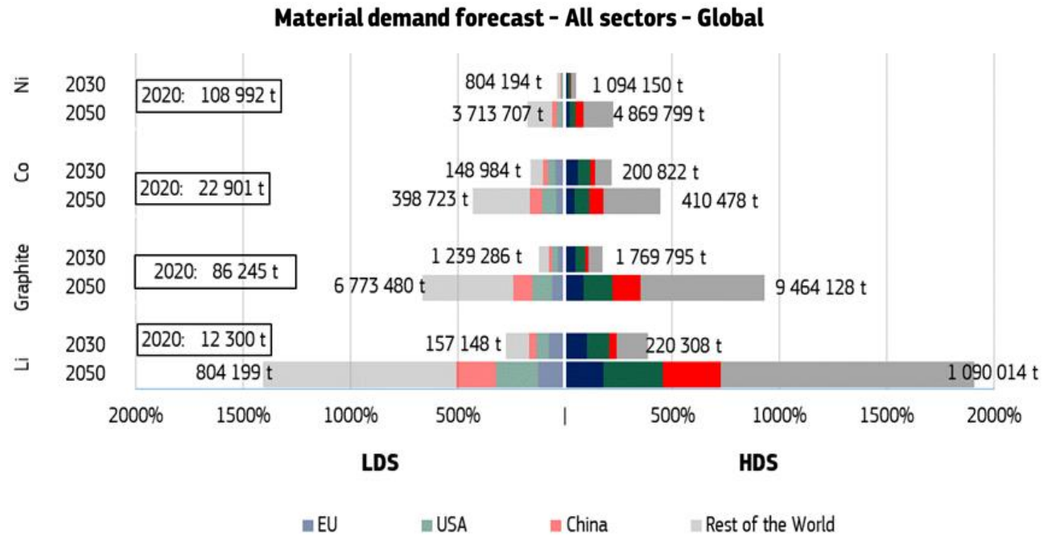
European CRM Act

Agreement on Proposal for a regulation – establishing a framework for ensuring a secure and sustainable supply of critical raw materials

European Commission

Critical raw materials (CRMs) and the EU economy

- Driven by the twin transition and defence needs, significant growth in CRM demand, with risk of global supply/demand imbalance



- EU is heavily dependent on third country supply for CRMs that are key for strategic technologies
- Strategic dependencies and risk of supply chain disruption

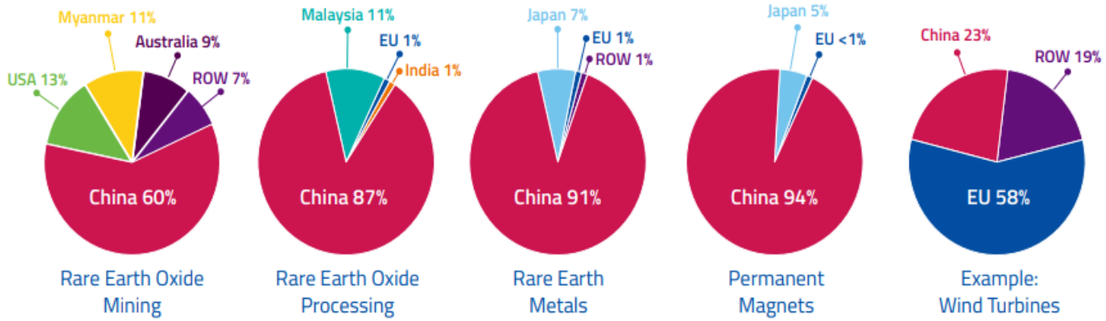


Fig. 3: From rare earths mining to wind turbine manufacturing: estimated market shares in 2019. Sources: Team analysis and Roskill 2018; Adamas Intelligence 2019; Peteves 2017; Carrara et al. 2020; IEA 2021; USGS 2021.

