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From:	General Secretariat of the Council
To:	Delegations
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020 [COM(2023) 160 final] *- Opinion of the European Economic and Social Committee (EESC)*

Delegations will find attached a copy of the above-mentioned opinion.

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European Economic and Social Committee

OPINION

European Economic and Social Committee

Raw Materials Act

Proposal for a Regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020
[COM(2023) 160 final]

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A secure and sustainable supply of critical raw materials in support of the twin transition
[COM(2023) 165 final]

CCMI/211

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Section responsible	Consultative Commission on Industrial Change
Adopted in section	22/06/2023
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Plenary session No	580
Outcome of vote (for/against/abstentions)	183/1/6

I. RECOMMENDATIONS[1]

THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE:

1. welcomes the European Commission's ambition to prepare a coherent EU policy on critical and strategic raw materials and on the development of value chains in the extractive, refining and recycling industries, in line with the Green Deal objectives and all related legislation;

2. calls upon the European Commission to ensure a comprehensive approach with coordinated EU policies to provide regulatory certainty for investments in exploration, extraction, processing, refining and recycling of raw materials (RM), their by-products and essential minerals, based on economic and technical feasibility, policy coherence and legal certainty for business operators in these sectors;

3. calls for the coordination of RM policy with EU social policies and for the support of EU-wide capacity building in terms of skills for extractive industries, targeting the re-skilling and up-skilling of the existing workforce, as well as the development of governance capacity in EU Member States' public administrations;

4. recommends including other materials crucial for green tech/cleantech sectors in the critical and strategic raw materials lists, bearing in mind that such lists shall be regularly updated and based on a thorough, transparent and evidence-based assessment of criticality and/or strategic value, carried out in consultation with industry representatives and experts;

5. calls upon the current and new European Commission to ensure access to competitive energy prices and targeted financing for EU extractive industries and recycling, while also ensuring that permitting and licensing procedures for new RM projects are simplified and shortened and any new reporting or auditing requirements for businesses are kept to the minimum necessary;

6. supports effective implementation of trade defence measures to protect the newly-developing RM projects in the EU and to address unfair trade practices and restrictions with WTO-compliant responses;

7. recommends prioritizing critical and strategic raw materials in recycling and waste legislation and supporting the secondary raw materials markets, especially for materials crucial for the green transition;

8. recommends supporting CRM exploration and extraction projects on EU soil with public funding, by means of coordination with State aid rules;

9. recommends ensuring coordination between the proposed CRMA and the EU antitrust tools to avoid undue distortions in the internal market;

[1] These recommendations are supplemented by amendment proposals at the end of this document.

10. suggests exploring avenues for specific partnerships and cooperation agreements with candidate countries as well;

11. recommends striking the right (environmental) balance in assessing the consistency with other EU policies.

II. EXPLANATORY NOTES / ELABORATION

1. On 16 March 2023, the Commission presented its proposal for a new regulation aiming to secure access to critical and strategic raw materials (CRM regulation or CRMA), along with a communication. While the regulation sets a regulatory framework to support the development of domestic capacities and strengthen the sustainability and circularity of the CRM supply chains in the EU, the communication proposes measures to support supply chains' diversification through new international mutually supportive partnerships.

2. The general objective of the CRMA is to address the lack of secure and sustainable access to critical raw materials (CRMs) for the EU by increasing EU industry's awareness and mitigation of CRM-related risks in the global supply chain, increasing the EU CRM value chain's capacity in the internal market and reducing the environmental footprint of the EU's CRM consumption.

3. By proposing a coherent EU approach to improving and ensuring the security of supply of CRMs, the initiative will help prevent the potential distortion of competition and fragmentation of the Single Market that is likely to result from such uncoordinated actions, and maintain a level playing field for businesses within the EU.

Ensure a comprehensive approach with coordinated EU policies to provide regulatory certainty for investments

4. The EU is currently dependent on imports for many raw materials (RM) (75% to 100% of supply) and is therefore exposed to vulnerabilities along supply chains and significant price volatility. According to the OECD Global Material Resources Outlook to 2060, the world's use of raw materials is projected to nearly double by 2060 and the use of metals is projected to grow the fastest, for both primary and secondary metals. At the same time, the EU produces less than 5% of world production of mineral RM. China alone provides around 75% of global production capacity of lithium-ion battery cells and hosts the world's top ten suppliers of photovoltaics (PV) equipment. In contrast, only about 3% of global production capacity of lithium-ion battery cells is in the EU.

5. The CRM regulation foresees identifying and supporting Strategic Projects in the field of extraction, processing or recycling of strategic RM. In order to attract such investments – with relatively long timeframes – the Commission should address the issue of regulatory certainty. A predictable and stable regulatory environment is critical for attracting investments not only in RM exploration and extraction, but also in processing and recycling.

