

Takeaways of the OECD mission to Alentejo

TSI OECD-DG REFORM project – February 19th to 21st

Introduction

The OECD study mission to the Alentejo region, Portugal took place from 19th to 23rd February 2024, conducted back-to-back with the mission to the region of Portugal Centro and Lisbon. This visit allowed for a series of discussions and engagements with diverse regional stakeholders ranging from regional to municipal government representatives, universities and local business associations. The peer reviewers were Teppo Rekilä (Central Ostrobothnia) and Eero Vilhu (Kainuu) from Finland.

Current state

Alentejo boasts a long history in mining, tracing back from Phenician times, fundamentally shaping the economic and cultural fabric of the region. The region's mining sector is distinguished by its significant and sparse non-metallic operations, notably marble alongside metallic mines that are major suppliers of zinc, copper, lead, and sulfide ore deposits in Portugal, such as NevesCorvo, or Aljustrel. As an outstanding example, the economic activity from mining has placed the municipality of Castro Verde (home of the Neves-Corvo mine) among the top in income per capita in the country.

Yet the mining sector in Alentejo faces contemporary challenges, including the capacity of sparse medium and small quarries (non-metallic mines) to comply with environmental permitting, a limited institutional capacity to monitor quarries' operations and workforce shortages for mining. A new train line connecting Alentejo with the port of Sines, main in Portugal, can improve competitiveness of quarries and incentivise the valorisation of mining waste.

Strengths	Bottlenecks
Rich history in non-metallic and metallic mining, with significant local economy and cultural identity.	High cost in transport of non-metallic minerals given the lack of train and limited exclusive roads for industrial use.
Environmental restoration and rehabilitation projects, highlighting a commitment to improve sustainable mining practices.	Slow and complex permitting processes, without national coordination to prioritise projects. Municipalities are not involved meaningfully in decisions on exploration projects.
Existing educational institutions, like the University of Evora, with focus on addressing labour skill shortages through specialized training programs.	Challenges in attracting and reskilling labour, particularly in the quarry sector, notably operators. This is partially explained by competition with other sector in a small labour market and the early retirement policy
Involvement of CCDRA in land use planning for mining operations and capacity to guide municipal land use and development plans	Lack of a cohesive national mineral strategy or a clear promotion plan to attract investment in the mining sector for exploration or operation.
Positive example of mining sector contribution to economic and demographic growth in interior municipalities -e.g. Castro Verde and Almodovar.	Energy costs impacting the mining and metallurgy sector, primarily reliant on fossil fuels, posing challenges for sustainable operations.

Key Takeaways

Labour Market and skills

There is an enabling institutional framework to supply training and education in mining, including an employment institute able to create partnerships for new courses. However, these opportunities are

not known. Addressing labour shortages also requires greater promotion of the sector's benefits and long-term partnerships among companies and educational institutions. The development of dual training programs for young and experienced workers are essential.

Permitting and Strategy

The need for a streamlined and transparent permitting process aims at reducing bureaucratic obstacles and facilitating quicker project approvals. Initiatives like Simplex, among others, could simplify and digitise permitting processes, enhancing investment clarity and predictability. Coupled with a national mineral strategy to guide regional alignment, these measures can enhance Alentejo's appeal for mining investments. Additionally, new planning mechanisms to consolidate exploitation areas could valorise tailings, optimizing economic and environmental outcomes.

Social Perception and Community Impact

Enhanced communication strategies can improve understanding of new mining processes and laws, such as the role of closure plans. Cooperation with municipalities and communities is key to building positive relationships. Many medium and small quarries struggle with environmental compliance and rehabilitation, with less than 10% operating properly, impacting the region's environmental footprint and public perception of mining. Alentejo requires more support and institutional capacity, alongside a comprehensive mining land use plan, to manage rehabilitation and mine expansion effectively.

Knowledge Production (Universities and Innovation)

The non-metallic sector in the region would benefit from a clear policy or research centre close to production areas (e.g., the former CEVALOR in Alentejo or the Centro Tecnológico del Mármol, Piedra y Materiales in Spain) to promote training and innovation. Notably for marble and stone and the valorisation of its mining waste (e.g., up to 80% of mining waste in marble process). Municipalities with marble history expressed will to promote revalorisation of the tailings, rather than just focusing on rehabilitation.

Good Practices

ESG

- Rehabilitation of mine sites by the National Company of Mining Development (EDM) in collaboration with local governments. For example, a mining municipality transitioned to a research and mining tourism hub after mining closure (Sao Domingos Mine), or the transformation of old quarries into natural reserves or community areas.
- Metallic and non-metallic companies collaborating with municipalities to preserve the culture and history around mining, notably through museums and historic archives.
- Synergies among mining and agriculture supported by a mining association (Assimagra) and local governments to use quarry by-products as soil conditioners.

Mining governance

- Mining Heritage Educational Campaign involving educational materials and tours to mining sites, aimed at enhancing community understanding of the mining sector.

The Role of University

- Innovation Project in the University of Évora focused on developing sustainable mining technologies, engaging students and researchers in addressing sector challenges.