Source: European Raw Materials Alliance (ERMA)

European Critical Raw Materials Act

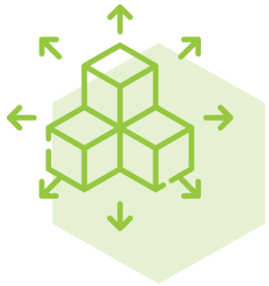
Ensuring a secure and sustainable supply of critical raw materials for the Union



Strengthen all stages of the European CRM value chain



Improve EU capacity to monitor and mitigate risks of disruption to CRM supply



Diversify EU CRM imports to reduce strategic dependencies



Improve CRM circularity and sustainability

European Commission

Setting Priorities

DEFINING CRITICAL AND STRATEGIC RAW MATERIALS

CRM

Whole EU economy, based on :

- supply risk
- economic importance

SRM

SRM are a subset of CRM:

- Key for strategic technologies (green, digital, defence and space)
- Forecast demand risks outstripping supply

2030 BENCHMARKS

Towards more SRM supply security

- EU's extraction capacity cover at least **10%** of the EU's SRM consumption
- EU's processing capacity cover at least **40%** of the EU's SRM consumption
- EU's recycling capacity cover at least **25%** of the EU's SRM consumption

Towards more diversification of supply

- Not more than **65%** of EU consumption of each SRM should come from a single third country.

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Critical Raw Materials

Note: A subset of the CRMs are classified as **„strategic raw materials“** due to their use in strategic technologies and strong projected demand growth. Certain measures under the CRMA apply only to them.

