



# European Critical Raw Materials Act

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# Act

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

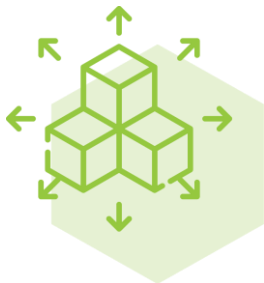
## Scope and benchmarks



**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**



# Scope: CRMs and SRMs

Articles 3 and 4 and Annexes 1 and 2

# Logic

## Defining critical and strategic raw materials

### CRM

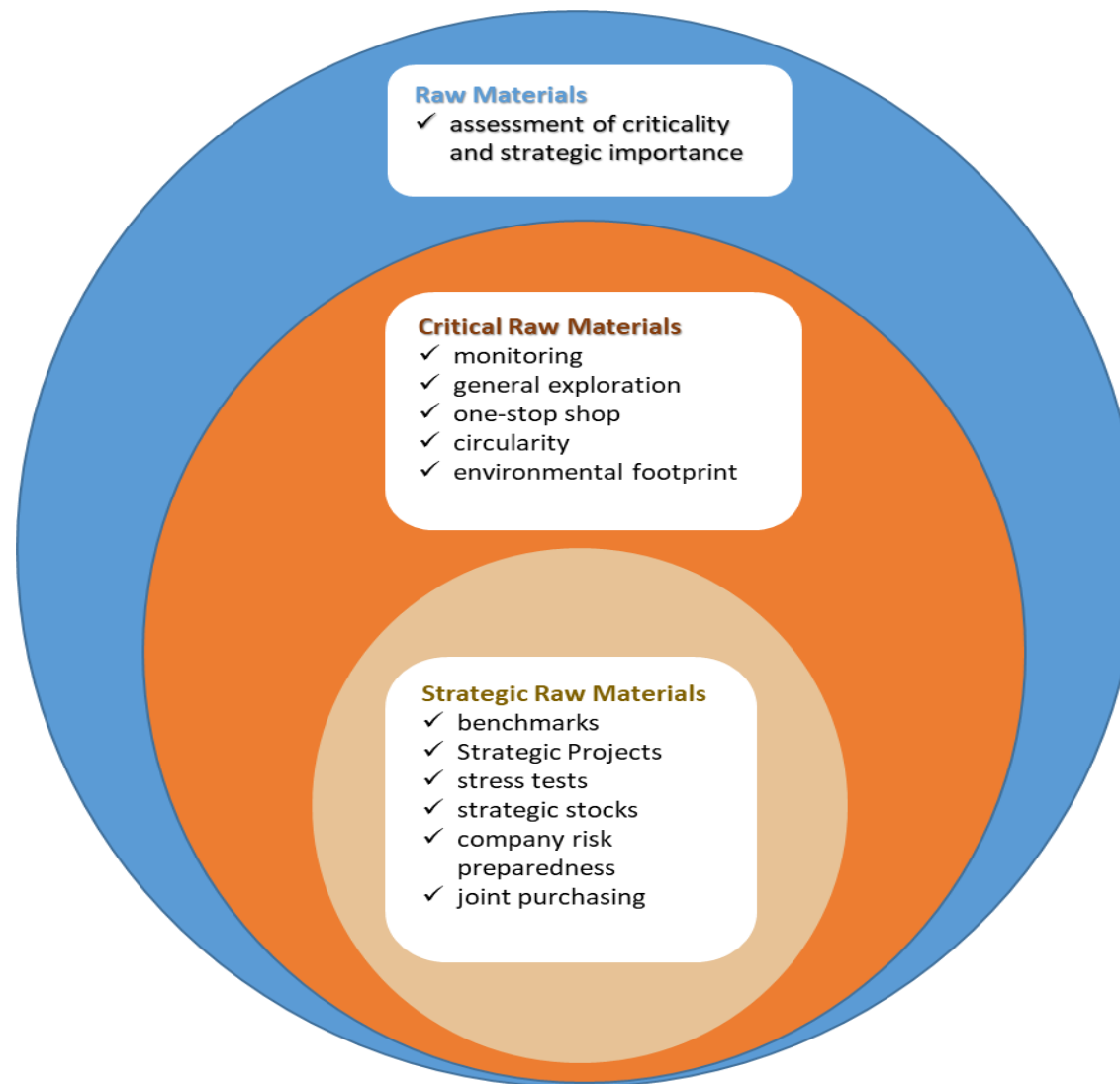
Whole EU economy, based on :

- supply risk
- economic importance

### SRM

SRM are a subset of CRM:



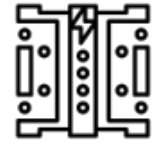


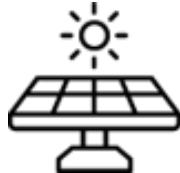


- Key for strategic technologies (green, digital, defence and space)
- Forecast demand risks outstripping supply
- Difficulty to scale up production



# Criteria for Strategic Raw Materials

- Strategic importance, based on the **highest relevance of a raw material for the green and digital transition, defence and space applications**:
  - number of strategic technologies using a raw material as an input;
  - amount of a raw material needed for manufacturing relevant strategic technologies;
  - the expected global demand for relevant strategic technologies.
- Forecasted demand growth (2030 demand forecast vs. global annual production)
- Difficulty of increasing production
  - current production scale
  - reserves-production ratio

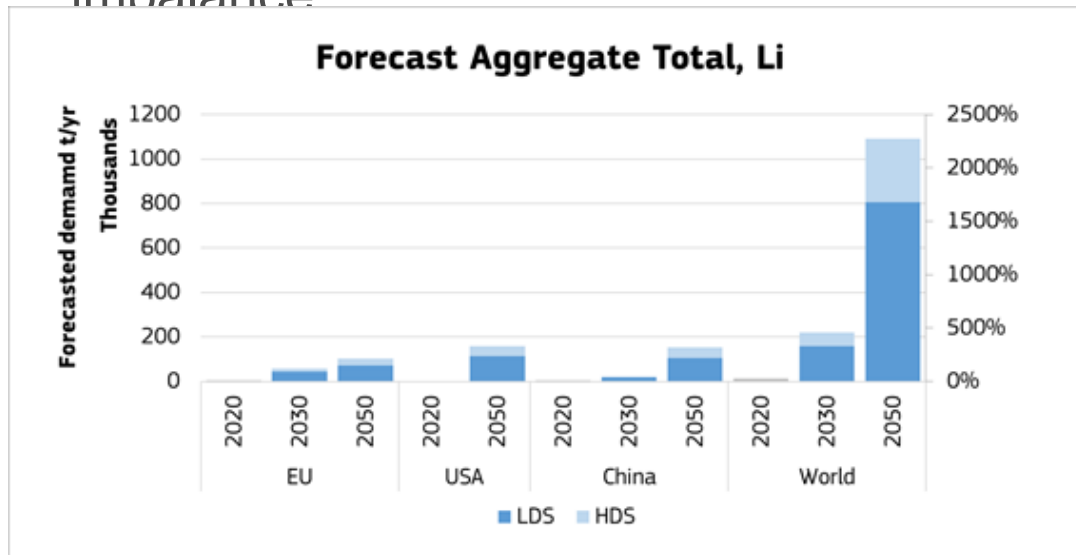
# High relevance of SRM for strategic technologies

