Current critical raw materials policies and their impacts

Alessandra Hool, CEO ESM Foundation

"Securing access to Critical Raw Materials (CRMs)"

32nd Session of the Committee on Sustainable Energy, September 13, 2024, UNECE, Geneva
Critical raw material policies over time

• 2020s: Worldwide emergence of critical raw material strategies to secure supply for strategic sectors, in particular the energy transition; increase of policies fostering self-reliance

• From 2014: National Institutes and Observatories for Critical Raw Materials founded in several countries

• 2011: First list of Critical Raw Materials published by the EU


• 2004: Foundation of the Japan Oil, Gas and Metals National Corporation (JOGMEG)

• 1975: EC Communication “The Community's Supplies of Raw Materials”

• 1970s: “Limits to Growth” and Oil Crises

• 1939: US Strategic and Critical Materials Stock Piling Act
Tax credits for battery manufacturers using materials from US or allies

Alignment with “Make in India”, “Atmanirbhar Bharat”

Critical Raw Material EU Competitiveness

Critical Minerals Strategy 2023–2030
June 2023

Build sovereign processing capabilities, create more value from own resources

Strategic raw materials, benchmarks, shortened timelines, transparency requirements

Strategic raw materials, dependency reduction, recycling benchmarks
EU critical raw materials, 2023

Based on Study on the Critical Raw Materials for the EU (2023)
New: strategic raw materials

“The strategic importance shall be determined based on the relevance of a raw material for the green and digital transition as well as defence and space applications”
Content of the regulation proposal (excerpt)

- Domestic extraction & processing benchmark (Art. 1 Regulation)
  At least 10% of the EU’s annual consumption of strategic raw materials must be domestically sourced, and 40% domestically processed (and not more than 65% sourced from a single third country)
  - Council: raise processing benchmark to 50%

- Recycling benchmark (Art. 1 Regulation)
  At least 15% of the EU’s annual consumption of strategic raw materials must be covered by recycling
  - Council: raise recycling benchmark to 20%
  - Parliament: add 45% waste material recycling benchmark for each SRM

- Shortened timeframes for strategic projects (Art. 9-10 Regulation)
  “Overriding public interest”, permitting time max. 12/24 months, max. consultation period for environmental assessment 90 days

- Environmental footprinting (Art. 30 Regulation)
  Possibility to introduce mandatory environmental footprint declaration

- Strategic partnerships (Art. 33 Regulation, Communication)
  Cooperation measures; “CRM club” for partnerships with like-minded allies to secure CRM/SRM supply
## How are stakeholders affected?

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Selected opportunities</th>
<th>Selected challenges</th>
<th>Selected open questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and processing industry</td>
<td>Increased demand, visibility &amp; political support</td>
<td>Pressure to meet benchmarks and compliance requirements; possible knowledge and skill gaps</td>
<td>How will benchmarks be measured and composed?</td>
</tr>
<tr>
<td>Local communities</td>
<td>Job creation and economic development</td>
<td>Potential environmental damages due to shortened permitting times</td>
<td>Will there be a successful dialogue, co-creation, and trust between policymakers, industries, and affected communities?</td>
</tr>
<tr>
<td>National governments</td>
<td>Job creation and economic development, including downstream regional industry</td>
<td>Need to balance economic development with environmental and social considerations; increased work for monitoring &amp; implementation; might disadvantage economically weaker regions</td>
<td>Will there be EU level financial and personnel support to meet requirements and workload?</td>
</tr>
<tr>
<td>Non-EU actors</td>
<td>Market advantages for strategic partners</td>
<td>Changes in trade dynamics and potential tensions</td>
<td>How strict will the distinction between strategic partners and non-partners be?</td>
</tr>
</tbody>
</table>

Hool, Helbig & Wierink (in print)
References