34 RAW MATERIALS DEFINED AS CRITICAL BY THEIR HIGH

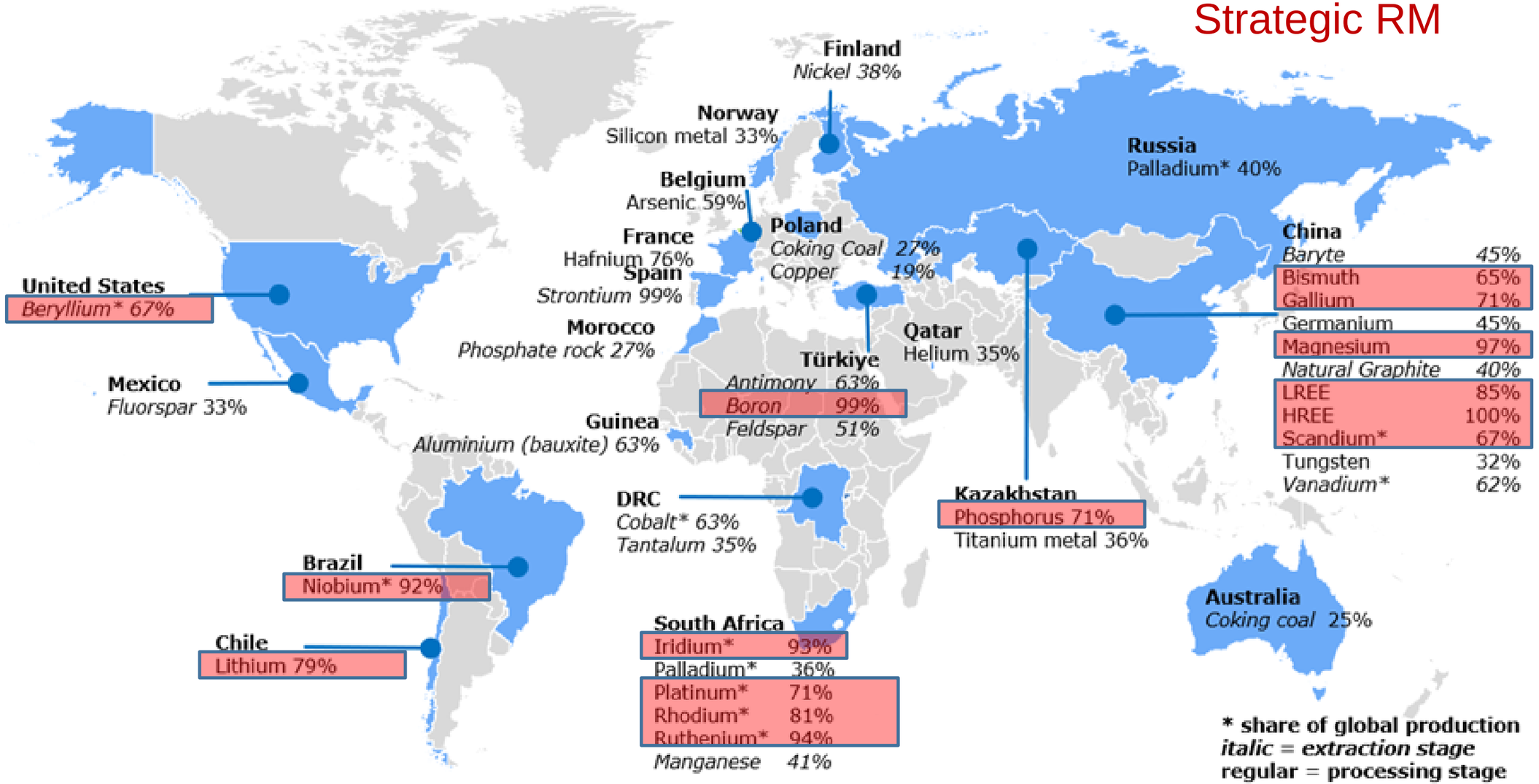
- Economic importance
- Supply risk

... based on a regular assessment of available data in an established methodology

- Antimony
- Arsenic
- **Bauxite/Aluminium**
- Baryte
- Beryllium
- **Bismuth**
- **Boron**
- **Cobalt**
- Coking Coal
- **Copper**
- Feldspar
- Fluorspar
- **Gallium**
- **Germanium**
- Hafnium
- Helium
- **Heavy Rare Earth Elements**
- **Light Rare Earth Elements**
- **Lithium**
- **Magnesium**
- **Manganese**
- **Graphite (Natural and synthetic)**
- **Nickel – battery grade**
- Niobium
- Phosphate rock
- Phosphorus
- **Platinum Group Metals**
- Scandium
- **Silicon metal**
- Strontium
- Tantalum
- **Titanium metal**
- **Tungsten**
- Vanadium