								
Bismuth								●
Boron - metallurgy grade				●	●	●	●	●
Cobalt	●						●	●
Copper	●	●	●	●	●	●	●	●
Gallium						●	●	●
Germanium						●	●	●
Lithium - battery grade	●						●	●
Magnesium metal								●
Manganese - battery grade	●						●	●
Natural Graphite - battery grade	●						●	●
Nickel - battery grade	●						●	●
Platinum Group Metals		●	●					
Magnet REE*				●	●			●
Silicon metal						●	●	●
Titanium metal								●
Tungsten								●

\*(Nd, Pr, Tb, Dy, Gd, Sm, Ce)

# Raw materials for the green and digital transition

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



*Demand forecasts aggregated for lithium (2023 Foresight Report)*

Lithium demand for batteries in the EU is expected to **grow by 12 times by 2030** and **by 21 times by 2050**.

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

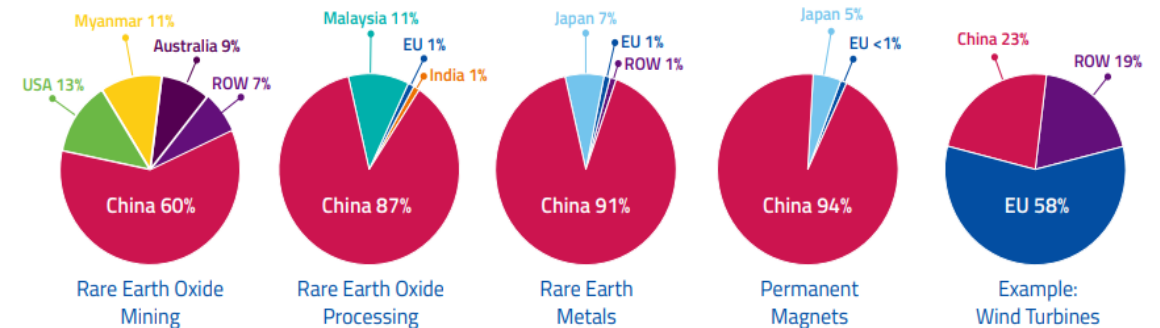


Fig. 3: From rare earths mining to wind turbine manufacturing: estimated market shares in 2019. Sources: Team analysis and Roskill 2018; Adamas Intelligence 2019; Peteves 2017; Carrara et al. 2020; IEA 2021; USGS 2021.

*Source: European Raw Materials Alliance (ERMA)*

# 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
- 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**
- **Natural Graphite**
- **Nickel – battery grade**
- Niobium
- Phosphate rock
- Phosphorus
- **Platinum Group Metals**
- Scandium
- **Silicon metal**
- Strontium
- Tantalum
- **Titanium metal**
- **Tungsten**
- Vanadium



