A European strategy for critical raw materials

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The European Parliament adopted by 543 votes to 52, with 94 abstentions, a resolution on a European strategy for critical raw materials.

Need for a comprehensive EU strategy

Technologies requiring critical raw materials (CRMs) will be key to ensuring the EU and the world's ability to meet their goals under the Paris Agreement. The EU currently supplies only 1% of the raw materials for wind energy, less than 1% of lithium batteries, less than 1% of fuel cells, only 2% of the raw materials for robotics and only 1% of silicon photovoltaic assemblies. Moreover, COVID-19 has damaged global supply chains and led to shortages of critical raw materials in Europe.

Members stressed the strategic importance for the EU to **reduce its dependence and preserve its value and supply chains**. A comprehensive EU strategy for CRMs should be based on high environmental, social and human rights standards, also taking into account the natural mineral scarcity.

Challenges and opportunities

Members believe that an **integrated approach** along the entire value chain, from waste collection and product design for recyclability to material recovery, is an essential strategy for increasing the supply of CRMs. However, they stressed that recycling alone will not be sufficient to meet the growing demand for CRM and that **substitution** of critical materials could help solve CRM sufficiency challenges.

The resolution emphasised the need to **support research and innovation** in recycling and substitution of CRMs as well as in product design.

Stressing that climate neutrality should not replace reliance on fossil fuels with dependence on raw materials, Members called for an **active industrial policy** with access to affordable clean energy sources.

Given the favourable circumstances in the EU for low-emission and sustainable extraction activities, Members called for further exploration of **supply opportunities** in CRM-rich Member States. They also stressed the role that optimising resource consumption and maintaining and reusing valuable raw materials within the EU can play in reducing dependence on CRM.

Project of common European interest

Members called on the Commission and the Member States to create, as soon as possible, an Important Project of Common European Interest (IPCEI) on critical raw materials to strategically and sustainably plan for EU demand for the twin transition, covering requirements, sources of supply and (social, environmental and financial) costs.

The IPCEI should **cover all the relevant topics in order to reduce criticality and dependence**, such as recycling, reuse, substitution, reduction of material use and mining. These projects should unlock the unfulfilled potential in critical raw material-rich EU countries that have large untapped sources.

The Commission is called upon to ensure that national plans for recovery and resilience under NextGenerationEU address the challenges of economically, environmentally and socially sustainable CRM supply.

Members also called for **EU support and funding** for the technological development of CRMs and stressed, in particular, the need for specific financial instruments and targeted research and innovation (R&I) funds for recycling processes.

Strategic autonomy and resilience

Parliament called for further strengthening of the European Raw Materials Alliance (ERMA), mainly with regard to materials which are of great importance for the twin transition, like CRMs needed for energy storage and conversion.

Closing material loops

The resolution highlighted the need to develop well-functional markets for secondary **critical raw material** flows and thus strengthen the EU's industrial ecosystem and keep jobs in the manufacturing industry. The Commission is encouraged to promote the **recycling and recovery** of critical raw materials from mining, processing and commercial waste streams to ensure reliable, secure and sustainable access to them.

Supply from the EU

Parliament stressed the vital role of Member States in increasing the sustainable domestic supply of CRM from primary and secondary sources. It called on Member States to improve the timeliness, predictability and transparency of **authorisation procedures for prospecting and sourcing projects** without lowering environmental and social standards.

Diversification

The Commission is called on to diversify as much as possible the supply sources of critical raw materials and to reduce the current reliance on a few non-EU countries by supporting investments that involve European and global partners and SMEs as part of a long-term international sourcing strategy.

To achieve this goal, Parliament recommended **strengthening existing partnerships and trade agreements** and building new strategic agreements or EU joint ventures with resource-rich and other like-minded sourcing countries, in accordance with clearly defined priorities.

Members stressed the need to **strengthen cooperation** between the EU, the US and Japan and to cooperate more closely with key international suppliers in the Western Balkans, Eastern Europe, Latin America and Africa, as well as with China and other developing countries in the global south.