

European Critical Raw Materials Act

or: Regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials



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1. General objective

“The general objective of the European Critical Raw Materials Act is to ensure the **EU’s secure access** to critical raw materials, while incentivising the **development of sustainable supply sources**. This ultimately contributes to **economic growth** and high living standards in the EU, **prevents disruptions** and distress within the **European single market** and increases the **competitiveness** of European businesses, **while not neglecting the EU’s role** in promoting **sustainable development** and **environmental protection globally**.”



2. Specific objectives of the CRMA

- 1. Strategic autonomy and supply:** reduce the EU's growing supply risks through strategic projects and development of raw materials supply chains within the EU
- 2. Diversification of imports:** increase diversification of its external supplies through strategic partnerships and projects
- 3. Monitoring, resilience:** strengthen capacity to monitor and mitigate existing and future supply risks
- 4. Circularity and Sustainability:** increase the circularity of critical minerals



Objective: strategic autonomy and supply

strengthen the different stages of the strategic raw materials value chain with a view to ensure that, by 2030, Union capacities for each strategic raw material have significantly increased so that, overall, Union capacity approaches or reaches the following benchmarks:

- At least **10%** of the EU's annual consumption for **extraction**,
- At least **40%** of the EU's annual consumption for **processing**,
- At least **15%** of the EU's annual consumption for **recycling**,
- **Not more than 65%** of the Union's annual consumption of each strategic raw material at any relevant stage of processing **from a single third country**.



4. Strategic and critical minerals

Aluminium/Bauxite	Coking Coal	Lithium	Phosphorus
Antimony	Feldspar	Light rare earth elements	Scandium
Arsenic	Fluorspar	Magnesium	Silicon metal
Baryte	Gallium	Manganese	Strontium
Beryllium	Germanium	Natural Graphite	Tantalum
Bismuth	Hafnium	Niobium	Titanium metal
Boron/Borate	Helium	Platinum group metals	Tungsten
Cobalt	Heavy rare earth elements	Phosphate Rock	Vanadium
		Copper	Nickel

5. Strategic projects

Main objective: get acceptance for projects (extraction, processing, recycling) within the EU and in non-EU countries as quickly as possible
→ at the expense of social and environmental safeguards

- Focus on „Public acceptance“ instead of compliance with human rights and environmental standards
- No reference to Indigenous Rights and consultation protocols (e.g. ILO 169, UNDRIP)
- No obligation to conduct Environmental Impact Assessments (EIAs), no reference to „no-go zones“
- Reference to UNGP, OECD Guidelines at least in the Annex; reference to CSDDD (but not adopted yet!);
- **But:** recognition of industry schemes
- Critical Raw Materials Board: no explicit reference to the participation of civil society

6. Strategic partnerships

Main objective:

- Diversification and security of supply through new partnerships
- main criterion: third country's potential reserves, extraction processing and recycling capacities related to CRMs
- „Use of socially responsible practices, minimisation of environmental impacts and engagement with communities“ mentioned but vague.

→ (rhetorical?) Paradigm shift: objective of strengthening **added value in third countries** mentioned, but unclear how: as e.g. contradiction with current and provisioned trade policies

6. Non- legislative measures: Role of commerce and external actions



CRM Club

Establish a raw materials alliance with partners to strengthen supply chains and diversify sourcing.



Strategic Partnerships on Raw Materials

Expand our network of strategic raw materials partnerships.



Trade and Investment Agreements

Leverage and expand our trade agreements as regards raw materials extraction, processing and trade.



Global Gateway

Support critical raw material supply projects, including on infrastructure, connectivity and sustainability.



Enforcing Trade Rules

Continue to combat unfair trade practices, especially when they concern trade investment in or access to critical raw materials.

Non-legislative measures: EU trade actions for raw materials supply



Lithium



- Net-zero use includes: electrical vehicles
- Projected increase in global demand: **x57 in 2050**
- Foreseen EU trade action:
 - Special focus on raw materials in trade agreements in Latin America
 - Strategic raw materials partnerships with countries with important reserves



Platinum Group Metals



- Net-zero use includes: hydrogen fuel cells
- Projected increase in global demand: **x970 in 2050**
- Foreseen EU trade action:
 - Work with South Africa for more predictable legal environment for trade and investment
 - Strategic raw materials partnership with countries with important reserves
 - Support investments in South African energy infrastructure



Critical points of the CRMA in a nutshell

- Demand side not addressed, clear focus on access to CRMs and secure supply → risk of undermining Green Transition in resource-rich countries
- Extractives industries are a high risk sector → sustainability criteria and Due diligence references very weak
- No inclusion of Indigenous rights and no reference to internationally or locally recognised consultation protocols (e.g. FPIC)
- Recognition of industry schemes
- Labelling strategic projects within the EU as „public interest“ → no criteria what public interest means → lacking social and environmental criteria and criteria for a globally just transition
- Wording on Circular Economy very weak

Thank you for your attention!

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für die Welt