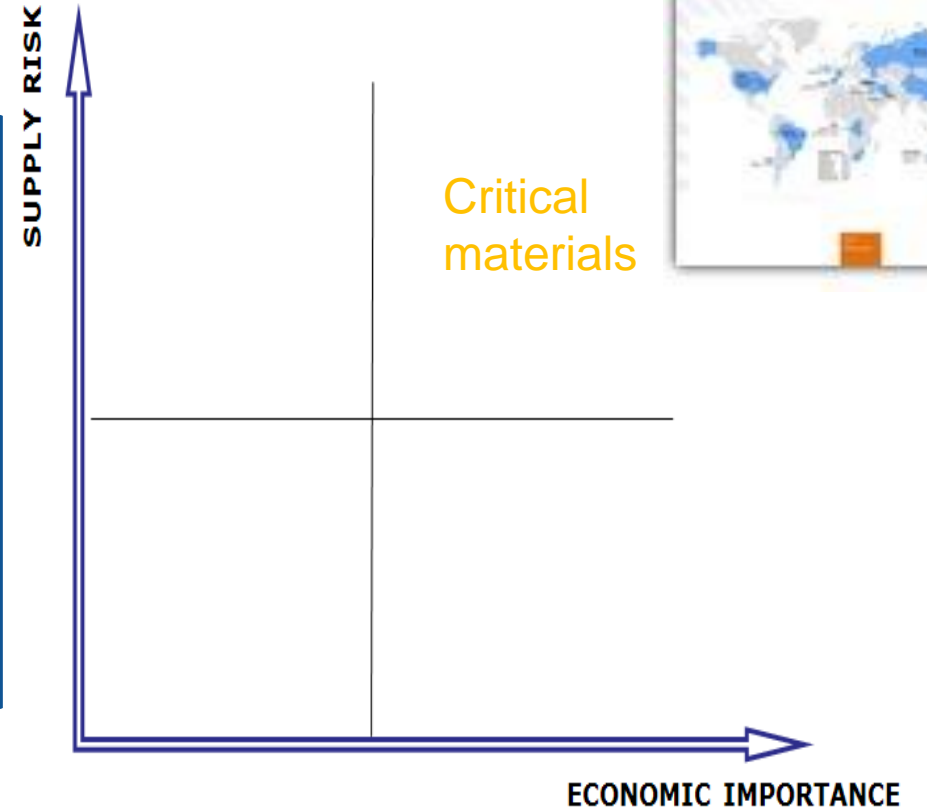
# Criteria for Critical Raw Materials

## Economic importance

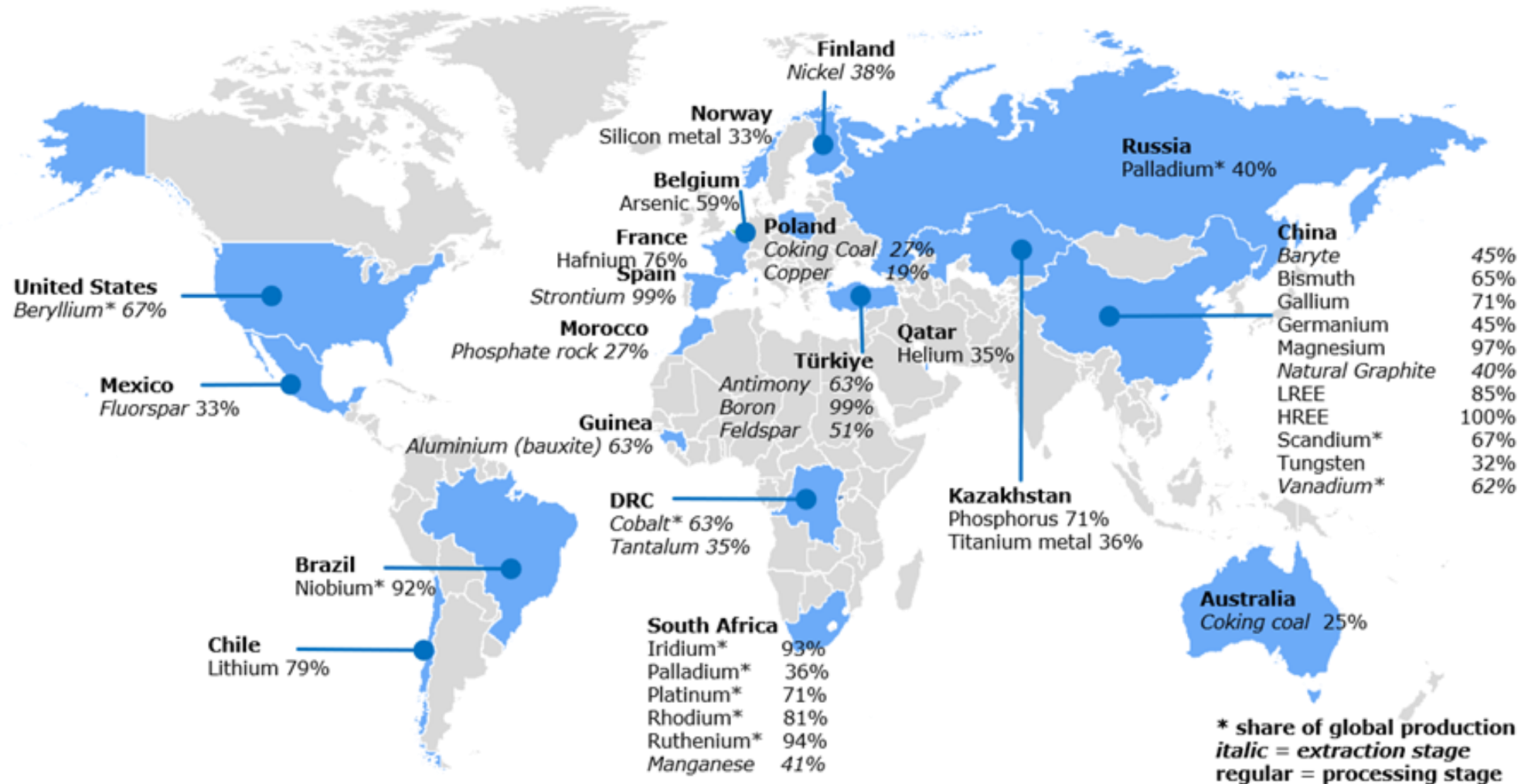
- Importance of a raw material per economic sector & importance of the sector in the EU economy (value added)
- Substitution (technical and cost performance)

## Supply risk

- Global supply and EU sourcing (extraction/processing)
- Market concentration (HHI)
- Governance performance (WGI)
- Import reliance
- Trade agreements and restrictions
- End-of-Life Recycling
- Input Rate
- Substitution (production, criticality, co/by-production)