6. Multiple legislative frameworks have an influence on the stability and attractiveness of the EU business environment, and the often competing and multiplied reporting requirements contribute to regulatory uncertainty (see, inter alia, the Industrial Emissions Directive, Batteries Regulation, REACH revision, waste legislation, ESPR, Net-Zero Industry Act, the new EU industrial policy, Circular Economy Action Plan, Ecodesign Directive etc.). Therefore, it is crucial to avoid double regulation or overregulation, so as to attract and stimulate investments into the domestic industrial capacity for exploration, mining, refining, material processing and recycling. The CRMA should build upon the Commission's work in other areas, and should be fully aligned with the Green Deal objectives and consistent with related legislation. The CRM policy should be evidence-based to the maximum extent possible, taking into account available data (see the 2020 JRC Foresight Study "Critical Raw Materials for Strategic Technologies and Sectors in the EU", or the JRC Science for Policy report "Supply chain analysis and material demand forecast in strategic technologies and sectors in the EU").

7. Another issue relates to the need to provide precise guidance to stakeholders as to how the lists of strategic and critical raw materials will be implemented in EU policies and adapted in view of the future CRM market evolution. The CRM list can help highlight the importance and the role of certain substances in the EU economy towards policymakers, but it is necessary to go further if the CRM-listed substances are to be duly supported in current as well as upcoming legislation. A clear prioritisation of CRMs in policymaking is necessary, especially in areas of industrial policy, trade policy, State aid, R&D&I, climate and environment, as well as in chemicals legislation. All these policies and their aims should be aligned to create enabling conditions and a favourable regulatory regime for CRMs and for the development of their value chains. Further clarification is also necessary with regard to the prioritisation of projects where the main extracted material is neither strategic, nor critical, but the by-products are (e.g., an iron ore extraction project leading to extraction of rare earths as by-products). Additionally, a clarification of the status of "other", i.e., "non-strategic" projects, is needed, so that it can be clearly understood how and under what timelines such projects will be assessed and financially supported. Finally, increased prioritisation of strategic RM projects should under no circumstances lead to the deprioritisation of other important RM projects or projects along the RM value chain.

8. Besides providing legal certainty to stakeholders, Commission initiatives on RM should be based on broader public support. The expansion of mining, processing and recycling industries will create new jobs and contribute to economic progress, yet there is a key concern of ensuring public acceptance. Raising awareness among citizens is of paramount importance: the Commission shall implement targeted communication strategies to inform EU citizens about the benefits, as well as the sustainability and environmental impact of new, CRM-related industrial investments and to address the concerns of particular stakeholder groups, local communities and EU citizens related to the expansion of exploration and mining activities.

Coordination with EU social policies: support EU-wide capacity in terms of skills for extractive industries

9. The RM sector provides about 350 000 jobs within the EU, as well as more than 30 million jobs in manufacturing that depend on reliable access to mineral RMs. Securing a sustainable supply

of raw and advanced materials for the EU will require more than 1.2 million new jobs by 2030[2]. The CRMA should thus be aligned with the EU's social policies and support capacity building effort at Member State level to strengthen the workforce in CRM supply chains, extractive industries, processing and recycling. It is crucial to support education and skills-building in academia, but also to target industry professionals within the RM sector and the PA of Member States with capacity building efforts. This could be achieved via the establishment of new (and/or support for already existing) dedicated institutions to support higher education and professional training for the RM sector, and to re-skill and up-skill the existing EU workforce. Finally, enhanced effort should be devoted to creating and supporting applied learning and technology transfer between academia, industry and research organisations.

Include other materials crucial for green tech/cleantech sectors and ensure consistency with other policies

10. In addition to those materials listed as strategic or critical in the CRMA, there are non-critical RMs that could become critical in the mid to long-term. This requires a flexible list which can be easily adapted and should be regularly updated, at least every two years and more often where needed, depending on future developments in the field. The assessment of the strategic importance of different materials should also be sector-specific to reflect the demand in different manufacturing sectors. Furthermore, an assessment of access to essential raw materials should be carried out, to fully complement the efforts of the Commission to support critical and strategic RMs.

11. The assessment should reflect the EU's priorities and needs for the energy transition, potentially through to 2030, and include materials for which no apparent risk of supply disruption exists today, but that are in high demand in sectors critical to the EU's decarbonisation aims and the green and digital transitions, or that are considered to be essential minerals. The focus on these priority agendas should also appropriately cover basic value chains, such as food security or medical. The identification of materials to be included in the different lists should always be based on a thorough, transparent and clearly defined analysis for assessing their criticality and/or strategic value, reflecting the entire value chain of RMs, processing requirements and availability of substitutes. Industry representatives and experts should be regularly consulted and a functioning, open dialogue between the Commission and the industry should be ensured.

