Sent: To:	19 July 2010 15:31 Harris, Lindsay (SEG-SCP);	DEFRA
		CARINET
Cc:		MOD
		METOFACE
Subject:	(PROTECT) Resources and Risks Meeting Note; Thursday 15th July	
Hi All,		
Many thanks to those actions and summary	who attended the meeting on Thursday, please find below the rele- notes.	vant
ACTIONS:		
Action 1: Details to be	e circulated of the Hazards, Threats and Resilience Sub-committee	CABINET
Action 2: Slides from t	he SMM presentation to be obtained and circulated (Lindsay Harris)	MOD CARINET OFFICE MOD MET OFFICE Risks Meeting Note; Thursday 15th July Threats and Resilience Sub-committee CARINET OFFICE obtained and circulated (Lindsay Harris) S. 35 (1)(a)
Action 3:	(ALL)	35(1)(a)
Action 4: TORS for the COMPLETE see below.	National Security Strategy/Review to be circulated	CABINET OFFICE/ DEFRA

NOTES:

- 1. Leading the Defra commissioned AEA study on resource risks to businesses. AEA are currently undertaking further stakeholder engagement to feed into the study. Results due in September for likely publication in November. The results are likely to be used by Defra in engaging with business on risks to their future and the need for, and opportunities from, resource efficiency.
- Lindsay Harris provided an account of the recent environment informal in Ghent on Sustainable Materials Management attended with Defra's SofS. Focus of discussion was on material consumption in the EU, particularly water, rare metals and land use. Member states appeared keen on addressing resource scarcity policy. The main conclusion seemed to be to consider the need for a resource productivity target for the EU.

CABINET OFFICE

- Strategy and the Strategic Defence and Security Review which are designed to capture Government thinking on resource scarcity/security (energy and other). Intended for publication in mid October, the chapters will be compiled by running informal workshops with different departmental groups like this resources and risks group.
- 4. Provided an update for the MoD their position remains the same in that they're concerned with how equipment programmes will be affected by scarcity and in relation to at risk resources the most pressing questions remain 'what are they and where are they?' and what the impact will be on future conflicts, demographics, military interventions and social tensions.
- 5. Expression provided an update from BIS. Their historic view was that the market should drive this agenda, however they were pushing for a stronger policy steer internally on materials scarcity issues. The new director may be able to take this forward.
- 6. geo-political position going forward and how to support UK business overseas.



8. Government to this work and where it would need to be placed receive the necessary coverage. The group discussed the difficulties in assigning roles given the multitude of interests so we need to be clear up front where there are multiple objectives, we also need to be clear about where we are adding value and make sure that our efforts are joined up e.g. by continuing this group. There may be an opportunity to put a paper into the Hazards, Threats and Resilience Cabinet Sub-committee. Finally the group assessed a need to ensure that any departments who may have an interest who are currently missing from the group attend next time (DECC, DfID)

Cabinet Office TORs for National Security Strategy/Review

In brief:

 The Government asked for a Strategic Defence and Security Review (SDSR), to report in the autumn. This will review how HMG provides security for the UK. It is likely that it will be immediately preceded by a National Security Strategy (NSS), which will set out the Government's vision for promoting security.

S. 35 (1)(a)

- The SDSR / NSS is being led by the Cabinet Office, but the detailed work is being taken forward by departments.
- The energy / climate / resource security sections fit into the "Wider Security" strand of the SDSR project. This is led by Owain Service.

s. 35(1)(a)



The process for taking this forward will be through cross-Whitehall action groups.

Kind regards

DEFRA

Policy Officer
Low Carbon Resource Efficient Economy Team
Sustainable Consumption and Production Programme, Defra
Area 5C Ergon House, Horseferry Road
London SW1P 2AL

DEFRA

Policy Officer

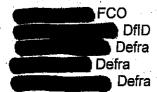
Low Carbon Resource Efficient Economy Team Sustainable Consumption and Production Programme, Defra Area 5C Ergon House, Horseferry Road London SW1P 2AL

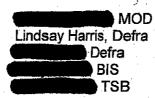
Resources and Risks Meeting

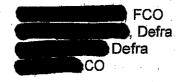
Wednesday 8th September, Room 602 Ergon House, Horseferry Road

DRAFT MEETING NOTE (v0.2, 17 September 2010)

Attendees







Actions

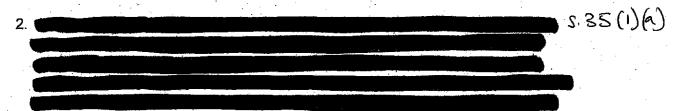
- 1. Resources and Risks group to pull together a risk register (ALL Defra to produce a first draft as ATTACHED before others contribute)
- 2. Defra to circulate details of the Raw Materials Initiative consultation to the group

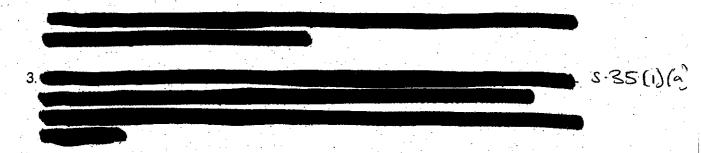
DEFRA COMPLETE - Response required by 14th September

- 3. Copy of the BIS Strategic Resource Issues paper to be circulated COMPLETE Comments to be sent directly to COMPLETE.
- 4. Details of the 10th EU Eco-Innovation Forum on De-materialisation to be circulated to the group COMPLETE further ideas to be submitted to DEFRA by 15th September DEFRA
- 5. Defra to copy details of the Resource Risks to Business research to new group members COMPLETE DEFRA
- 6. KTN/Oakdene Hollins research on Material Security to be circulated COMPLETE
- 7. BIS and Defra to discuss separately the suggestion of an EU resource productivity indicator
- 8. FCO to add international policy options to the list of policy options as ATTACHED

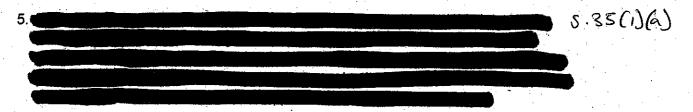
Key Points Raised

1. The group agreed a governance structure was needed to enable resource and risks issues to be dealt with, and not fall between departmental responsibilities. Overall strategic security issues should sit with the International Climate Change Programme Board but day to day oversight should be under the BIS/DECC/Defra Green Economy Group. Individual departments would have specific interest/leads, e.g. International (FCO), resource efficiency and sustainability (Defra), business sectors (BIS).





4. In discussion of the EU Raw Materials Initiative consultation response it was suggested that a broadening of the definition of 'alternative sources' be used so as to include the removal of materials from the waste stream as well as substitution.



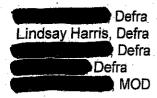
6. FURTHER NOTE: As agreed at the Low Carbon Economy Policy Group following this meeting, the Green Economy Group will be presented with the ATTACHED paper asking them to take a more formalised role on materials security and the development of policy options on Monday, 20 September.