# Dependencies in the EU supply of Critical raw materials



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

# Benchmarks

Article 1

# 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

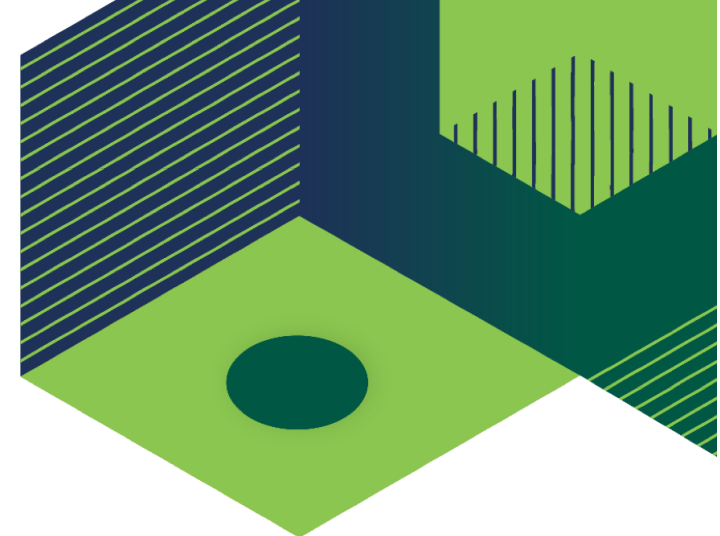
## 2023 BENCHMARKS

### 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 **15%** 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.



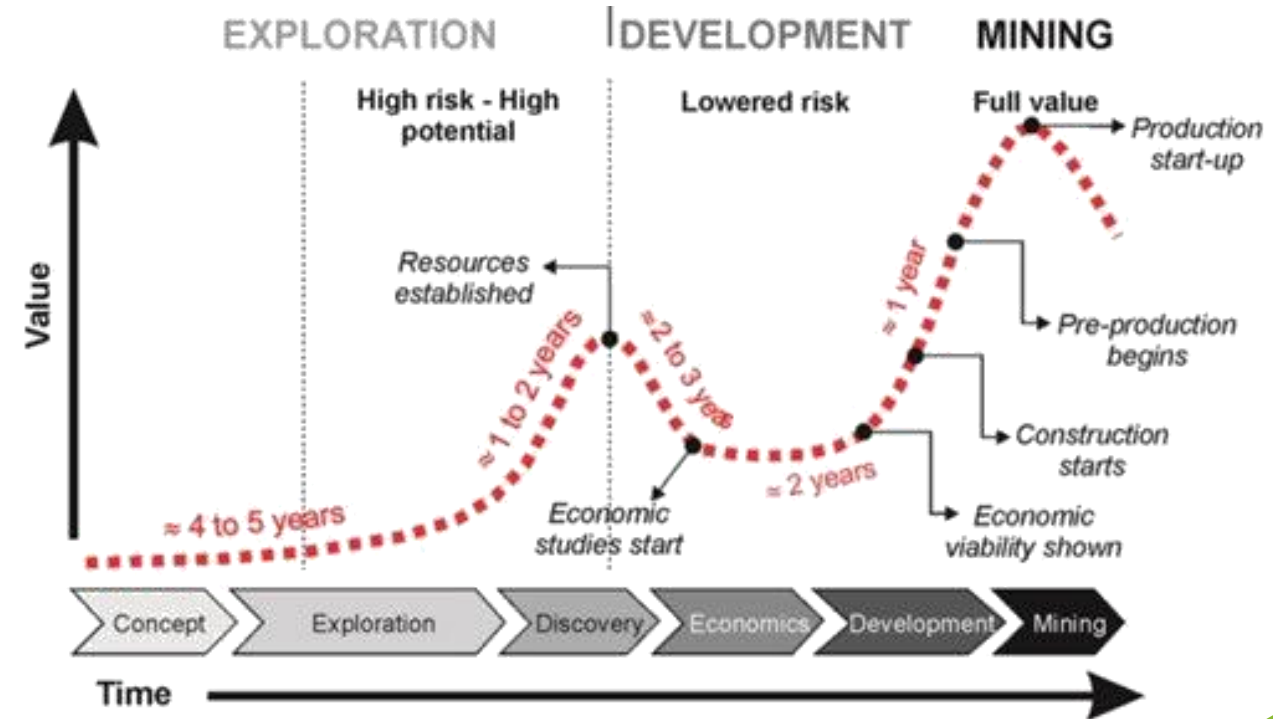


# Strategic Projects

Articles 5-7, annex III

# STRATEGIC PROJECTS

- Different projects have different needs, depending on their location, on their place in the value chain, or the materials they produce
- CRM Act intends to develop the EU value chain through support to Strategic Projects
  - Regulation (Permitting, Access to finance, Offtakes)
  - Communication (R&I)



# STRATEGIC PROJECTS

Across the whole SRM value chain: extraction – processing – recycling in the EU and third countries

## **Selection by the Commission on advice from the Board based on** (Article 5, criteria Annex III)

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

## **Process** (Art. 6)

- Application by the project promoter
- Opinion by the Board, Veto possibility for the MS or third country concerned
- Decision by the Commission

## **Permitting**

- One stop shop (OSS) (Art. 8)
- Time limits for the permit granting process (Art. 10)
- Priority status for administrative and judicial processes (Art. 9)
- Considered of public interest in light of potential overriding interest exemption (7(2))
- Bundling and streamlining of environmental assessments (Art. 11)
- Planning (Art. 12)

## **Coordination of Financing**

- Private and public investment
- State aid

## **Facilitating off-take agreements**

- Commission brings together project promoters and off-takers via a system, in compliance with competition rules



# Permit granting process

Chapter 3, Section 2



# Overview of permitting benefits

- For all CRM projects:
  - Authorities to take into account the potential for CRM projects in **planning** (Art. 12)
  - Single point of contact for whole process, i.e. **one-stop-shop (OSS)** (Art. 8)
- In addition for Strategic Projects:
  - Considered of **public interest** in light of potential overriding interest exemption (7(2))
  - **Time limits** for the permit granting process (Art. 10)
  - **Priority status** for administrative and judicial processes (Art. 9)
  - Bundling and streamlining of **environmental assessments** (Art. 11)

# Provisions based on existing rules or other proposals

CRM Act provisions	Based on
Art. 7(2) (overriding public interest)	Art. 7(8) Trans-European Networks for Energy (TEN-E) Regulation
Art. 8(1) to (3) (OSS designation)	Art. 8(1) and (2) TEN-E Regulation
Art. 8(4) (electronic submission)	Art. 16(2) Renewable Energy Directive (RED) II
Art. 8(5) (no duplication)	Art. 10(4) TEN-E Regulation
Art. 8(6) (access to dispute settlement)	Art. 16(5) RED II
Art. 8(7) (OSS staffing)	Art. 16 Environmental Crime Directive proposal
Art. 9(1) to (3) (SP priority status)	Art. 7(2) to (4) TEN-E Regulation
Art. 10(1) to (3)	Art. 16b(1) RED II revision proposal + Art. 10(10 and (2) TEN-E Regulation
Art. 10(4) (tacit approval)	Art. 16a(6) RED II revision proposal
Art. 10(5) (validation of application)	Art. 16(2) RED II revision proposal
Art. 10(6) (detailed schedule)	Art. 10(6)(b) TEN-E Regulation
Art. 10(7) (time limits context)	Art. 10(9) TEN-E Regulation
Art. 11(1) (mandatory scoping)	Art. 16b(2) RED II revision proposal
Art. 11(2) (bundling assessments)	Art. 2(3) EIA Directive (made mandatory)
Art. 11(3) (timeline reasoned conclusion)	Art. 3(6) EIA Directive revision proposal (2012)
Art. 11(4) (timeline consultation)	Art. 6(7) Environmental Impact Assessment (EIA) Directive revision proposal (2012)
Art. 12(1) (planning)	Art. 15(3) RED II
Art. 12(2) (SEA bundling)	Art. 11(2) Strategic Environmental Assessment (SEA) Directive (made mandatory)

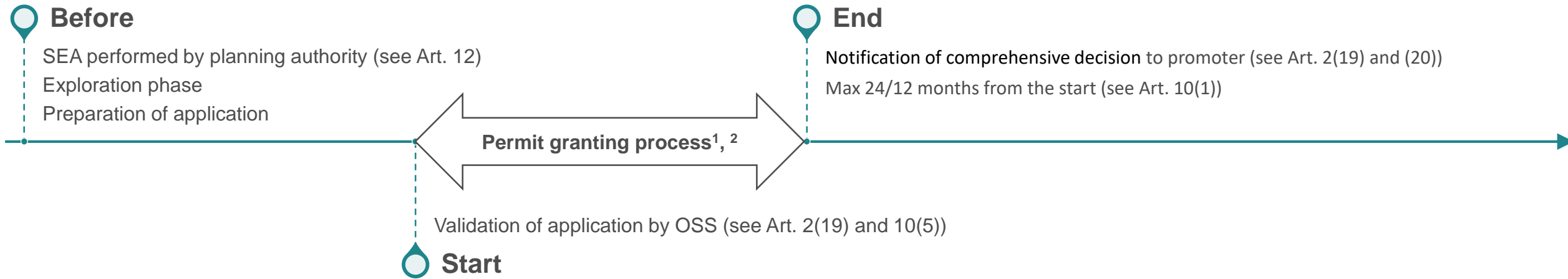
# Provisions based on the type of projects

