

Wolfgang Reimer, GKZ Freiberg eV, Advisory Partner REMIX – Closure Conference Resume

Our role as Advisory Partner in REMIX was not only to advise and review the peer review process (in which we also partly included Saxony and its policy tool) but to carry out the *Reality Check*.

Let me introduce you a number of these conclusions we have been drawing from our regional, cross-border and cross-European activities over the past 20 years:

How much of what we currently see from politics, not only in the fight against COVID 19, but also with regard to the other societal challenges, is more shaped by wishful thinking than by reason and the knowledge of fundamental wisdom: We can foster research, network, develop strategies and give us new framework conditions: if, in the end it "doesn't pay off" for the entrepreneur, there will be no mining and therefore no raw material supply in Europe, Or: Mining is being regarded as public service (which we had in the past). But for both (private and public entrepreneurship) the same precondition is given: Mining does not take place for its own sake but to generate a return of investment.

Exploiting our resources, setting up a raw materials strategy, smart specialization, promotion of regional and integrated ecosystems have become a little bit the buzz words of our time. Regional SMEs as drivers in mining and CE at local or global level, digitized or emerging towards industry 4.0... They all require only a few sound framework conditions for growing:

- Achieving a revenue
- Reliable investments conditions (in the long term)
- Skilled innovative labor force
- Fair trade and tax regulations
- A minimum of bureaucracy

What is the Regional setting our European SME operate within?

- diverse ecosystems
- Federal or centralistic nature of governance
- Regions also competing with one another
- People's self-image; different perspectives of the generation
- Given distribution of deposits and (sometimes far remote of these deposits the downstream industry with most of the value adding)

I think in terms of smart and green mining we have to consider a more wider frame that includes up- and downstream operations and targets *closed value chains*.

What most of the policies we have investigated in REMIX have not sufficiently considered is to establish closed value chains in the Regions. Manufacturing is remote, production in most of the EU member states has fallen below 10%. Smelters have been closed or banned. And mining tends to become a lonely business – and a business under attack.

I remember a civic statement submitted to the MIREU project from environmentalists in Portugal. They complained that the raw materials for battery production are being extracted somewhere on the edge of Europe, the production of which then takes place over 2000 km away. I see it that way on a smaller scale here in Saxony.

So, coming back to a number of topics we heard about and discussed today:

Enabling sustainable mining – cross border collaboration

Collaboration certainly accelerates the development of a border area but unfortunately became most recently subject to the agenda of the European Committee of the Regions which is increasingly controlled by party interests, and not by rational decisions. Therefore, GKZ initiated in the MIREU

project the so called Council of Mining and Metallurgy Regions (CoMMER) whose members will represent a real balance between the various stakeholder experiences, knowledge and needs.

Nature of a raw material strategy

Set up and further development is heavily influenced by the respective ruling parties. Even with the strategy in place, inter-ministerial cooperation is always an act of balance of interests. Quite often the strategy's lifetime is not determined and subjected to a steady further development according to the political climate. Therefore, this *position paper does not always provide a reliable investment climate for long-term decisions* which are needed in mining and metallurgy and building the circular economy.

RIS3

Smart aims and objectives but not always put in place in smart way. It became apparent that the consultation process in many regions - also in terms of delineating the components for the operational programmes - does not sufficiently involve upstream industry at all, even though this is a requirement to foster further downstream industry. From the findings of the MIREU (<https://mireu.eu/project>) we learned that *the raw materials sector is missing in the RIS3 of several Regions.*

One lesson learned from MIREU and REMIX is that a greater attention should be paid to mining and metallurgy in the RIS3. And: some regions do not have a national RIS3 strategy at all!

Regional SMEs as drivers in the development of the industrial circular economy - The entrepreneurs view.

As part of another EU coordinate and support action (CICERONE, <http://cicerone-h2020.eu>) which aims at building the EU's circular economy Strategic Research & Innovation Agenda (SRIA), I consulted my members concerning an outlook on needs with regard to the socio-economic framework conditions to further develop their business in terms of S3. In the following an answer from the owner of a tin smelter, one of the key enablers in circular economy, is given:

The first question was:

Regarding the new Level Agendas, what has changed in terms of development priorities?

Answer: The focus is still on renewing the systems and optimizing processes, also in order to meet legal requirements. Especially in the area of environmental protection and occupational safety. The screws are tightened year after year. Ecological factors are taken into account for new acquisitions. The bureaucracy slows change and complicates it enormously.

The second question was: What are your expectations, what is needed?

Meaningful, bureaucracy-free support for medium-sized companies for the conversion to a more ecological economy. Especially for: Technology innovations, Process innovations, Know how transfer, Digitalization.

The devil is always in the details.

Increasing bureaucracy was mentioned by many others, and in times of COVID 19 we are feeling it more than ever. For smart and green mining in EU I am committing with all the findings of the REMIX project but my experience made learning one lesson:

As in so many things in life, we like to look at the big picture and like to see what we want. But the devil is always in the details.