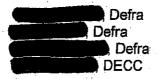
Resources and Risks Meeting

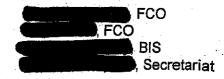
Thursday 20th October, Room 101 Nobel House, Smith Square

DRAFT MEETING NOTE (v0.1 22 October 2010)

Attendees







Actions

- MOD and FCO to be further involved in the Roadmap to contact)
- 2. Summary of the WRAP research to be circulated and full report to anyone interested Defra)
- 3. Group members to send details of possibilities for engagement/publicising the Resource Risks to Business research to (ALL) DEFRA
- 4. Further development of the resource risks position paper to incorporate comments Defra)
- 5. Joint BIS-Defra-FCO submission to be developed prior to the formal Environment Council on 20 Dec (Defra to circulate draft submission, w/c 1 November)
- 6. Group members to pass the indicators paper to statisticians for views, for comment please by Tuesday, 2 November (ALL)
- 7. Add general point in the TORs to reflect information sensitivity (Defra)

Key Points Raised

1. Provided an update on the joint BIS/DECC/Defra Roadmap to a Green Economy which is intended to provide a policy framework for enabling the growth of a green economy. The Roadmap will set out the Government's long-term goals, the business and investment environment that is required and the policies that will be put in place. Both MoD and FCO expressed an interest in providing input to the Roadmap.

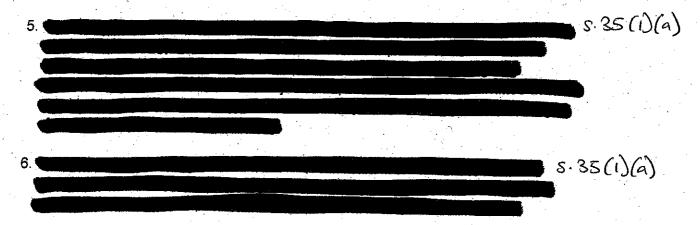
2. Outlined the remit of the WRAP research on materials use following up their earlier work on carbon savings from resource efficiency strategies. The research looks at 13 strategies to reduce carbon and assesses the impacts on materials for each strategy. The results will be published in time for the WRAP annual conference on 9th November. The results from the study are positive, though limitations to the study surround unavailability of data on materials use.

3. Provided an update on the Resource Risks to UK Business research. The draft report has been received and is currently under review. Results should be published by the end of the year. The group agreed to review the next draft of the report and check for sensitivities. The group also agreed that the limitations of the research

would need to be made clear. Lindsay Harris commented that the research would feed into the development of the Government position on materials to be agreed ahead of the EU Environment Council meeting on 20th December, so an earlier publication would be beneficial.

4. Informed the group of a meeting with the Parliamentary Office of Science and Technology. POST plan to publish a note on rare earths, or possibly scarce materials in general, in December. The purpose of the 2-page POST Notes are to raise awareness amongst Parliamentarians (the Notes go to all MPs and are published online). The draft note will be circulated in one month. The group noted that care would need to be taken to ensure the right message was communicated —

that this is something to watch, but not an immediate threat.



7. The group discussed the request from the Green Economy Group to formalise the reporting structure on materials security issues. The proposal is that the Resources and Risks group becomes a formal working level group to report to the Low Carbon Economy Policy Group (LCEP) and the International Climate Change Programme Board (ICCPB). Commented that ICCPB were likely to be more DECC interested in food and water security, but less so for materials and rare earths as the effects of climate change are less direct. The Resources and Risks group would also support the materials security element of the Roadmap's resilience workstream. Joint chairing of the Resources and Risks group between Defra and FCO would be put to the FCO meeting on rare earths convened the following day [TO NOTE this was agreed at that meeting.]

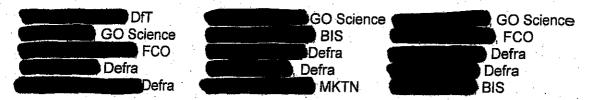


Resources and Risks Meeting

Friday 4th February, Room D Nobel House, Smith Square

DRAFT MEETING NOTE (v0.1 9 Feb 2011)

Attendees



Actions

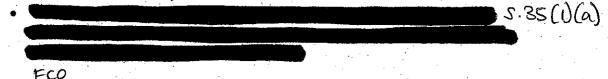
- FCO to provide TORs for the two new projects
 FCO to provide details on the new research

 COMPLETE
- 3. KTN presentation slides to be circulated (Company)
 4. Letter to the Commissioner to be circulated (Company)

Key Points Raised

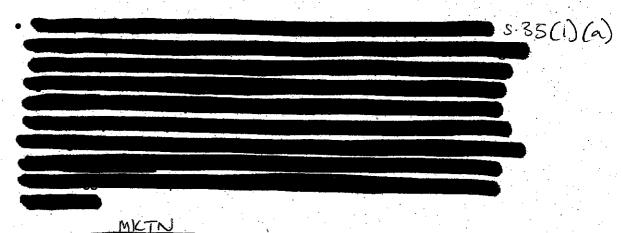
1. Previous reminded the group of the TORs as agreed at the last meeting and provided an overview of the upcoming milestones as listed in the TOR. Next steps include:

- BIS and Defra Ministerial engagement around resource risks through closed business meetings, KTNs also have ongoing engagement with businesses.
 Defra and BIS will work with the KTNs and NAMTEC to organise a workshop with Ministers at the end of March.
- Eco-Innovation Forum on March 22-23.
- Roadmaps: EU Resource Efficiency, UK Roadmap to a Green Economy and Waste Policies Review
- 2. The group shared updates on recent departmental activities:



consider rare earths, food security, oil prices, supply and demand and price drivers.

advised that BIS are preparing for the Commons Select Committee Strategically Important Metals Enquiry which David Willets is attending along with FCO and Defra's CSAs in March.



- 3. Presentation from the state of the Materials Knowledge Transfer Network. See details of the presentation on the attached slides.
- 4. Grand gave an update on the latest developments in Europe and plans to influence the forthcoming 'Roadmap to a Resource Efficient Europe' expected in the Summer. The Commission published Communication setting out vision for this Roadmap on 26 January, as detailed in the Resource Efficiency update circulated in advance of the meeting.

A non-paper is being planned probably by mid-to-late March and should be drafted and circulated for comment in due course.

Stressed that now was the time to influence the commission and there was a tight window of opportunity.