CRM Act provisions	Type of project
Art. 7(2) (overriding public interest)	Strategic Project
Art. 8(1) to (3) (OSS designation)	CRM Project
Art. 8(4) (electronic submission)	CRM Project
Art. 8(5) (no duplication)	CRM Project
Art. 8(6) (access to dispute settlement)	CRM Project
Art. 8(7) (OSS staffing)	CRM Project
Art. 9(1) to (3) (SP priority status)	Strategic Project
Art. 10(1) to (3) (timeline)	Strategic Project
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Art. 11(3) (timeline reasoned conclusion)	Strategic Project
Art. 11(4) (timeline consultation)	Strategic Project
Art. 12(1) (planning)	CRM Project
Art. 12(2) (SEA bundling)	CRM Project
Art. 14, 15 and 16 (Enabling conditions)	Strategic Project
Art. 17 (Online accessibility of administrative information)	CRM Project

# One stop shop (OSS) (Art. 8)

- Problems addressed:
  - Structure of process differs between MS
  - Average of 4 authorities involved in permitting of extraction projects
- Aim: project promoter should **interact with a single authority**, which **coordinates** the submission of all relevant information and ensures a comprehensive decision is issued within the applicable time-limit
- In addition, the OSS should:
  - Be adequately staffed (possible EU support from Technical Support Instrument)
  - Allow for electronic submission of documents
  - Ensure promoter has access to relevant info and procedures

# Duration (Art. 10) - scope of timelines



<sup>1</sup> Art. 2(19) --> 'permit granting process' means a process covering **all relevant administrative permits** to plan, build and operate the Strategic Projects referred to in Article 5, **including building, chemical and grid connection permits and environmental assessments and authorisations** where these are required, and encompassing all administrative applications and procedures from the acknowledgment of the validity of the application to the notification of the comprehensive decision

<sup>2</sup> Art. 10(1) --> [...] the **permit granting process shall not exceed** (a) 24 months for Strategic Projects involving extraction [and] 12 months for Strategic Projects only involving processing or recycling

# Environmental assessments (Art. 11)

- Problems addressed:
  - Differences between MS in terms of procedure and content lead to unpredictability
  - Lack of clarity about scope and detail expected from project promoter
- Proposed measures aim to **streamline application of environmental rules** without undermining their effectiveness, by:
  - Bundling environmental assessments required by different legislation (para 2) through a joint or coordinated procedure
  - Making a scoping step mandatory (para 1)
  - Time limits for the reasoned conclusion (3 months, para 3) and public consultation (90 days, para 4) required in EIA Directive

# Planning (Art. 12)

- Land-use conflicts can be barrier to development of CRM projects
- Well-designed plans can help balance public goods and interests, decreasing risk of conflicts and accelerating CRM projects in EU
- Requirement for MS to ensure that planning authorities include provisions for CRM projects in their plans, where appropriate
- Requires MS to combine environmental impact assessments of such plans where possible
  - This is already encouraged by the SEA Directive



# Enabling Conditions

Articles 14-17



# Existing funds for supporting projects

Funds and programmes	Objectives	Envelope	Instruments	Examples
<b>ERDF (European Regional Development Fund)</b>	Promote regional cohesion (focus on SMEs)	€72 bn for PO "Greener Europe" under MFF	<b>Grants</b>	Reducing energy consumption of processing of raw materials (ES)
<b>RRF – RePowerEU chapter</b>	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	<b>Grants/financial instruments (loans, equity, guarantees)</b>	Carester (FR): €5 mio for perm. magnet recycling to recover rare earths
<b>Just Transition Fund</b>	Reduce social and economic costs of the green transition	€19.2 bn under the MFF+NGEU	<b>Primarily grants</b>	Neo (EE): €19 mio for rare earth magnet manufacturing
<b>InvestEU</b>	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)	<b>Loans, equity, guarantees</b>	Projects under due diligence by EIB; CRM eligible for other IPs (EBRD, CDC, NIB, ICO, CDP)
<b>Innovation Fund</b>	Driving clean innovative technologies toward the market	€38 bn from ETS revenue (at €75/tCo2)	<b>Grants, up to 60% of the additional capital and operational costs</b>	Relieve (FR): €67 mio for recycling of batteries to recover raw materials
<b>NDICI (EFSD+ guarantee)</b>	EU's investment framework for external action	€40 bn (budgetary guarantee split btw EIB and other IPs)	<b>Grants, loans, guarantees, equity</b>	EBRD guarantee programme "Hi-Bar" which covers CRM value chain

# State Aid Schemes

- **General Block Exemption Rules (GBER)**
  - Does *not* require notification
  - Since March 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)** – updated to also include Transition
- **Important Projects of Common European Interest (IPCEI)** - value chain approach

# Facilitating off-take agreements (Article 16)

- Volatile prices for SRM in combination with long lead-times create a lot of uncertainty for investors and harm the development of SRM projects
- Support both Strategic Projects and downstream manufacturers by bringing them together and increasing stability for their SRM prices; this supports projects to secure financing
  - (1) Commission shall set up system to facilitate conclusion of off-take agreements related to SPs, in compliance with competition rules
  - (2) Potential off-takers can make bids, indicating volume and quality, price range and duration
  - (3) Project promoter of SPs can make bids, indicating volume and quality, price range and duration
  - (4) Based on bids made, Commission brings together project promoters and off-takers

