



# European CRM Act

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



## EU policy and Responsible Sourcing of Base Metals

- Communication on the raw materials initiative, 2008  
(increase sustainable mining, more responsible sourcing from a diversity of resource-rich third countries, boost circularity)
- The EU principles for sustainable raw materials, 2021  
(establishes a common and non-regulatory set of principles/ best practices in the processing and mining)
- The Conflict Minerals Regulation, 2021  
(responsible sourcing of tungsten, tantalum, tin and gold)
- The Batteries regulation, 2023  
(requirements on due diligence policy covering social and environmental risks, higher recycling efficiencies and mandatory recycled content of battery raw materials)
- Corporate Sustainability Reporting Directive, 2023  
(disclosure on the risks and opportunities arising from social and environmental issues)
- Corporate Sustainability Due Diligence Directive  
(due diligence in relation to potential environmental and human rights impacts along their raw materials value chain)
- Critical Raw Materials Act, 2024

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

## 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

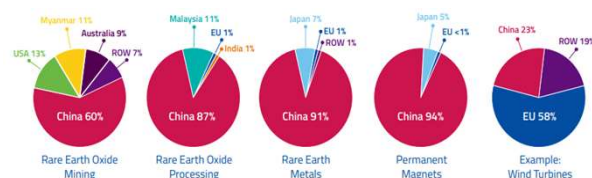
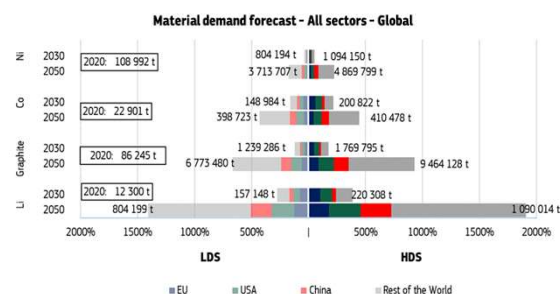


Fig. 3 From rare earths mining to wind turbine manufacturing: estimated market shares in 2019. Sources: Team analysis and Riskill 2018; Adamus Intelligence 2019; Petreus 2017; Carrara et al. 2020; IEA 2021; USGS 2021.

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**

## Setting Priorities

### DEFINING CRITICAL AND STRATEGIC RAW MATERIALS

#### Critical Raw Materials

Whole EU economy, based on :

- supply risk
- economic importance

#### Strategic Raw Materials

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

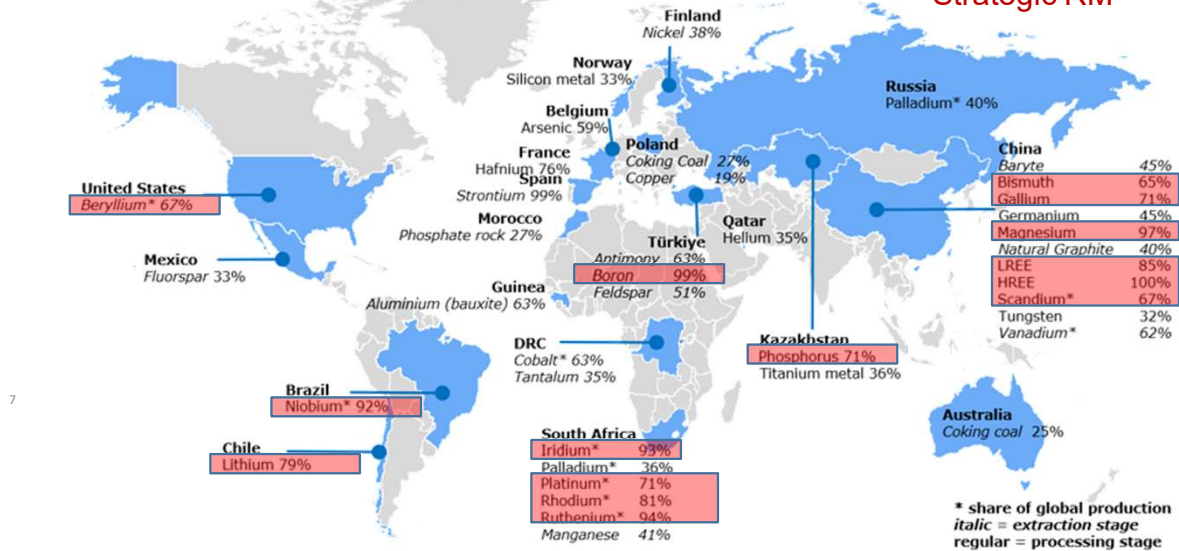
- EU's extraction capacity cover at least **10%** of the EU's SRM consumption
- EU's processing capacity cover at least **40%** of the EU's SRM consumption
- EU's recycling capacity cover at least **25%** of the EU's SRM consumption