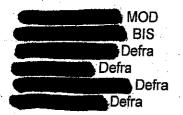
DEFRA

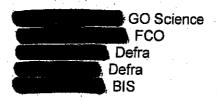
Resources and Risks Meeting

Wednesday 6th April, Room 602 Ergon House, Horseferry Road

DRAFT MEETING NOTE (v0.1 April 7 2011)

Attendees



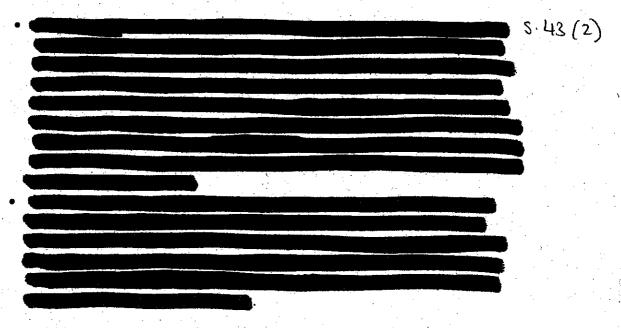


Ministerial Meetings with Business

1. DEFRA
reminded the group how the meetings had come about:

- Defra's resources risks to business research, published in December, was perhaps limited due to contributors' fears over confidentiality and competition from other businesses.
- These meetings were agreed by BIS and Defra Ministers before Christmas as Ministers were keen to go beyond this barrier in the hope of gathering more detail.

2. The first meeting with and an analysis and took place on 30th March.



3. A larger stakeholder meeting organised by the KTNs with 11 industry representatives took place on 4th April.

- The businesses present saw the supply issue as more of a problem than JM beyond 2 years, also seeing it as a problem that was likely to reoccur with other resources.

 S. 2_7(1)
- They all saw the need to work closely with the EU on strategy and agreed with the UK line that stockpiling was not a valid option.
- They saw the need for coherent policy on 'REACH' (Defra Industrial Policy),
 Planning (CLG), Industrial Policy (BIS) and Energy Intensive Industries
 (DECC) and noted the lack of a single point in Government to talk to. They
 also stressed the importance of enforcement of waste regulations (i.e. illegal
 exports of WEEE).
- Though the Ministers were not present, the businesses present were willing to meet again.
- Businesses considered themselves to be at the receiving end and appreciated that the UK's options are limited.
- 4. Both meetings will be followed up with letters from Ministers and the KTNs will be drafting a letter from businesses.
 - 1. ACTION 1: S-35(1)(a)
 - 2. ACTION 2: Note from both meetings to be circulated to the resources and risks group (Defra,

Next Steps

- 5. Defra and BIS business plans may include security commitment to develop some kind of action plan on resource security.
- 6. Businesses want Government to take action though they appreciate our levers are more limited now. There is disagreement over whether a 'one size fits all' approach would work for different metals.

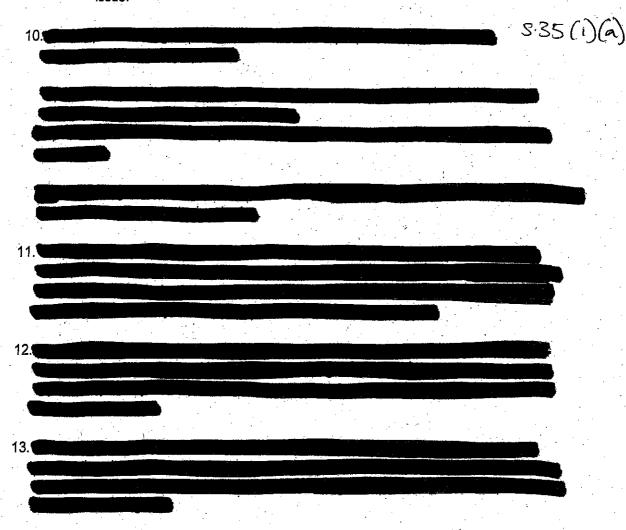
Other Activities

- Before Christmas, the Commission recently sent out a questionnaire on rare earths under the Raw Materials Initiative, to which only one UK business responded. This could be indicative of the confidentiality of the subject.
- 8. Conclusions about the Raw Materials Initiative with no changes of text the language on stockpiling was also softened.

Research Update

9. Updated the group on Defra's Green Economy research programme. The inclusion of aggregates in the 'Resource Risks' research was disputed by some companies but those directly involved in their production and use saw their supply as a risk nationally due to Government policy — for example permits to open mines being unforthcoming and the Localism Bill as a risk to future planning. Although demolition waste could be used in construction, we may see shortages in the next 10 years.

3. ACTION 3 provide contact details for the DCLG rep involved in this issue.



Resource Efficiency Position – UK Non-paper

14. provided a recap on the purpose of the non-paper: to influence the EU resource efficiency roadmap due in the summer. The non-paper sets out the UK position to the Commission on a range of issues. The Netherlands has produced a similar paper.

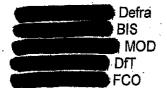
4.	ACTION 4				s·35(1)(a)
5.	ACTION 5:		ALL)		
•	(ALL) DEFRA				
-	also no	ted that we are	keen to learn from	other Member St	ates, for
18. Car example	wnere	the approach is	keen to learn from much more interve rectify gaps in the s	entionist – workin	ates, for g with S·35 (

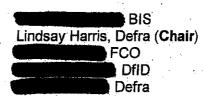
Resources and Risks Meeting

Friday 1st July, Room 503 Ergon House, Horseferry Road

DRAFT MEETING NOTE (v0.2 27th July 2011)

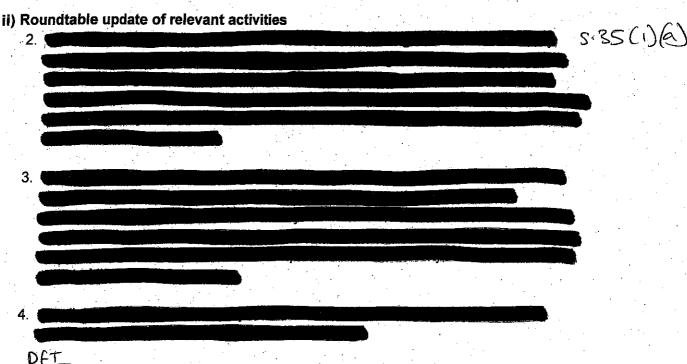
Attendees





i) Welcome and introductions

1. Lindsay Harris, Deputy Director of Sustainable Business and Resource Efficiency (Defra), introduced himself as Chair for the meeting.



- 5. noted OLEV's work on low carbon vehicles and interests in related resources.
- 6. noted overlaps with DfID's work, given high levels of interest in resource security and development at the moment. Work includes analysis of stress points, and ways to encourage sustainable extraction.
- 7. [ACTION 1] will circulate to this Group when released.
- 8. Characteristics highlighted the imminent publication of the BIS/DECC/Defra Roadmap to a Green Economy, and [ACTION 2] offered to circulate the latest draft to the group [done].