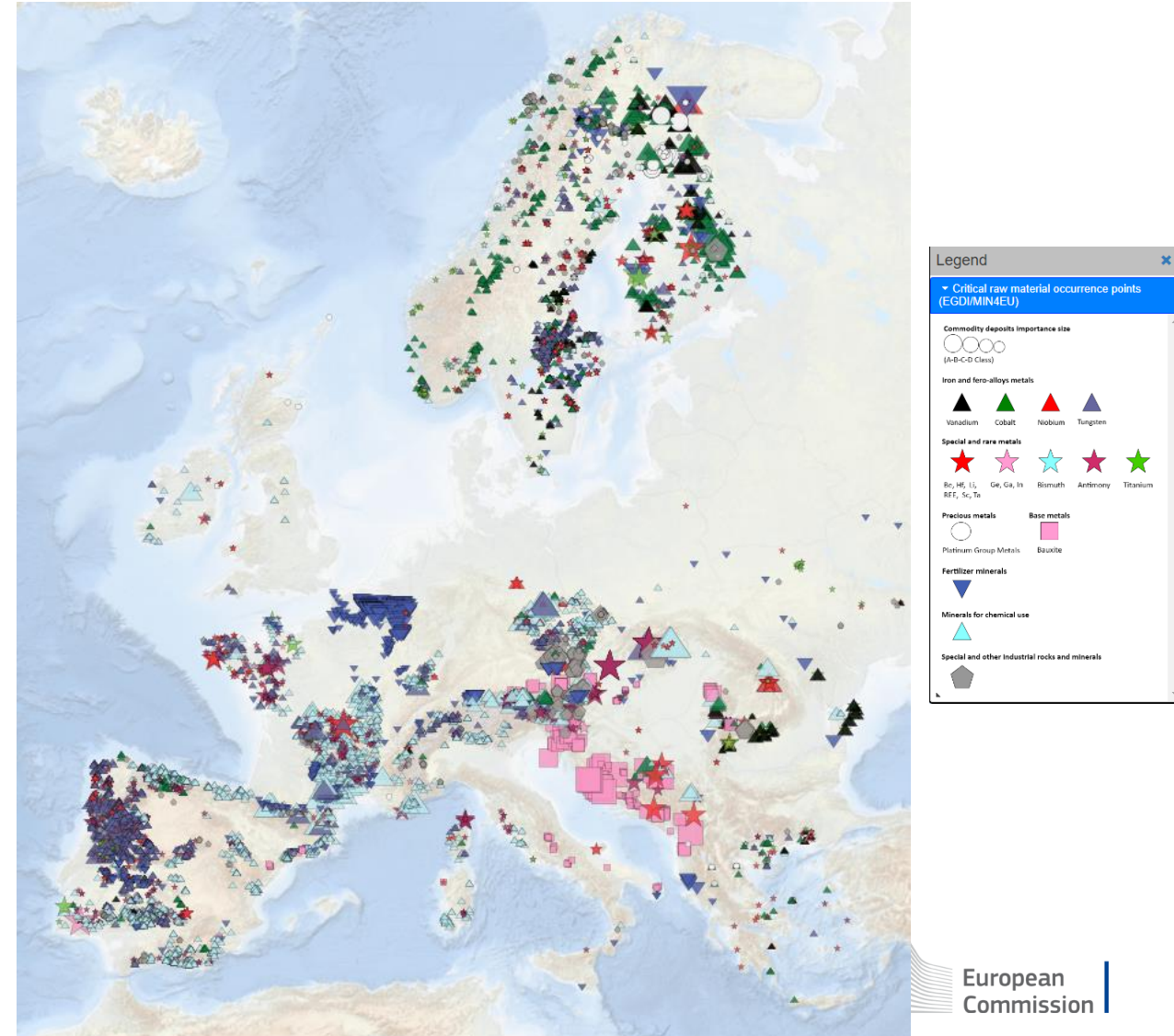


# Exploration

Chapter 3, Section 4

# Exploration (art. 18)

- The problems addressed
  - Lack of investment in exploration: EU's exploration budget = 2-3% of global exploration expenditure (2010-2022)
  - Outdated general knowledge - Map reflects knowledge acquired decades ago
  - Untapped resources
  - High risk activities for junior miners



# Exploration (art. 18) (2/2)

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.

- Publication of data on free access website:
  - When relevant with UNFC/INSPIRE (template through implementing act);
  - Eventually containing art. 26's database of closed waste facilities
- Discussion in the Board's dedicated subgroup on
  - Cross-border cooperation;
  - Best (geological) practices;
  - The creation of an integrated database.



# Risk monitoring and mitigation

**Monitoring and stress testing (Art. 19 & Art. 20)**

**Company risk preparedness (art. 23)**

# Overview

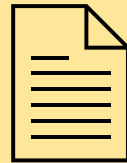
## Commission

### Monitors:

- trade flows;
- demand and supply;
- concentration of supply;
- Union and global production (Extraction, Processing, Recycling)

### Publish information / dashboard

- results of monitoring and supply risk
- Results of stress test and Mitigation measures



- Exploration programmes (18(4))
- Monitoring (20(1) and (2)),
- Strategic stocks (21(1), 22(5))
- National measures on circularity (25(6)).

Stress tests for SRM supply chains (19(3), 23(2))

to Member States, the Board and the Union governance bodies of crisis vigilance



## Member States

subgroups, for monitoring national supply and information agencies covering critical raw materials or equivalent relevant national authority

information gathering and sharing

- evolution of the monitoring parameters
- Including any new or existing raw material project on their territory (UNFC)

key market operators (23)

- Survey
- notify Commission of "major events that may hinder the regular operations"



# Treatment of confidential information (Art. 44)

- Information gathered should be used only for the purposes of this Regulation;
- Member States and Commission are responsible for ensuring the protection of sensitive, confidential and classified information;
- No downgrading or declassification without the prior written consent of the originator;
- National security exemption: Member State may object to presentation of aggregated information on strategic stocks in interest of national security (in line with TEU art. 4.2)
- Everyone involved in implementation of Regulation shall ensure the confidentiality of information obtained in carrying out their tasks and activities.

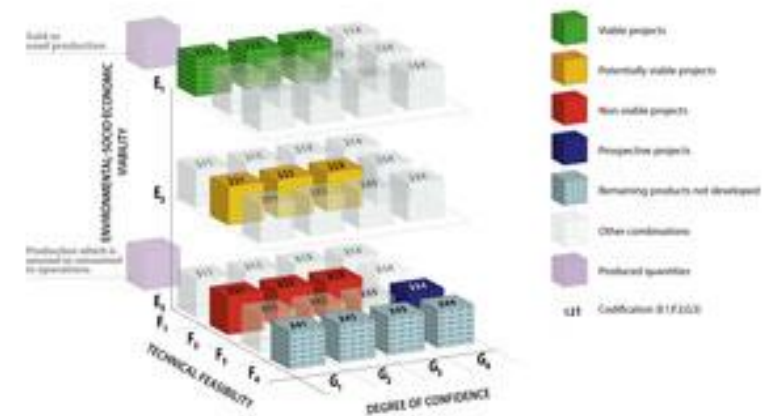
# Reporting of Member States (Art. 43)

- 1) Member States shall each year send a report to the Commission containing the information referred to in
  - 1) Article 18(4) - exploration,
  - 2) Article 20(1) and (2) - CRM projects and key market operators,
  - 3) Article 21(1) - strategic stocks,
  - 4) Article 22(5) - report on the implementation or not of the COM's opinion on strategic stocks,
  - 5) Article 25(6) - implementation of national programmes on circularity.
- 2) Objective : minimise added burden on Member States in terms of reporting
- 3) Information would be treated with due confidentiality.

