

Effective raw materials strategy for Europe

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When the European Parliament endorsed the Effective Raw Materials Strategy for Europe, it asked to be regularly informed on the development of non-energy raw materials in the framework of the RMI and on the fulfilment of the latter's objectives via an annual progress report, also focusing on policy coherence with regard to trade, development and environmental policies and social impacts, as well as data on Critical Raw Materials (CRM). This report presents the state of play with respect to the implementation of the Raw Materials Initiative (RMI) and an overview of the ongoing initiatives while highlighting the joint interest for the EU and third countries rich in raw materials to work in partnership.

- **Critical Raw materials:** in June 2010, the Commission published an expert report, which established a methodology for the identification of raw materials deemed critical to the EU. The assessment was based on a quantitative methodology using the criteria of economic importance, supply risk and environmental country risk.

The **critical raw materials list** has proven successful in serving as a tool to raise the attention of policy-makers, promote co-ordination of national policies regarding mineral supply and critical materials, challenge trade distortive measures regarding critical raw materials, analyse the functioning of the markets, promote research (exploration, substitution, recycling) as well as promote access to deposits in the EU, address problems of illegal exports end-of-life products containing critical materials and undertaking measures for specific materials. In order to revise the list of critical raw materials by the first half of 2014, and to take into account inputs and recommendations from the public consultation and Parliament's resolution, the Commission has contracted a study. The **review** will cover the current list of 14 critical raw materials; selected "nearly critical raw materials", such as rhenium and tellurium; selected additional materials, such as hafnium, selenium and tin, and, lastly, wood and natural rubber. The Commission plans to issue a report to the European Parliament and the Council on the review of the critical raw materials list by the end of 2013.

- **Stockpiling:** to explore the option of stockpiling, the Commission contracted a study to carry out a preliminary assessment which analysed different stockpiling policies and practices, and examined the current raw material stockpiling schemes employed worldwide, as well as the potential costs and benefits of a stockpiling programme of critical raw materials. The study considered as a valid option the possibility of organising a **voluntary stockpiling scheme by the industry with public financial support**. It also recognises that **stockpiling can only solve short-term problems** whereas long-term shortage of raw materials requires **structural solutions** with regards to supply (substitution, recycling, domestic extraction).

- **Raw Materials European Innovation Partnership (EIP):** the EIP will aim to provide Europe with enough flexibility and alternatives in the supply of important raw materials, whilst taking into account the importance of mitigating the negative environmental impacts of some materials during their life cycle. It will address all stages of the value chain, as well as innovations in the area of substitution. One of its concrete targets is actually to support up to ten innovative pilot actions / demonstration plants in the various sectors of the value chain.

- **Fair and sustainable supply of raw materials from global markets:** with regard to the EU's Trade Strategy for Raw Materials, the Commission will continue to **monitor ongoing and future negotiations of FTAs** and other bilateral frameworks to ensure that the issue of raw materials is considered and

integrated, where appropriate. The EU has also engaged in **raw materials dialogues and diplomacy**. This aims to engage with partners through strategic partnerships and policy dialogues to exchange information and work together to address the challenges on raw materials' markets.

- **Development policy:** the EU's development policy also has an important role to play in Raw Materials Diplomacy, building beneficial situations for both developing countries and the EU in the area of raw materials. In the context of the Strategic Partnership between Africa and the EU, both sides agreed to intensify their co-operation in the area of raw materials. Action has also been taken to **promote financial transparency** (e.g. the legislative proposal requiring the disclosure of payments to governments and the Extractive Industries Transparency Initiative). Among other things, the Commission is closely involved in international efforts to **address the issue of conflict minerals** and strongly supports the OECD's Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-affected and High Risk Areas. As regards **traceability of minerals**, the Commission is exploring ways of **improving transparency throughout the supply chain**, including aspects of due diligence, thereby building on the experience of the well-established Kimberley Process, the EITI, the Forest Law Enforcement, Governance and Trade (FLEGT) Action plan and the Timber Regulation.

- **Fostering sustainable supply within the EU:** the Commission acts mainly as a **facilitator for the exchange of best practice** as many of the areas related to extractive industries fall within the competence of the Member States. Following the launch of the Commission's Raw Materials Initiative in 2008, an increasing number of Member States (such as France, Germany, Finland, Greece, the Netherlands and, recently, Portugal) have been developing **national strategies**, which can be considered as complementary to the EU raw materials strategy. Fulfilling its commitment to "further enhance the knowledge base necessary for an efficient raw materials strategy", the Commission launched several studies and research projects. With the aim of **promoting research and skills**, it is expected that, in the context of Horizon 2020, raw materials will be reflected as a societal challenge, with a dedicated budget.

- **Boosting resource efficiency and promoting recycling:** in 2012, the Commission also included sustainability issues – including waste – in the [new integrated industrial policy](#). It also launched in 2012 a '**fitness check**' of five waste stream directives and waste management targets. The methodology for the preparation of **Ecodesign Regulations for energy-related products** (MEErP) is under review in order to strengthen resource efficiency aspects. The Commission is also currently assessing the impacts of possible future legislative and non-legislative measures to curb **illegal shipments of waste**.