9. Strategically Important Metals Report, circulated in draft to the Group in advance, was about to be circulated for Cabinet Committee clearance, prior to publication at the end of July.

iii) Action plan on resource security

- Resource Security Action Plan, to be published by February 2012. Key points to note were that we will be developing this across Whitehall (with BIS as part of the team), even though this is a Defra Business Plan Commitment; and that it will be essential to produce this in partnership with business and civil society organisations for example already working on a joint business-facing workshop with Green Alliance and CBI. The challenge will be developing coherent actions from the large amount of interest and research on this agenda.
 - 11. The scope and five themes were generally agreed by the Group [note there were also subsequently agreed by the Green Economy Policy Group].
 - 12. Key forthcoming business meetings would be held between Defra Minister Lord Henley and a range of businesses (mainly UK importers and manufactures of speciality metals/alloys) on 11 July, and trade associations and business groups (comprising Defra's Business Contact Group) on 14 July. [Action 3] The secretariat will update the Group on these meetings by correspondence in due course.

iv) Research update								
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									5.35(1)(a)
	14.				· · · · ·				
							<u> </u>		
		,							
v)	AOB and close								
	15. This Group will li	kely me	et again i	n Septem	ber, but r	members	will be co	ntacted	in the

Defra

Resource Security Action Plan.

RESOURCES AND RISK GROUP - 7 OCTOBER NOTE OF MEETING

Attendance:	(FCO), Defra),	(MOD) Defra).	(DflE), (Defra),	
CHAIR: Linds	ay Harris (Defra)					
Round table	updates					s-35(1)(
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						s.35(i)(a)
•						5.32 (1)(4)
2.						s.24
			This was all			
financial ye	ar.		THIS Was uu	e to report by	ine end of the	
		global natural resour or than metals and m				at
• Action -	o share dra	ft of the research fo	r comment			
4. Lizzy also hig	shlighted the Euro	pean Report on dev	elopment and	resource secur	ty had been	
● Action ◀	$D \in D$ to share a di	raft and keep the gro	oup updated of	f progress at Eu	ropean level.	•
		gement carried out				
		w to developing ide nt. Highlights include		usinesses could	undertake	
		nce on resource sec		and the second s		
informati	on, unlocking bar	king action, but the riers and being an ac	-	_		
highlighti - An offer f		nies to work with D	efra on the rec	veling of critics	l materials in	• • • • • • • • • • • • • • • • • • • •
developin	g their future pla	ns, developing actio	ns for the Actio	on Plan.		
	space Defence Se le of materials ste	curity Environment	Group were ke	en for a follow	up discussion 8.35 (1)6)
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- Three of the Technology Strategy Board's KTNs had launched a Materials Security Special Interest group (SIG); a supply chain resource efficiency call (c£4,5m available); and were exploring the option of developing a Technology Innovation Centre on resource efficiency, potentially focussing on resource security aspects. Action:
- The Green Alliance and CBI were due to hold a conference on the circular economy and Resource Security on 12 December Vince Cable and EU Environment Commissioner Janez Potocnik were due to speak, and potentially Caroline Spelman. (See http://www.green-alliance.org.uk/building resilience conference 2011/)
- 6. noted the RICS had prepared a paper on construction aspects of resource security

 MOD / DEFRA
 - Action: Action was available

Discussion paper on resource security action plan

General :



Action to consider in Action Plan research needs.

Information theme

DEFRA

- 8. Continued progress on a resource security dashboard. The British Geological Survey (BGS) had funding to develop a critical materials handbook and web pages from NERC. WRAP and the KTNs would be working to develop a pilot with BGS and the interpretation for businesses. It would be important for the pages to be kept up to date and since NERC had committed ongoing funding to the BGS, it is likely BGS would maintain and develop these pages in future.
- 9. dashboard The DTSL work on resource risks (see earlier) would be very relevant. The dashboard would also be relevant to helping the FCO decide policy priorities.
- Action Action to discuss with the state of the DTSL

Recycling etc theme

10. This was mainly a Defra/BIS lead. The noted the issue of mine 'tailings' and whether there were opportunities to recover waste metals from them. This linked to the innovation theme.

Innovation etc theme

This was mainly a BIS lead. noted that there were areas the FCO could help in developing.

Action — to speak to a speak

Improving the evidence base

DEFRA

- 11 highlighted the earlier evidence workshop that had identified a number of potential questions and evidence needs. These would form the basis of discussion/testing with stakeholders and research providers with a view to future proposals and plans being outlined in the Action Plan.
- 12. Army sustainability centre which may help in accessing/developing future research.

• Action to discuss FCO/MOD link on this

Resource diplomacy

FCO

- 13. agreed that this was an area FCO would take the lead on and could reflect the current work underway and how they might fill any gaps
 - Action: to engage colleagues and provide a summary of current FCO work to form the basis of this part of the Action Plan

DFID

4. Enoted DFID work on the Extractive Industries Transparency Initiative (EITI) and the Natural resource Charter could also be covered in this section.

DEID

- Action: to send key lines for inclusion
- queried whether reference to issues around conflict minerals and our attitude to a approaches like the US Dodd-Frank act would be covered.

FOO/DFID

Action: to feed in the current lines

Next steps

Actions

- All to feed through any further comments on the actions.
- Defra to circulate a revised version of the narrative for comment by 28 October.
- Defra to arrange date for next meeting -2^{nd} half of November.

RESOURCES AND RISK GROUP - 30 MAY NOTE OF MEETING

Attendance:

	(Defra),	(Defra)		(Defra),	<u>.</u>	
(Defra),	(Defra),	(MC		(MOD),		
		(DECC),	(DCLG)	ر المستحدي		* •
(BIS)	(FCO).					
- t						
CHAIR C	(Defra)	•				

Summary of Agreed Actions

- 1. Circulate FAQ on Circular Economy Task Force & invite to evening event for information (below)
- Defra check on the progress of the next Green Breakfast to see whether NM could attend DEFRA
- 5. circulate presentation from European Innovation Partnership on raw materials (below)
- 6. Circulate PID for DECC resource security study
- 7. Start dialogue with Go Science DERRA /DP1D
- 8. ALL to complete proforma (in email below) with departmental details & interests by Friday 15th June

Useful Links

Resource Dashboard: http://www.resourcedashboard.co.uk/

Royal Society periodic table: http://www.rsc.org/periodic-table

Food Security studies/dashboard:

http://archive.defra.gov.uk/foodfarm/food/pdf/food-assess100105.pdf

http://archive.defra.gov.uk/foodfarm/food/pdf/food-assess-summary-100105.pdf

Resource Security Action Plan review of national resource strategies:

http://www.defra.gov.uk/publications/2012/03/16/pb13722-national-resource-strategies-review/