# Use of UNFC in CRMA

SRMs - Strategic projects 6(1), CRMs - National exploration programmes 18(5), Information obligations for monitoring 20(1), Recovery of critical raw materials from extractive waste 23(7)

- EU Member States use different reporting systems, some of them legally binding, unlike CRIRSCO standards.
- There are no country reporting standards on processing and recycling projects.
- **United Nations Framework Classification of Resources (UNFC) is the only classification system, which can compare resources and projects across the EU and globally.**
- **UNFC can cover exploration, mining, processing and recycling projects.**
- **UNFC provides information on maturity of projects evolving over time, and their environmental and social performance.**
- UNFC Guidance Europe 2022 – UNECE project => **national guidance documents and trainings**
- **EU database of Critical Raw Materials projects**



UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

## UNFC GUIDANCE EUROPE

Guidance for the Application of the United Nations Framework Classification of Resources (UNFC) for Mineral and Anthropogenic Resources in Europe

75 UNECE

European Commission

## EU database of Critical Raw Materials projects: 2022 update

Data gathered by the Commission with Member States

# Stress testing (Art. 19)

Stress tests: Performing stress tests will ensure that Union value chains can be better prepared against potential supply disruptions

**At least every 3 years**, the Board will coordinate and implement stress tests for **each strategic raw material's supply chain**

- Stress-tests will assess the vulnerability of the Union's supply chains considering:
- Geographical localisation of the raw material's activity
  - Capacities of economic operators and the market structure
  - Factors that might affect supply (geopolitical, energy, logistics, workforce, natural disasters, etc)
  - Availability of alternative supply sources and of substitute materials
  - The users of the relevant raw material along the value chain and their share of demand

Accessibility and coordination of monitoring and stress-test information

- The information gathered under art. 19 will **be publicly available on a free access website** with an up-to-date monitoring dashboard
- In case that a supply risk is assessed, **the Commission will alert** MS, the Board and the Union crisis bodies

# Company risk preparedness (Art. 23)

**Aim:** improve the ability of large companies using strategic raw materials to face supply disruptions to secure a well-functioning, competitive and resilient market.

- The proposal sets that **MS should identify the operators to which this article applies, namely:**
  - Large companies, of over 500 employees and a net global turnover over EUR 150 million, which also
  - Manufacture strategic technologies for green/digital or defence purposes (listed in the art.)
- The companies identified should audit their supply chains containing SRM, notably by:
  - 1) Mapping the provenance of supply of strategic raw materials ;
  - 2) Perform a stress test of their strategic raw materials supply chains to assess their vulnerability to disruption and considering the elements listed in Article 19(3);
- The companies would then report to their board of directors on the audit



# Risk monitoring and mitigation

**Stockpiling and joint purchasing (Art. 21, 22 and 24)**

**Confidential information (art. 44)**

# Reporting and coordination of strategic stocks

**Aim:** improve the security of supply for strategic raw materials and strengthen industrial capacity

**EUCO mandate (Versailles Declaration):** *Critical raw materials: We will secure EU supply by means of [...] exploring strategic stockpiling [...].*

## Problems addressed :

- Lack of information on strategic raw materials stocks
- Absence of a coordination strategy to implement in case of a supply disruption
- **Reporting of strategic stocks (Art. 21):** Member States will have to submit information to the Commission on their state of strategic stocks (held by public authorities, public owned companies or economic operators on behalf of the MS)
- **Coordination of strategic stocks (Art. 22):** Commission will
  - develop a non-binding benchmark on what constitutes a safe level of Union stocks for each strategic raw material.
  - considering the views of the Board may issue non-binding opinions to MS

# Joint purchasing (Art. 24)

- **Problem addressed:**
  - Markets of strategic raw materials are often untransparent and concentrated on the seller side
- **Aim:** a joint purchasing system can help economic operators to obtain better access to SRM, better prices, better conditions and reduce administrative costs
- Builds strongly on **gas joint purchasing** mechanism
- **The proposal requires the Commission to set and operate a system to**
  - Aggregate the demand for SRM of undertakings in the Union and Member State authorities responsible for strategic stocks
  - Seek offers from suppliers globally and match most competitive ones with aggregated demand
- The actual contracting happens outside of the system; the Commission **does not** procure SRM on behalf of others
- Commission decides on material, processing stage and quality





# Sustainability – Chapter 5

# 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**
- Preparing the ground for massive recycling 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

## CE Regulatory Measures

- Review of EoL Vehicles Directive
- Codes in European list of Waste
- Harmonisation of Waste Management Rules
- Review WEEE Directive

# Overview of sustainability provisions

- Circularity
  - Article 25: National measures on circularity
  - Article 26: Recovery of critical raw materials from extractive waste
  - Article 27: Recyclability of permanent magnets
  - Article 28: Recycled content of permanent magnets
- Certification and environmental footprint
  - Article 29: Recognised schemes
  - Article 30: Environmental footprint declaration
- Free movement, conformity and market surveillance (Art. 31-32, 39-41)



# Circularity measures

# National measures on circularity (Art. 25)

- Rationale: Current waste and recycling systems do not sufficiently target CRMs; EU and MS share competences relevant to increasing CRM circularity
- As a complement to further developing EU waste and product legislation (proposed ESPR, WSR, upcoming reviews of ELV and WEEE Directives etc.), national programmes should pull together efforts within national competence:
  - **Collection systems**
  - **Re-use**
  - **Secondary raw materials use and public procurement (synergy with GPP initiatives)**
  - **R&I programmes (synergy with Horizon Europe)**
  - **Skills**
- Discretion for MS to prioritise effective measures, as long as the list of priority products/waste streams and dimensions (a)-(e) are addressed

# National measures on circularity (Art. 25)

- Commission to adopt an implementing act to specify a **list of products, components and waste streams** to be targeted, taking into account notably the quantitative potential and existing gaps/challenges
  - Should notably include products and waste streams currently not covered by Union legislation, but also target specific sub-categories or components of e.g. WEEE or ELV
- Programmes may include the introduction of **financial incentives**, without prejudice to Articles 107 and 108 TFEU
- Circularity programmes to be adopted and implement by **3 years** from entry into force, measures related to extractive waste sites by 4 years from entry into force
- Art. 25(5) introduces an obligation for **MS to report on amounts of CRMs** recovered from WEEE (self-standing obligation linked to Art. 16(6) of the WEEE Directive)

# Recovery of CRMs from extractive waste (Art. 26)

- Rationale:
  - Re-mining of extractive waste offers potential to revitalise abandoned sites, and to extract CRMs where environmental and social concerns are lower than on greenfield sites
  - Operators interested in re-mining currently face a lack of information and unclear responsibilities
- Art. 26 introduces obligations on operators for existing extractive waste sites, and on Member States for closed extractive waste sites (clear assignment of responsibilities)
  - Para 1-3: Operators must perform a (low-cost and confidential) **preliminary economic assessment of potential CRM recovery**, integrated with existing reporting obligations under the Extractive Waste Directive
  - Para 4-7: **MS shall establish a database** of all closed extractive waste facilities, and undertake the activities to collect the necessary information to make re-mining projects viable