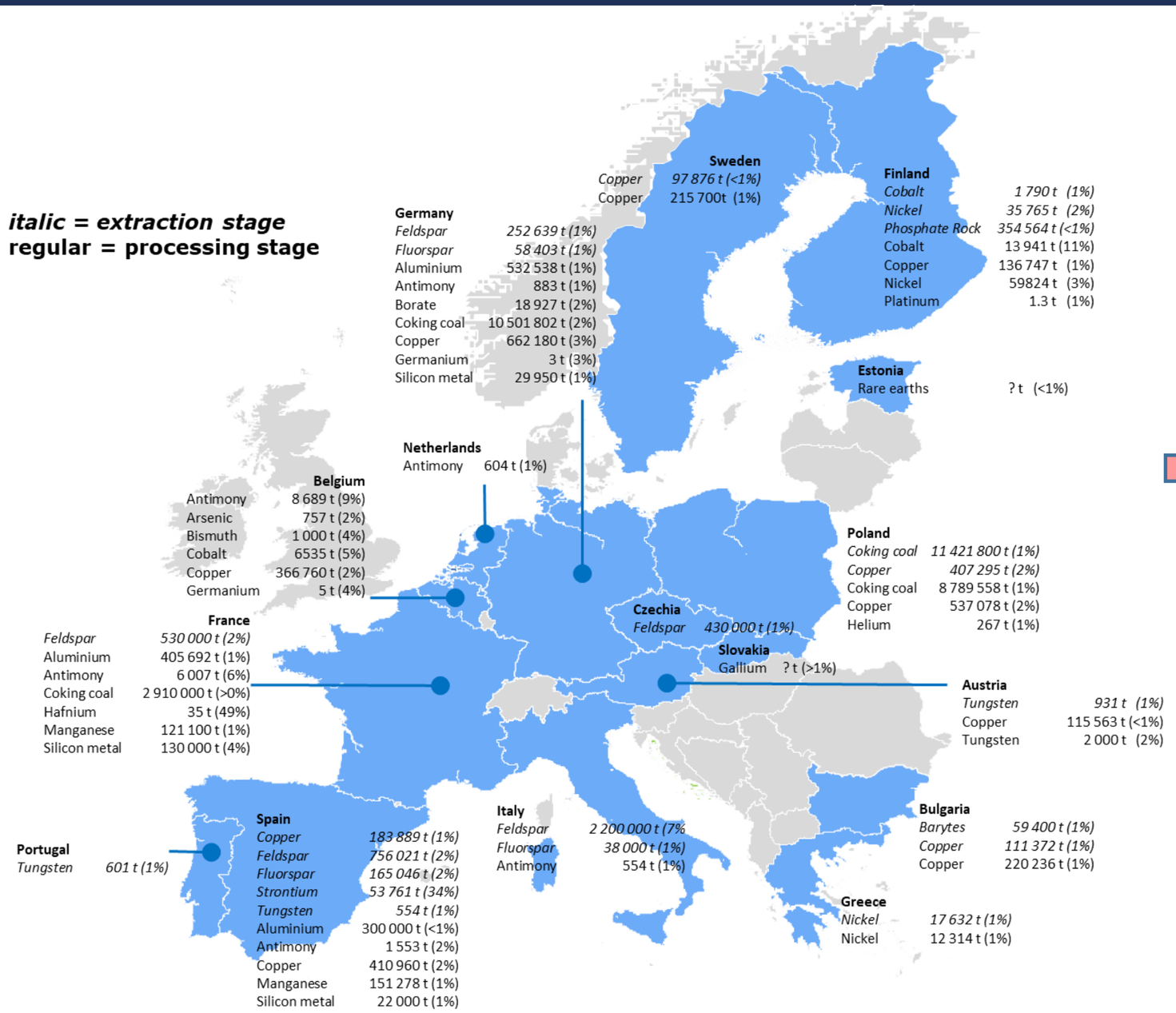
Dependencies in the EU supply of CRMs

Diversification benchmark of 65% for Strategic RM



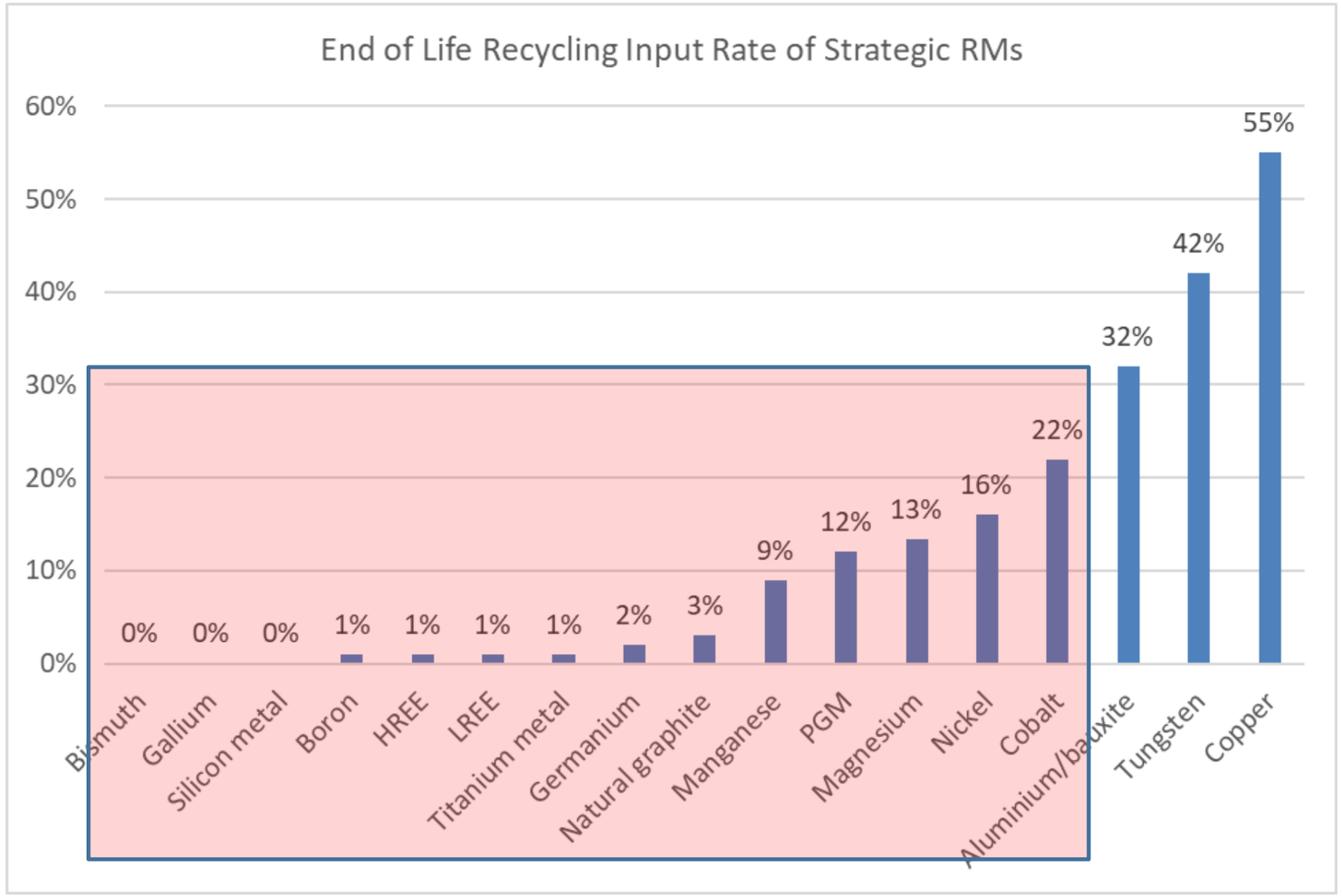
Source: "European Commission, Study on the Critical Raw Materials for the EU 2023– Final Report"

EU producers of CRMs (shares of global supply, 2016-2020)



Extraction and processing capacity benchmark of 10% and 40% for Strategic RM

Recycling's contribution to meeting materials demand for SRMs



Recycling capacity benchmark of 25% for Strategic RM

Strengthening the value chain

STRATEGIC PROJECTS

Across the whole SRM value chain: extraction – processing – recycling
and for production of substitute materials
Selected by the Commission with advice from the Board based on

- Contribution to security of supply
- Sustainability
- Technical feasibility
- Cross-border benefits in **EU**/ Economic and social benefits in **third countries**

Non-Regulatory Measures

- Financial Support
- Standardisation
- Skills
- Research and Innovation

BENEFITS

- **Priority Status in national and EU law:** for administrative and judicial procedures
- **Points of Single Contact in Member States**
- **Permitting - Legal time-frames**
  - Extraction: 27 months
  - Processing & Recycling: 15 months
- Provisions to facilitate and timely deliver **environmental assessments and authorisations without weakening environmental and social protection**
- **Enabling conditions to implement Strategic Projects**
  - The Critical Raw Materials Board provides coordination and advice to secure remaining financing
  - Provisions to facilitate the conclusion of off-take agreements