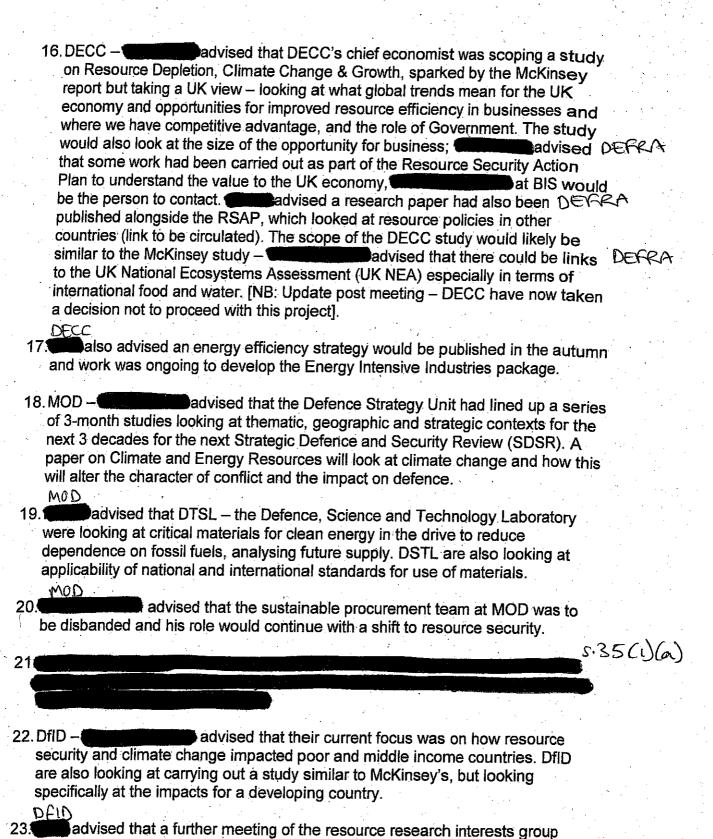
European Report on Development:

http://www.odi.org.uk/news/details.asp?id=566&title=european-report-development-2011-2012-natural-resource-management-water-energy-land

- The Resource Security Action Plan (RSAP) was published in March. Defra and BIS along with the Technology Strategy Board (TSB), Knowledge Transfer Networks (KTNs) and British Geological Survey (BGS) and WRAP are now working on the implementation of various actions.
- 2. The RSAP was the first Government statement on resource security for those resources, such as metals and minerals essential to UK businesses; it set out how the Government would move forward with business to tackle information failures, gather a better understanding of where value can be captured from reclaiming materials from products and looking at innovations in recycling and reuse.
- 3. A key action was to establish a business-led consortium to bring together businesses and business groups to provide a mechanism to further develop links between Government, business and other organisations to address concerns and opportunities. The consortium, the Green Alliance convened 'Circular Economy Task Force' will run for 2 years and will hold its inaugural meeting on 27 June with Lord Taylor in attendance. A stakeholder launch event would be held on 4 July. The Task Force will provide a way for businesses to work together to find solutions to resource security problems. Defra has part-funded the consortium to allow some businesses to have 'observer' status. The terms of reference will be agreed by the commercial partners.
- 4. Lord Taylor is also due to meet with a group of businesses who contributed to the development of the Resource Security Action Plan – the group, convened by the Environmental Sustainability KTN will be invited to give their views on the RSAP and what the next steps should be.
- 5. The action to launch an Innovation Challenge through SBRI to get the correct infrastructure in place in local economies to extract value from commercial and domestic waste will launch in July.
- 6. WRAP are looking to identify where precious materials exist in the economy looking at developing their existing market flows model to include 150 materials, this research should publish towards the end of the year. WRAP will also issue a tender in June/July to create a sankey diagram for materials.
- 7. The Resources Dashboard went live with the RSAP but is still in test phase. The dashboard is designed to fill information gaps and allow businesses to understand which materials they rely on and the risks of supply interruption. All Department were welcome to encourage businesses to register with their details, registrations so far have been relatively low but the BGS, KTNs and WRAP are adding to the amount of information available on the site. A more complete version of the dashboard will be launched by the end of the year.
- 8. Waste Electrical and Electronic Equipment (WEEE) actions: (1) looking at feasibility of applying IPR more generally a BIS lead, key stakeholders are consdiering and are expected to report in July on their findings, the evidence will feed into improvements in the WEEE system. (2) Extending data capture which

is part of the recast consultation, the recast will give fresh insight to the use of EEE e.g. through standards.

Stock-take & Coordinating	
9. 5·35(1) 6°)
	٠.
10. A meeting & video conference was held on 17 th May (some of those in attendance present) to discuss various research and futures interests across Whitehall. Produced a slide to map the various interests ⊅€€€€€ (circulated with invite for this meeting).	
11. Common themes from departmental interests are geopolitical change and how emerging powers could disrupt the UK and how conflicts could disrupt access. The group noted a danger of duplication efforts so a better system of sharing data and analysis is needed. The noted that the geopolitical issue was also DETEN quite circular, a determinant of the current situation but also a part of the whole; the unifying themes are increasing populations, climate change and the impact that these have.	
12. The group noted that the various interests were currently being collated via the proforma designed by	
13. The group noted the imminent loss of Rear Admiral Morisetti would be a significant setback to the progress made on raising awareness of geopolitical, energy and security issues – Morisetti had been the Government Climate and Energy Envoy for many years and had brought the issue to the military significantly. The group discussed whether it would be possible to have him speak to Ministers before leaving his post. (McKinsey) and (Ellen MacArthur Foundation) would also be good spokespersons to talk to Ministers about resource security. The idea of using Defra's Secretary of State's 'Green Breakfasts' was also floated.	
Departmental Updates	
14. DCLG - advised that work at DCLG had recently centred around the National Planning Policy Framework (published March) – there was no significant change to minerals planning policy. Work was now focusing on the implementation stage and working through responses. The advised that any concerns expressed by minerals stakeholders to other departments would be gratefully received by DCLG.	
15. BIS — advised of the EU Innovation Partnership on raw materials which had just been initiated to promote the value chain. The High Level Steering Group had been convened and determined that the strategic implementation plan would be adopted by 2013.	



24. The group discussed how the two groups (R&R and the research group) could run in combination, to ensure that all interests were covered – a suggestion for the resources and risks meeting to run in two parts, one part focusing on wider

to complete the proforma detailing departmental interests in advance.

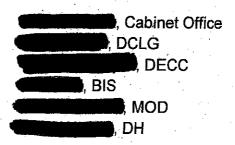
mentioned earlier would meet again around 19th July. Lizzy prompted colleagues

UK dialogue and internationally and the other focusing on specific UK interests. The point was also raised that HMT did not sit on this group; a suggestion was made that they be brought in.

Resources and Risks Meeting - 25 October 2012 9:00 - 10:30, draft note

Attendees

Lindsay Harris, Defra
Defra
Sabine Mosner, Defra



Chair: DEFRA

Departmental Roundtable Update

- 1. <u>DfID</u> advised the department was looking to fund some research looking at how a 'resource productivity approach' at a country level (like a scaled down version of the global McKinsey's Resource Productivity model) might solve an element of future demand; the project will go to tender soon. **Action 1:** to share the strategic case. This work may take place in Df1D Uganda with co-funding from the French examining how thinking of the type highlighted by McKinsey's research could help tackle resource supply problems.
- 2. <u>Department of Health</u> advised DH had only recently started to consider resource scarcity, previously focusing on more general supply chain risks to biotic materials, specifically for pharmaceuticals.
- 3. DH is currently funding a pilot project to identify which critical medical consumables are affected by resource scarcity; there is also some pharmaceutical research to mirror the work. A report is due in 4-6 weeks, from the Universities of Cornwall and Plymouth. DH want to learn from previous and ongoing research by other Government departments to inform future work.
- 4. DH have also been approached by a medical supplier wanting to look at reuse/remanufacture of single use medical equipment, to see how the market can be stimulated as the EU has so far been resistant to reuse/remanufacture (despite a growing UK market).
- 5. <u>DCLG</u> advised the National Planning Policy Framework was published in March, which significantly reduced the amount of planning guidance (waste planning is separate and managed through Defra's waste management plan).