# Permanent magnet circularity

## Article 27 Recyclability of permanent magnets

- Product scope includes medical devices, industrial applications, vehicles, bigger household appliances, excludes small consumer electronics
- First step: Labelling of the type of permanent magnet: NdFeB, SmCo, AlNiCo or Ferrite
  - Implementing Act to define the format of labelling
- Second step: For CRM-containing types (NdFeB, SmCo, AlNiCo), data carrier providing additional information on:
  - Responsible market operator
  - Weight, location, chemical composition and presence of coatings, glues and additives
  - Information enabling access and removal
- Note: confidentiality to be ensured
- Note: avoiding duplication, products covered by the Ecodesign for Sustainable Products Regulation (ESPR) digital product passport (DPP)





# Recyclability of permanent magnets (Art. 27)

Application Category	Application	Magnet weight (kg or Kg/MW for Energy)
Medical applications	MRI	1700
Energy	Wind turbines (offshore)	650
Energy	Wind turbines (onshore)	160
Industrial applications	Industrial robots	1,96
Mobility	EVs	1,9
Home appliances	Air conditioners	0,325
Mobility	Electric bicycles	0,27
Mobility	Electric scooters	0,27
Mobility	Electric motorbikes	0,27
Mobility	Conventional vehicles	0,225
Home appliances	Refrigerators	0,2
Industrial applications	Industrial motors	0,175
Home appliances	Washing and drying machines	0,135
Home appliances	Microwave	0,11
Home appliances	Vaccum cleaner	0,08
Home appliances	Dishwashing machines	0,05

# Permanent magnet circularity

## Article 28 Recycled content of permanent magnets

### Rationale:

- To allow customers (e.g. automotive manufacturers, wind turbine manufacturers) to choose magnet suppliers based on reliable data on recycled content;
- To create a market for recycled rare earths and other magnet CRMs

Shares of Nd, Dy, Pr, Tb, B, Sm, Ni, Co recovered from manufacturing waste or post-consumer waste present in the permanent magnets (over 0.2 kg)

- First step: Transparency (3 years after entry into force/or 2 years after Delegated Act on calculation and verification rules)
- Potential second step: Minimum requirements (post-2030 and after)





# Recognised schemes and environmental footprint

# Recognised schemes (Art. 29)

- Rationale:
  - One possibility to show compliance with the sustainability requirements of Art. 5
  - This should lead to harmonisation of the currently fragmented certification market
- Scheme owners apply to the Commission for recognition of their scheme, recognition is granted through an Implementing Act
- Annex IV lays down the criteria:
  - Transparent, fair, non-discriminatory access
  - Ensures standards on all dimensions E-S-G – link to Art. 5/Annex III
  - Verification of compliance based on international standards
  - Independence and competence
- Commission to periodically verify compliance, may withdraw recognition in case of failure to take remedial action

# Environmental footprint (Art. 30)

- Problem: CRMs have environmental impacts, currently customers have no reliable and comparable information
- Idea: operators placing the CRM on the market have to provide an environmental footprint declaration prior to concluding a sales contract
  - Requirement **only applies** where calculation and verification rules are available (see next)
- Declaration shall contain info on the responsible operator, the CRM type and its origin, and link to a public version of the supporting study
- Scope:
  - Only CRMs in raw or processed form, not those incorporated in intermediate or final products
  - Only covers the one most important impact category per CRM (specified in calc rules)



# Strategic partnerships – Chapter 6

## Strategic Partnerships (Art. 33)

# EU Strategic Partnerships on Raw Materials



# Strategic Partnerships (Art. 33)

**Aim:** to provide a framework for better diversification of supply and ensure greater synergies between Strategic Partnerships and MS' cooperation with relevant third countries –a TEAM EUROPE approach

## Board to discuss:

- the extent to which Strategic Partnerships concluded by the Union contribute towards: (i) improving the Union's security of supply; (ii) the benchmark for diversification (65%); (iii) improving cooperation along the critical raw materials value chain between the Union and partner countries;
- the **coherence and potential synergies between Member States' bilateral cooperation with relevant third countries and the actions carried out by the Union** in the context of Strategic Partnerships;
- which third countries should be prioritised for Union partnerships

## Member States to:

- (a) coordinate with the Commission to ensure coherence between their bilateral cooperation with relevant third countries and the Union's non-binding Strategic Partnerships with third countries, whose scope at least includes critical raw materials value chain
- (b) support the Commission in the implementation of the cooperation measures set out in Strategic Partnerships





# Governance European Critical Raw Materials Board

## Chapter 7

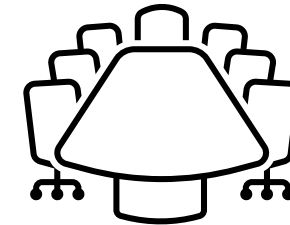
# European Critical Raw Materials Board (Art. 34)

- The Board aims **to advise and support the Commission in the implementation** of the tasks detailed in the regulation, namely :
  - Selection and support to the development Strategic Projects
  - Coordination national exploration programmes
  - Implementation and coordination of EU monitoring capacities and strategic stocks
  - Discuss Strategic Partnerships to ensure coherence, consistency and prioritisation
  - Ensuring coordination and information exchange with other crisis response/preparedness bodies established under EU law
- Similar approach as for the body to be created under the Chips Act (Semiconductor Board).

# Composition and functioning (Art. 35)

## Composition

- The Board is composed by:
  - The Commission, which chairs the meetings;
  - A high-level representative from each Member State;
- The European Parliament will be invited as observers
- The Board can also invite experts, third parties or rep. of third countries as relevant for its tasks.



## Functioning

- **An executive secretariat** managed by the Commission will provide technical and logistical support
- Rules of procedure will be adopted by a simple majority voting procedure

## Standing sub-groups for specific tasks :

- Financing sub-group: Strategic Projects (art. 15) with representatives of financial institutions (private and public) invited as observers
- Exploration sub-group: to coordinate national exploration programmes (Art. 18)
- Monitoring sub-group: ensure the coordination of the monitoring tasks (information gathering, implementation of stress tests) (Art. 19)
- Strategic stocks sub-group: responsible national emergency agencies or the relevant national authorities for strategic stocks (Art. 22)



**Raw Materials Week**  
**13-17 November 2023**  
**in Brussels**

**Save the date!**

[https://single-market-economy.ec.europa.eu/sectors/raw-materials/raw-materials-week\\_en](https://single-market-economy.ec.europa.eu/sectors/raw-materials/raw-materials-week_en)

# 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](#)