Existing funds for supporting projects

Funds and programmes	Objectives	Envelope	Instruments
European Regional Development Fund (ERDF)	Promote regional cohesion (focus on SMEs)	€72 bn for PO "Greener Europe" under MFF	**Grants**
Recovery and Resilience Facility (RRF) – RePowerEU chapter	Energy security, diversification of EU's energy supply, increase of uptake of renewables and energy efficiency Explicit reference to CRM value chains	€750 bn + €20 bn under RePower	**Grants/financial instruments (loans, equity, guarantees)**
Just Transition Fund	Reduce social and economic costs of the green transition	€19.2 bn under the MFF+NGEU	**Primarily grants**
InvestEU	Support to EU policy priorities (market-based and demand-driven instrument)	€26.2 bn under MFF+NGEU (budgetary guarantee split btw EIB group and other IPs)	**Loans, equity. guarantees**
Innovation Fund	Driving clean innovative technologies toward the market	€38 bn from ETS revenue (at €75/tCo2)	**Grants, up to 60% of the additional capital and operational costs**
Neighbourhood, Development and International Cooperation Instrument (NDICI) & EFSD+ guarantee	EU's investment framework for external action	€40 bn (budgetary guarantee split btw EIB and other IPs)	**Grants, loans, guarantees, equity**
Strategic Technologies for Europe Platform (STEP)	Clean technologies, incl. sustainable extraction of critical raw materials		

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State Aid Schemes

- **General Block Exemption Rules (GBER)**
  - Does *not* require notification
  - Since March 2023 also explicitly includes risk finance aid for SMEs along CRM value chain
- **Climate, Energy and Environmental Aid Guidelines (CEEAG)**
  - Possibilities for processing, recycling, deploying less polluting technologies, rehabilitating polluted mining sites, etc.
- **Regional Aid Guidelines**
  - Can be along entire CRM value chain as long as conditions fulfilled: needs to be in assisted areas, needs to have incentive effect, etc.
- **Temporary Crisis and Transition Framework (TCTF**)
  - Covers key sectors affected by the Inflation Reduction Act (IRA) that are critical for the transition to net-zero and at risk of being diverted (i.e. batteries, solar panels, wind turbines, heat-pumps, electrolysers, carbon capture usage and storage equipment)
  - For these sectors, it covers key components and related critical raw materials
- **Important Projects of Common European Interest** (**IPCEI**) - value chain approach

Risk monitoring and mitigation

Risk monitoring

- **Assessment of critical and strategic raw materials**
- **Towards real time monitoring** (trade flows; demand and supply; concentration of supply; Union and global production)
- **Early warning system**

Risk preparedness:

- **Stress testing**
- Reporting and coordination of **strategic stocks**
- Voluntary **joint purchasing**



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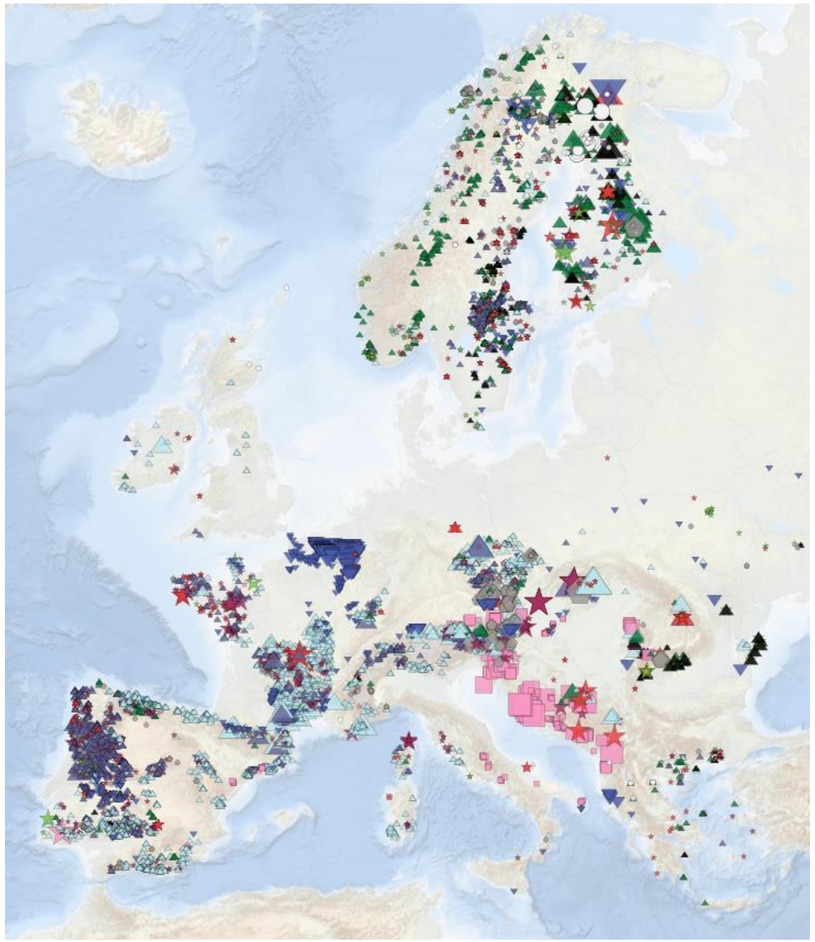
National exploration programmes