- 6. In the Growth Package, it was announced that planning applications would be decided by Planning Inspectorates where local communities had a bad track record (i.e. of blocking lots of applications). Amendments are also being made to the legislation on mineral permissions to give more flexibility to local authorities on the timings to review them. Planning guidance is also to be reviewed, including that on minerals planning; Lord Taylor is carrying out a review to reduce the amount of guidance.
- advised on a couple of forthcoming European events of interest including the Raw Materials Supply Group and the Raw Materials Innovation Partnership. Action 2: Agenda to be circulated when received
- 8. WEEE data capture is being extended, and the timescale for this is moving forward as additional funds have been secured.
- advised that BIS economists were currently considering questions about the UK's capability on metals processing. This was related to discussions Lord Taylor (previous Defra Minister) had with minerals extractors and processors during the writing of the RSAP and exploring further some of the issues raised.
- advised that various themes were currently under 10.MOD investigation, including; resilience, research and development, energy (supply and demand), adapting to climate change (and material security) and decision making processes.

5.26

- described a new system which would shortly be made available for purchasing guidance, an Acquisition Operating Framework - into which information about resource security has been fed. The framework will be unclassified and open to other Departments. Some analytical work is also ongoing on whole-life costs of materials and methodologies to assess. Action to forward access details
- MOD also noted that the MOD has strong links with the US Defence Department specifically on research, and hopes to expand this soon to collaborations with Canada and Australia, and the French where some good links already exist.

MOD

14. Feedback from stakeholders was that many are not doing analysis on materials, components and systems due to the cost associated with evidence gathering; however MBDA (a weapons manufacturer) has made progressive moves to develop a material stewardship programme and is a good example of a business taking the initiative to safeguard against resource risks.

- 15. Asked whether there were any plans in place to replace Admiral Neil Morisetti, the Energy and Climate Envoy with a particular interest in materials—Confirmed that he hasn't yet been replaced (and there is some question over whether he will be), the MOD Strategy Unit will take forward some of his work.
- 16. <u>Cabinet Office</u> advised work is well underway for the 2012 National Security Risk Assessment (NRSA) 5-year projections are almost complete; 4 or 5 risks relate to resources on gas, oil, minerals, technology and food and work is about to commence on the longer term risks.
- 17. There has been a push from the Chief Scientific Advisor towards engaging with 'communities of practice' to be better plugged into developments associated with different risks to prepare for the 2013 and 2014 versions of the risk assessment; communities could be groups such as the Resources and Risks Group.
- 18. <u>Defra</u> Sabine Mosner commented that the Industrial Strategy could be of interest to the group as it looks at what different sectors will need to do to grow over the next 20 30 years. It sought to co-create strategies with sectors. The first sector to be tackled is aerospace, followed by automotive and pharmaceuticals, which are of interest to this group. **Action 4:** Sabine advised colleagues to get in touch with sector teams at BIS if not already engaged.
 MOD
- 19. commented that a white paper on National security and technology had also been published recently and could be of interest as it also sought greater partnerships with sectors. Action 5: to send a link to the white paper
- 20. Sabine suggested the group consider how it would define 'national security' and whether the definition is too narrowly take into account the broader knock-on effects to growth and supply (more indirect threats).
- 21. <u>DECC</u> advised his interest centred on international energy security particularly oil, gas and geopolitics. An Energy Security Strategy would be published before the end of November. Thinking was also being developing around whether the developments in the US gas market would be replicated here, A conference with the energy industry was planned for February to discuss the issue of 'peak oil'.

Governance

22. Provided a brief history of the Resources and Risks Group, and of the more recently formed DfID led UK Resource Security Dialogue meetings with a research and international focus. The R&R group had been running for about 3 years, collecting various interests from across Government with varying members based on current projects and initiatives of relevance. The group had contributed to the development of the Resource Security Action Plan published in March and continued to have a key role in keeping colleagues up to date with developments in this area, sharing information and keeping in touch.

23. The need to reassess governance arose from various recent cases requiring guidance across Whitehall,

Issues requiring a prompt Government response could be slowed down by the spread of interests covering these issues, and so a more coherent approach to handling resource security related matters could be developed to ensure all interests are covered. Also it would be important to ensure that other Departments (such as Cabinet Office – in collating NRSA) knew where to direct these issues.

advised of some recent external pressure from the eef: the manufacturers organisation to form an 'Office of Resource Management' – therefore signalling that perhaps a more coordinated approach would reflect well externally to Government as well.

- 25. At the last Resource Security Dialogue meeting, different options suggested on how to arrange the two groups:
 - a. Option 1: One option would be to 'merge' the interests of the R&R group with the UK dialogue group and structure meetings so that they cover all the bases e.g. alternate meetings could deal with 'policy' and 'implementation' (covering both domestic and international perspectives)
 - b. **Option 2** Arrange meetings to alternately invite Government and then a wider group (including private sector/ civil society^[1]/ think tanks). This list could be drawn from the two round tables we've managed so far on resource security (DFID/ June 12, FCO/ Oct 12)
 - c. Option 3 Four UK government departments arrange one meeting per year to focus on their areas of interest/ decide on invite list as appropriate. Pick up any other business in separate/ short meetings (e.g. follow up to the UKRSAP).
- 26. The group discussed some of the options, both on governance and organisation. Suggested that one option would be to sit this group under 0 + 10

^[1] E.g. Ellen MacArthur Foundation, Green Alliance, Green Economy Coalition, WWF, Oxfam etc.

the Heads of Horizon Scanning – although initial investigation into this hadn't proven successful. Another previous idea which hadn't gained traction was that this group would sit under the International Climate Change Committee.

- 27. The group identified the following potential needs/approaches in developing appropriate governance and coordination;
 - a. The need to set out the views/top 3 interests of Departments (top level);
 - b. Once interests are mapped, provide a statement of the groups remit and the evidence to back it up;
 - c. Cabinet office/other departments could then use Resources & Risks as a group of experts to refresh high-level policy documents when necessary, and as a governance structure for the NSRA and other urgent issues.
 - d. A single point of contact should be assigned to act as the focal point for bringing the group together when needed on an issue.
- 28. Action 7: Group to collate this information and share. Action 8: The to OFFICE make the link between this group and the NSC Science and Technology Committee.
- 29 Lindsay Harris commented that before agreeing to formalise the group in any sense, it was important to ensure that this would be done with good reason i.e. to improve internal dialogue and issue resolution, rather than to respond to external criticism about ways of working. **Action 9:** Secretariat to circulate the existing Terms of Reference.

