UNFC classification of ERMA investment cases
progress report and recommendations

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The Critical Raw Materials Act (CRMA)

Signed into law by the European Council, entry into force in early May 2024
Projects of ‘strategic importance’ to be fast-tracked in terms of permitting and financing
€6 billion funds established by France, Germany and Italy (and €30 million by Ireland)
How will the projects be evaluated and selected?

*ERMA has been using the UNFC classification for decision-making (internal evaluation and project selection)*
EIT RawMaterials at a Glance

World’s Leading Partner Network

300+ MEMBERS

400+ START-UPS

Entire Value Chain Coverage

Innovation Hub North
Luleå, Sweden

Innovation Hub Baltic Sea
Espoo, Finland

RIS Hub Baltic
Riga, Latvia

Innovation Hub East
Kraków, Poland

RIS Hub Slovakia
Košice, Slovakia

Innovation Hub Central
Metz, France

Innovation Hub West
Leuven, Belgium²

EIT House
Brussels, Belgium²

RIS Hub South Spain
Seville, Spain

Innovation Hub South
Rome, Italy

RIS Hub Adria
Ljubljana, Slovenia

RIS Hub Greece
Athens, Greece

Co-funded by the European Union
ERMA IMPACT TO DATE

- > 800 partners, strong policy drive
- REE Action Plan released on 30 September 2021
- Input into CRMA
- > 100 investment cases screened, > 40 can be de-risked and advanced to bankable stage, > € 20 billion investment value
Early stages of a mining project (typically 2 to 8 years)

- **Desktop Study (DS)**
  - **PEA** (Preliminary Economic Assessment) (0-3 month)
  - **PFS** (Preliminary Feasibility Study) (3-12 months)
  - **FS** (Feasibility Study) (6-18 months)
  - **DFS** (Definitive ('Bankable') Feasibility Study) (6-30 months)

- **EIA/ESIA**
- **Mining Permit Application**

--- Viable ---

------- Potentially viable -------

------- Non-viable -------
ERMA UNFC classification process

>160 projects screened

>120 X

>40 ✓

40% viability subject to issue of permits
ERMA UNFC classification process – obstacles

1. Insufficient (too early) or incorrect (unprofessional; misleading) information

2. KYC is not considered – lack of transparency on ultimate beneficiaries; financial position; convoluted company structures; sanctions; corruption risk;

3. Site visit is not required and/or may be problematic

It may be difficult to explore financing solutions.
ERMA UNFC classification process – experience to date

1. **Highly versatile** – applies to primary, secondary, processing, manufacturing, recycling – early to late stage

2. **Simple and fast** – desktop ‘light due diligence’, but requires moderate knowledge of the project. **KYC (sanctions, beneficiaries, etc.) and site visit should be included**

3. **Easy to understand** – but not for potential investors; indication of development stage should be included; viability ≠ bankability

4. **Useful to identify next steps** – and advance the project towards full viability

5. **A starting point** – not the end of the process