#### Towards more diversification of supply

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

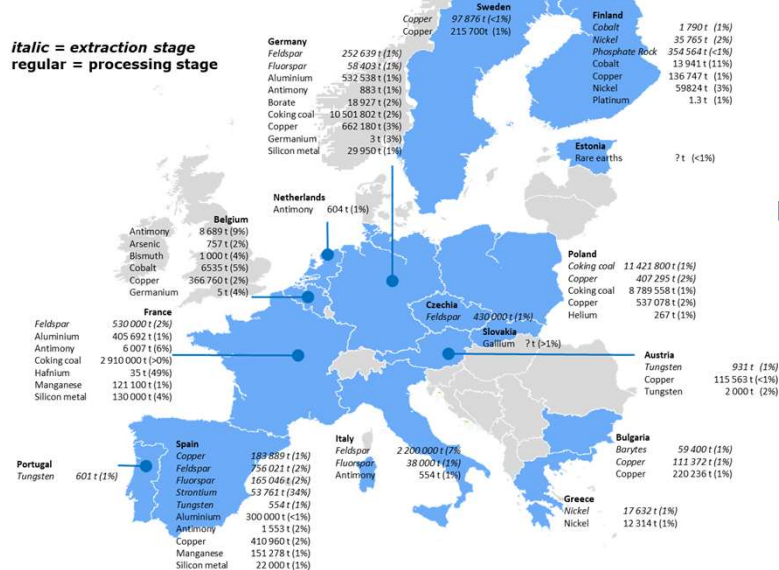
## Dependencies in the EU supply of CRMs

➔ Diversification benchmark of 65% for Strategic RM



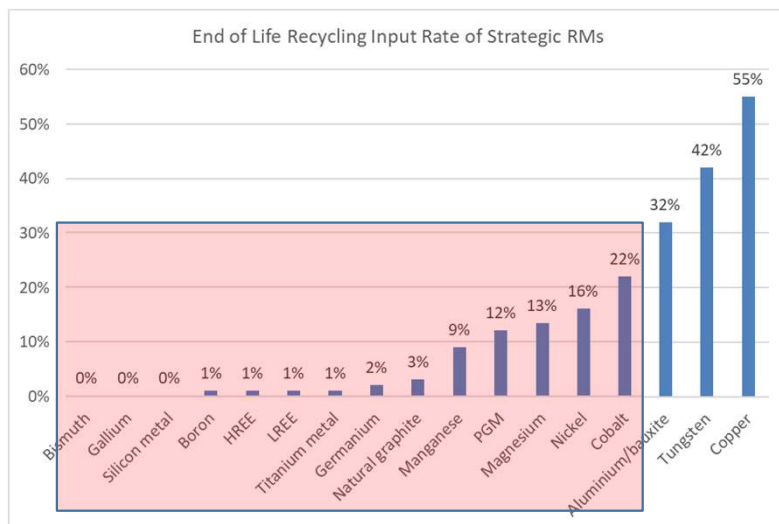
## EU producers of CRMs (shares of global supply, 2016-2020)