Resource Security Action Plan Updates

30. Network were developing a new system for the Resources Dashboard to run on - the system 'Sound Cloud' should provide a better user interface to the version already available at resourcedashboard.co.uk. A stakeholder workshop had taken place earlier the previous week in which businesses were asked to consider what information would need to be available to make the dashboard more useful. The timings on the finished product would be delayed in light of the new system development however, pushing back full completion beyond January 2013 which was the original milestone, though a semi-finished product should be available by that time.

advised that the Small Business Research Initiative competition funded through the TSB for local economy 'closed-loop' projects to extract value from

waste streams had now closed. Projects we're about to be awarded and would be underway soon.

32. Another update was that the Circular Economy Task Force was underway, led by the Green Alliance with 9 members currently. First outputs are expected early 2013.

33. advised that UCL had recently launched an Institute for Sustainable Resources which may be of interest to the group whether through its lecture series or specific reports -

06 November DERRA

DIRECTORS NOTE ON CROSS WHITEHALL WORKING GROUP - RESOURCES AND RISKS

PURPOSE OF THIS NOTE

- 1. To encourage Directors to **champion natural resource security** within their Department and engage with other Departmental Directors on natural resource security building leadership around this critical area.
- 2. To raise awareness with Directors of the existence and purpose of the cross Whitehall group on natural resources and risks.

PURPOSE OF CROSS WHITEHALL RESOURCES AND RISK GROUP

3. To provide an efficient officer level network across Whitehall Departments on natural resource security (exchanging intelligence, research, contacts, discussing policy coherence/ conflicts, generating UK Government responses, avoiding duplication of effort). Further details at Annex 1, Terms of Reference at Annex 2.

IMPORTANCE OF RESOURCE SECURITY

- 4. Meeting the world's growing demand for natural resources in the next 20 years is likely to be a great challenge.
 - Up to three billion new middle class consumers will need energy, water, land, and other resources such as metals and minerals.
 - Some natural resources are reaching 'planetary boundaries' and the quality of available resources are declining (e.g. falling ore grades and lower energy returns, increasing pollution).
 - Other resources, while not expected to 'run out' are subject to issues such as price volatility or supply interruptions with consequent economic and national security risks to the UK¹.
 - Natural resource insecurity poses a threat to UK prosperity.

CHALLENGES

5. Natural resource security is not 'owned' by one Department. A range of Departments are engaged on the subject with a range of viewpoints (Annex 3 & 4). A significant area of common interest exists and this will require clear leadership to create coherent cross Whitehall views and action.

The now 'closed' UK Climate and Energy Security Envoy position (previously Rear Admiral Neil

Morisetti) did deliver a clearer leadership role on this subject.

¹ Resource Security Action Plan: Making the most of valuable materials, HMG March 2012

OPPORTUNITIES

- 6. There are a range of studies looking at aspects of the resource security agenda². Key external agents have recently produced new resource security papers which have received high levels of public attention (headlines are summarised at Annex 5). This is an opportune time to show leadership and engage in this agenda with a range of key stakeholders, for example:
 - Chatham House (December 2012) Resource Futures³ discusses the new political economy of resources and calls for the formation of a new global dialogue (Resources 30).
 - ii. Oxford's Smith School of Enterprise and the Environment (December 2012)
 Re|Source 2050 Flourishing from Prosperity⁴. The Smith School are launching an online leadership exchange around this agenda.

Officers across Whitehall have created an active and efficient network around natural resource security –this should be supported.

There is space for more senior level leadership on this agenda and we would welcome views from Directors on how they view natural resource security and the need for cross Whitehall (and wider private sector) coordination and action.

ACTIONS

- Directors commission detailed briefing on the importance of natural resources security within the context of your Department. This could then lead to a cross Whitehall Director level communication on the matter (e.g. a round table discussion with some key externals – Chatham House etc.).
- Raise awareness of the group internally within Departments and encourage use of the network to input/come to relevant policy decisions
- Identify relevant policy issues that could make use of the network now and in the near future.
- Agree a core communications briefing for use across Government Departments.

² A Review of National Resource Strategies and Research, Defra March 2012 http://www.defra.gov.uk/publications/files/pb13722-national-resource-strategies-review.pdf

³ http://www.chathamhouse.org/publications/papers/view/187947

⁴ http://www.smithschool.ox.ac.uk/wp-content/uploads/2012/12/ReSource-2050 Report.pdf

Annex 1.

Resources and Risks group - further background.

Increasing pressure on natural resources has implications for UK domestic and international policy. This group covers both:

Domestic:

- Encouraging better management of natural resources to maximise efficiency and minimise environmental impacts through actions such as; reuse, recycling, waste minimisation, substitution of materials and remanufacture.
- Helping UK businesses better manage risks, take opportunities and increase resilience in their supply chains, through the above actions, to ensure growth isn't hindered and they remain competitive.

Domestic and International:

- Developing evidence and understanding on economic, environmental and geopolitical supply and demand side issues to develop future policy and build in resilience.
- Creating better evidence and understanding of the economic and environmental cost
 of inaction in order to develop and shape wider HMG and UK policies and decisions
 (creating clear value for money in building more resilient programmes etc.).

international:

- Understanding the theory of change around
 - Natural resource security and climate change (climate change will exacerbate this "resource squeeze", increasing the risk of scarcities and price shocks and multiplying economic and resource stresses)
 - Natural resource security and conflict/ fragility (increasing stress on natural resources may contribute to tension and fragility in certain states).
- Increased attention, understanding and action around natural resource security (by Government and the private sector). We need a greater understanding and commitment by States and businesses to improved governance, management and access to natural and material resources. Failure to do so could reverse trends on tackling poverty.

Annex 2: TERMS OF REFERENCE for Cross Whitehall Working Group on Resources and Risks (January 2013)

Purpose

This is a working level group which provides a cross-Whitehall forum to:

- Develop and agree UK policy options and positions for EU and wider international discussions;
- 2. Identify and manage risks and opportunities to the UK associated with the availability of material resources (renewable and non-renewable);
- 3. Share intelligence (including research):
- 4. Facilitate consensus on the range of policies and activities for mitigating resource risks;
- 5. Ensure issues around international trade and security of supply of resources are being addressed by the most appropriate level of UK or EU/International policy intervention;
- 6. Ensure high-level handling and oversight are appropriately handled.

Scope. The scope of the group includes all resources important to the UK economy, both renewable and non-renewable, but excluding those directly related to energy consumption (i.e. oil, gas, etc) and food security.

Policy coverage to include resource diplomacy (FCO lead), impacts of resource insecurity on the poor (DFID lead), resource efficiency (DEFRA lead, including re-use, re-manufacture, and recycling), innovation (substitution, resource minimisation, new business models), and relations with businesses (learning from and provision of information – e.g. through WRAP and TSB). EU Raw materials initiative and WEEE, UK Industrial Policy (BIS lead). Risks to UK (Cabinet Office/ MOD). Risks to supply chains and health impacts (Department of Health). This group will also consider the policy implications of relevant research, and needs for future research.

