with the communities, but they can provide them with technical and financial support. The Institute for Metal Research, *Swerea Mefos*, addressed the issue of the value chain from the raw materials of mining to processed materials, stressing the role of recycling and its contribution to environmentally clean and competitive processes. This is another form of recovering and securing the supply of raw materials, where cooperation and the exchange of information and technology are necessary.

Session IV: Education, skills and training opportunities



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One of the presentations emphasised that research transforms knowledge into money, and that money can then fund further knowledge creation. This is why there should be no delay in making progress on the agreements for the transfer of knowledge. The training of professionals in Latin America and the specific needs of industry have led to the setting up of interdisciplinary groups to bring knowledge to areas of cooperation by combining expertise. Latin America's *MINSPIRE NETWORK* has made particular progress in this area. Its focus is the identification and linking of R&D institutions with universities and governments. The European Union in turn presented the *Erasmus+Horizon 2020* programme which was initially an academic mobility programme for the European Community alone. Due to the importance of science and research for innovation, jobs and growth, *Erasmus+Horizon 2020* has now become a practical tool for cooperation and has moved further afield.

Session V: Remote sensing in the mining sector throughout the value chain

This panel demonstrated practical means of cooperation through the use of remote sensing for the value chain in the mining sector. For example, cartography, exploration of remote areas, and monitoring and mapping of mining activities all help to fight illegal mining.

The *Copernicus* platform was described as a European Union earth observation programme with a space and Earth component. It collects and cross-references information and sends early warnings to the authorities to help manage emergencies such as natural disasters and humanitarian crises. It provides specialised, real-time, reliable data which is publicly accessible. International agreements can provide access to relevant services.

The advances in Earth observation and applied research technology made by EuroGeoSurveys were also presented. The geological services of Brazil and Chile shared their experience in the application of remote sensors and drones. This demonstrated the need to access information which the geological services of Latin America already have. Better access will assist in standardising the data and improving training through joint projects and the exchange of researchers and technicians.

Session VI: EU-LA link for the mining sector and recycling: mapping exercise

The presentations by CYTED, EuroGeoSurveys and the Industrial Minerals Association all focused on the importance of promoting multi-lateral cooperation in science and technology and the transfer of knowledge. This need became increasingly evident throughout the session, since minerals are at the heart of manufacturing and have a multiplier effect. Minerals also boost growth, jobs and technological capacity for the sector itself and society as a whole.

The European Commission's DG GROW representative therefore concluded the dialogue with a proposal for a mapping exercise in order to pinpoint cooperation areas of common interest to the European Union and Latin America in the raw materials sector.

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