Objective: Support the EU's CRM value chain by:

- Increasing the geological knowledge of the EU's CRM potential
- Helping de-risk targeted and private exploration campaigns

Member States are to draw up National exploration programmes on CRMs (to be reviewed every 5 years), including, as appropriate:

- mineral mapping at a suitable scale;
- geochemical campaigns (soils, sediments, rocks);
- geoscientific surveys;
- processing of the data (e.g., predictive maps);
- reprocessing of existing geoscientific survey data.



Ensuring the free movement of SRMs with a high level of environmental protection

CIRCULARITY

- National measures on CRMs circularity
  - ➢ Increase reuse, collection and recycling
  - ➢ Increase use of secondary RM
  - ➢ Recycling technologies
- Maximising potential from (closed) extractive waste facilities
- Recyclability and recycled content of permanent magnets

SUSTAINABLE CHOICES

- Recognition of certification schemes on the sustainability of CRMs
- Empowerment to set, at a later stage, information requirements on the environmental footprint of CRMs placed in the EU market

Other Regulatory Measures

- Review of End of Life Vehicles Directive
- Codes in European list of Waste
- Harmonisation of Waste Management Rules
- Review Waste Electrical and Electronic Equipment Directive



European Commission

Governance

CRITICAL RAW MATERIALS BOARD

The Board has an advisory role supporting the Commission in the implementation of the different actions proposed in the Act.