Membership and governance has been designed to include Departments relevant to these options.

Membership Membership should include those Departments with key policy responsibilities and interests in the resource security, identified as DEFRA, DFID, BIS, MOD, DECC, FCO, Cabinet Office, DH, CLG, DfT. The Met Office, and the Technology Strategy Board are included in general membership and members will clarify options to circulate restricted materials. When required, external delegates may be invited e.g. from the private sector.

Nominated leads within Departments will be identified for 'day to day' liaison. However representation from relevant policy areas within Departments and their agencies is encouraged to assist discussions.

Governance, Cha	airs: (to rotate and	host a cross Whitehall	meeting on a	quarterly b	asis)

o **DEFRA**

o FCO

o BIS

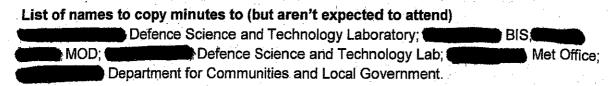
o MOD

(Other Departments attend but are not requested to Chair/ Host)

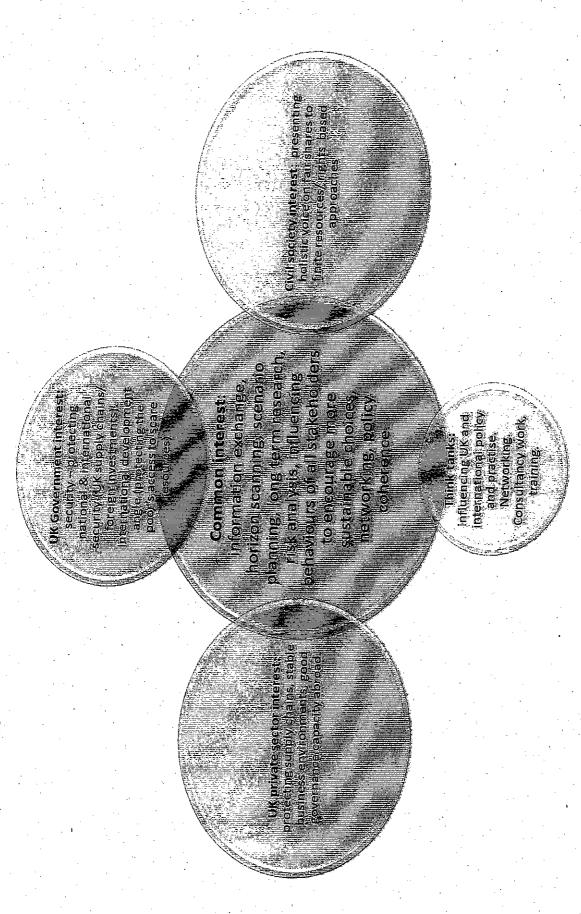
Secretariat: To be provided by the current host Department. **Frequency of meetings:** every three months, with e-mail circulation used as needed.

Annex 3: Key Departmental contacts

	Officer Level	Deputy Director (Head of Department level)	Director level
DEFRA		Jonathan Tilson	Colin Church
FCO		David Concar	Andrew Mitchell
BIS		Chris Pook	Janice Munday
GO-SCIENCE		TBD	TBD
1			
MOD		Rosalind Roberts	Air Vice Marshall
[1		[Head of Quality,	Julian Young
}		Safety, and	
		Environmental	
		Protection]	
		i recocioni	
ABINET OFFICE		TBD	TBD
FID		Tony Burden	Nick Dyer
ECC •		TBD	TBD
			_
H (Peter Coates
			[Director,
			Procurement
			Investment &
			Commercial Division]



Annex 4: Areas of Interest



Annex 5

Headlines from recent external reports on natural resource security

1. Chatham House (December 2012) - Resource Futures⁵

Authors - Bernice Lee, Felix Preston, Jaakko Kooroshy, Rob Bailey and Glada Lahn . It is believed that the authors will present this report at Davos 2013.

Interactive online tool
Executive Summary

Resources Futures focuses on the new political economy of resources. It analyses the latest global trends in the production, trade and consumption of key raw materials or intermediate products and explores how defensive and offensive moves by governments and other stakeholders are creating new fault lines on top of existing weaknesses and environmental uncertainties. Key findings include:

- Volatility of resource prices is the new normal, hitting both consumers and
 producers. Confronting volatile prices is effectively an insurance policy for the global
 economy. Investing in social and environmental improvements in new producer
 states in the developing world is not charity; it is a critical part of this insurance policy.
- Trade is becoming a frontline for conflicts over resources, at a time when the world is more dependent than ever on resources trade, which grew by 50% in the last ten years.
- Environmental change and degradation, especially water scarcity and climate change, is making business-as-usual practices obsolete and threatening the global production system.

The report proposes a series of critical interventions, including new informal dialogues involving a group of systemically significant producer and consumer countries (**'Resource 30' or R30**) to tackle resource price volatility.

Selected media coverage:

The Financial Times, Nationalism threat to resource prices

The Independent, Pressure on dwindling resources 'threatens global chaos'

Reuters, Governments must tackle sharp commodity price swings - think tank

The Globe and Mail, Resource nationalism: Say hello to higher volatility

The Times, 'Act now or pay later for short-sighted policy',

⁵ http://www.chathamhouse.org/publications/papers/view/187947

2. Oxford's Smith School of Enterprise and the Environment (December 2012) – Re|Source 2050 Flourishing from Prosperity⁶, Selected highlights.

In July 2012, the third World Forum of the Smith School for Enterprise and the Environment, University of Oxford, focused on increasing concerns about the link between growing prosperity and unsustainable resources in the face of world population increase and climate change.

The event was attended by over 200 of the global 'great and the good', including several Heads of State, business leaders, and Nobel Prize-winning academics, with the majority of the delegates coming from the financial and investor communities.

The Forum highlighted that growing demand for resources creates systemic interlinked challenges that are difficult to appreciate and address due to the diversity of actors and factors that are shaping the increasingly complex interplay of markets, policies, and food, water, and energy systems.

To help clarify the debate and explore these questions the report offers a set of two alternative frames for the future — **Growth** and **Health** (and show the dominance of the 'growth' frame). The authors pose a range of key questions and scenarios for collaborative debate and will convene this leadership dialogue.

Forging healthier linkages between growing prosperity and sustainable resource use cannot be achieved by working on an issue-by-issue or sector-by-sector basis. Business, policy, and civic communities need to find fresh and more effective ways of collaborating to address the connected nature of today's significant challenges and to do so on a more urgent basis and in a way that strengthens trust within and across the multiple and fluid circles of connection that characterize modern societies.

⁶ http://www.smithschool.ox.ac.uk/wp-content/uploads/2012/12/ReSource-2050_Report.pdf