*italic = extraction stage*  
regular = processing stage



➔ 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

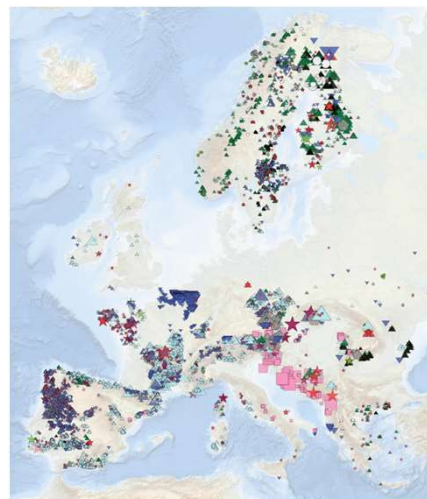
## National exploration programmes

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.



## 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**





## 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



## 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

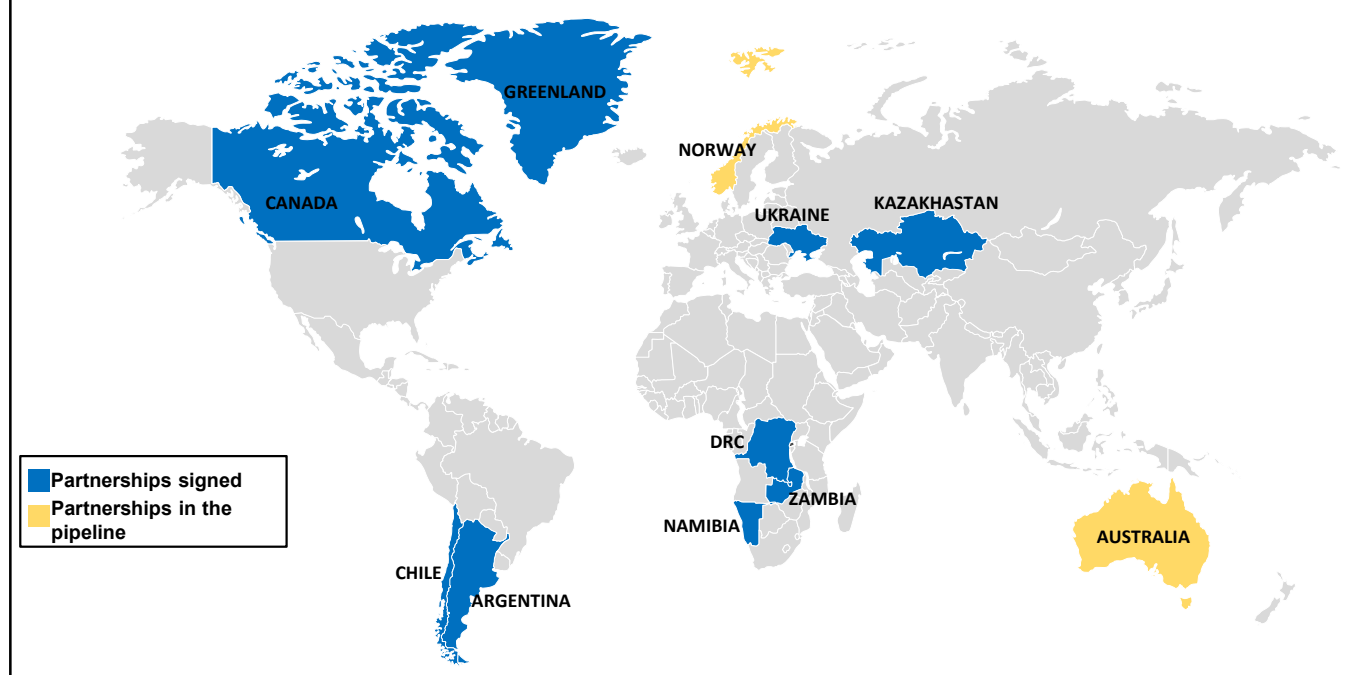
### STRATEGIC PARTNERSHIPS

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 (Minerals Security Partnership, CRM Club, G7, etc.)
- Trade and Investment Agreements
- Lowering risk of investing abroad (Export Credit Agencies, etc.)

## 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



## 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



© European Union 2024

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](#) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

