

Critical raw materials act

The European Commission presented its proposal for a critical raw materials (CRMs) act – establishing a framework to ensure EU access to a secure and sustainable supply of CRMs – in March 2023. On 13 November, the co-legislators reached a provisional agreement on the proposal. The agreed text, which requires formal adoption by both institutions, is expected to be put to a plenary vote in December.

Background

The transition to 'net-zero' and the digital age is [materials-intensive](#). Demand for CRMs is projected to skyrocket in the coming years (for instance, EU [demand](#) for lithium could multiply by 21 by 2050 compared with 2020). The EU's aim to become climate-neutral by 2050 and its ability to sustain the green and digital transitions and achieve strategic autonomy all rely heavily on reliable, secure and resilient access to CRMs.

European Commission proposal

The [proposed regulation](#) would establish a list of 34 CRMs, including 16 'strategic' raw materials (SRMs). It would strengthen the different stages of the SRMs value chain. The aim would be to ensure that, by 2030: i) EU extraction capacity covers at least 10 % of the EU's annual consumption of SRMs; ii) EU processing capacity covers at least 40 % of EU annual consumption of SRMs; and iii) EU recycling capacity covers at least 15 % of EU annual consumption of SRMs. The proposal would help diversify the EU's imports of SRMs, so that by 2030, no third country would provide more than 65 % of the EU's annual consumption of each SRM. 'Strategic projects' would be eligible for streamlined permitting processes and easier access to financing. The proposal would also improve the EU's ability to monitor and mitigate CRM supply risk. In addition, it would enhance the circularity of CRM markets and lower their environmental footprint.

European Parliament position

The Council agreed a [negotiating mandate](#) on 30 June and Parliament adopted its [position](#) on 14 September, based on the report of the Committee on Industry, Research and Energy (ITRE). Interinstitutional negotiations concluded on 13 November. Coreper endorsed the [text](#) on 29 November, and ITRE did so on 7 December.

Under the agreement, aluminium is added to the list of SRMs. The benchmark for EU recycling capacity of SRMs is increased to 25 % of its annual consumption of SRMs by 2030. The EU should be able to recycle significantly increasing amounts of each SRM in waste. The Commission and Member States will undertake efforts to incentivise technological progress and resource efficiency to moderate the expected increase in EU consumption of CRMs. By 1 January 2027, the Commission will adopt recycling benchmarks for each SRM in relevant waste streams, through a delegated act. The permit-granting process for strategic projects should not exceed 27 months when they concern extraction, and 15 months when they concern processing or recycling (the time taken to prepare an environmental impact assessment report will not be included in the duration of the permit-granting process). There will be one point of single contact per administrative level and stage of the CRM value chain, per Member State. The Commission will adopt delegated acts setting minimum recycled content in permanent magnets for some CRMs recovered from waste by 31 December 2031 (certain products may be excluded from this obligation).

First-reading report: [2023/0079\(COD\)](#); Committee responsible: ITRE; Rapporteur: Nicola Beer (Renew, Germany). For further information see our 'EU Legislation in progress' [briefing](#).



[Outcome of the Conference on the Future of Europe](#): This proposal is relevant for measures 5(8); 12(12); 17(2), (3), (7).

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