COMPOSITION

Chaired by the European Commission

Composed by Member States and the Commission

Representatives from the EP as observers

STRATEGIC PARTNERSHIPS

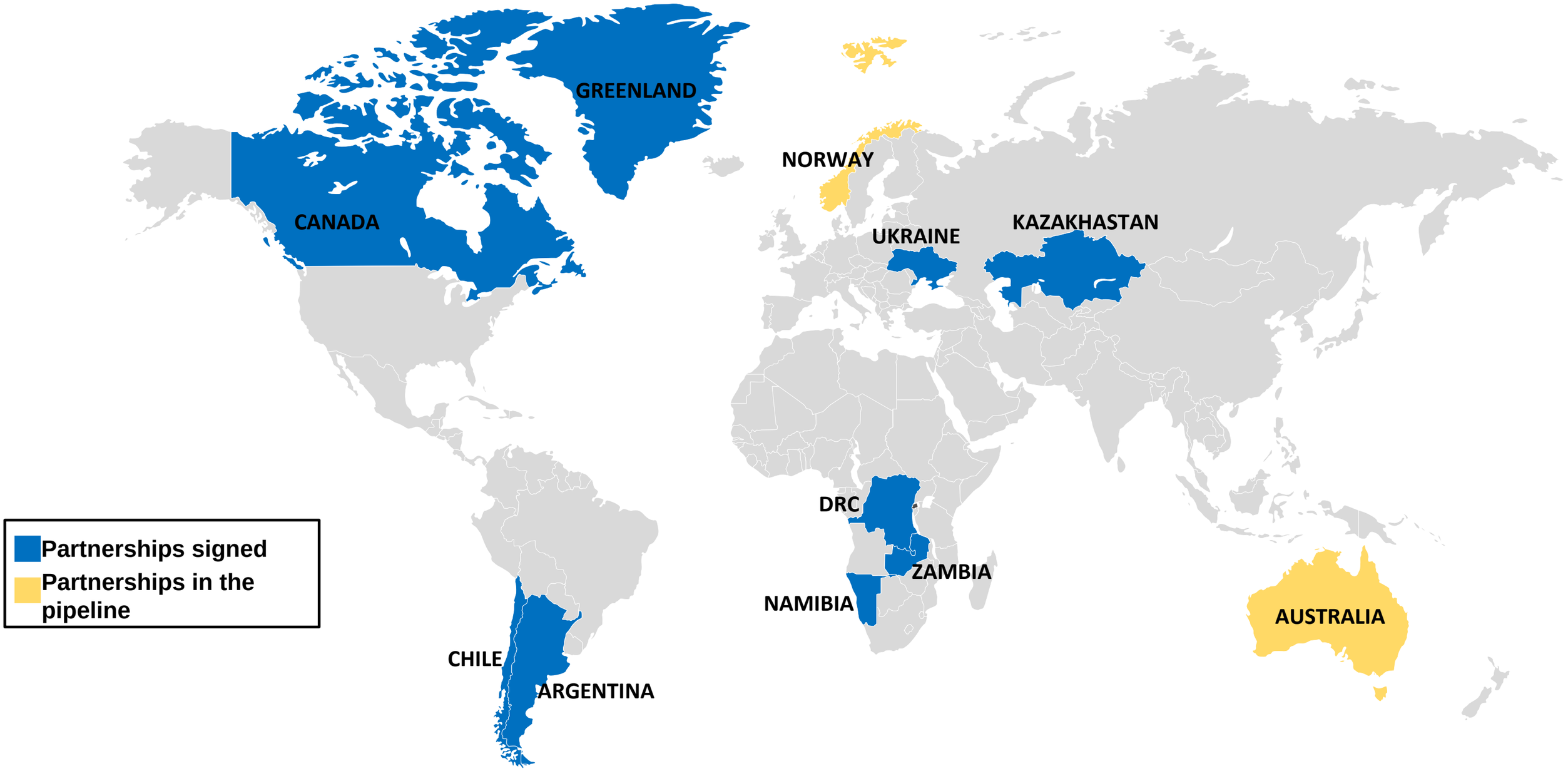
The Board also discusses Strategic Partnerships of the Union with third countries that cover raw materials and ensures their coordination with other international fora and initiatives.

Non-Regulatory Diversification Measures

- International initiatives (MSP, CRM Club, G7, etc.)
- Trade and Investment Agreements
- Lowering risk of investing abroad (Export Credit Agencies, etc.)

European Commission

Strategic Partnerships Raw Materials



Next Steps - Implementation

Entry into Force of Regulation expected in Q2 2024 (tbc)

- Setting Up of **Governance and Monitoring**
- First Meeting of the **Critical Raw Materials Board**
- First cut-off date for open call for **Strategic Projects**

Complementary actions to Regulation

- Continued **R&D funding** via Horizon Europe
- **Financial Support for Strategic Projects**, for example from Innovation Fund and EIT funded opportunities
- **Skills** via Raw Materials Academy

Useful links

[CRM Act Press Release]

[CRM Act (Draft Regulation)]

[CRM Act (Communication)]

[2023 JRC Foresight Study]

[2023 Study on CRMs for the EU]

[CRM Factsheets]



Thank you



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