Ensure access to competitive energy prices and better targeted financing for EU industries

12. The ongoing energy crisis has had a critical impact on all EU businesses, but especially on energy-intensive industries, including the extractive sector and recycling. A coordinated EU response is necessary to ensure a well-functioning EU energy market. The success of any EU CRM policy depends on reliable access to sufficient amounts of fossil-free electricity at competitive prices. The EESC would welcome a reform of available funding frameworks, mirroring the ambitions of US IRA – financing more strongly aimed at the commercialisation phase and covering OPEX costs, as opposed to the current EU financing priority for the R&D phase of new strategic projects. While a focus on innovative technologies and research is

2 EIT Raw Materials estimation.

important, the resulting products should also be appropriately supported in the commercialisation phase.

13. The Commission's ambition to speed up permitting procedures is very welcome and it should be prioritised, to achieve the maximum length of 12-18 months for such procedures. New, critical projects should be assessed under accelerated deadlines and strict deadlines should be set for the maximum length of permitting/licensing procedures. Any reform of permitting procedures should aim to shorten their duration and decrease their complexity, while also maintaining rigorousness of ESG standards. The speed-up of the permitting procedure shall also be ensured by strengthening the one-stop-shop mechanism. The latter shall be framed within pre-defined deadlines in order to make the centralised authorisation procedure more effective and less burdensome. Reformed permitting provisions should apply to exploration, mining, refining, processing and recycling facilities, and should provide sufficient regulatory certainty with regard to their outcomes. In addition, any new reporting or auditing requirements in the CRMA should be limited to the extent necessary, so as not to impose additional administrative burdens on EU businesses, irrespective of their size. The envisaged CRM Board plays a crucial role in supporting the implementation of the CRMA, including the authorisation procedures. To this end, in order to make sure that its monitoring tasks are effective, it is advisable to include in the Board not only institutional representatives, but also independent technical experts in the field.

Address unfair trade practices and restrictions

14. Despite the ambitious aims of the CRMA, there are natural limitations to the availability of certain raw materials in the EU and therefore imports will remain crucial for the transition to a green and digital economy.

15. Effective trade defence measures will need to be maintained to provide protection for new European investments and ensure a level playing field with third countries. A modernisation of the EU's trade defence measures is necessary to protect against third-country dumping. In particular, the EU should aim to ensure faster implementation of trade defence measures to counter unfair imports, have quicker and more efficient investigations and allow for the wide implementation of provisional measures early on.

16. EU action in the area of trade policy should be complementary to the aims of the CRMA and related policies, including social rights, and should prioritise the swift conclusion of Free Trade Agreements ("FTAs") with resource-rich countries that are currently being negotiated or waiting for ratification (Australia, Indonesia, etc.). With regard to FTAs already concluded, the existing provisions relevant to energy and RMs should be assessed and strengthened where possible. Attention should also be paid to the coherence of trade policy and customs rules/rules of origin applicable to raw materials, as well as to specific issues related to circumvention of sanctions applicable to RMs.

Prioritise critical and strategic raw materials in recycling and waste legislation and support the secondary raw materials markets

17. Recycling is important for enhancing the EU's strategic autonomy. The EU should support its waste treatment and processing industry by preparing secondary raw materials to be recycled in production processes, and amend existing waste legislation so as to prioritise recycling and the circularity of critical and strategic RM with the highest technical and economic potential for recycling (feasibility). It should also support secondary RM markets. With regard to secondary RM, the EESC suggest that measures should be taken to establish well-functioning markets and minimise scrap leakage.

18. Secondary raw materials can contribute to decreasing dependence on certain CRMs and should therefore be considered under the scope of the CRMA. As one of the many examples, effective recycling of ferrous scrap can lower the RM supply needs for metal manufacturing. Ferrous scrap is expected to become scarce before 2030, resulting in possible supply disruption, despite being a critical ingredient for the energy transition.

19. The CRMA should ensure access to all critical materials for industries and EVs. This includes not only rare earth elements, manganese, materials crucial for the green transition, including steel, aluminium and copper, industrial minerals, graphite or nickel, but also secondary RMs. Metals are crucial infrastructure enablers for the green transition, and such enablers should be properly identified and given due consideration under the CRMA, across their entire value chains.

Economic and environmental studies on the pollutant impact of critical raw material extraction: coordination with State aid provisions

20. Considering the degree of uncertainty around the effective presence of CRMs in the EU, the risk involved in starting exploration and extraction projects on EU soil will reasonably be taken, only if financially supported by public funding. As the CRMA also requires such campaigns to be compliant with the Green Deal objectives, the EESC suggests that public funding should be granted more easily if the extractions are based on preliminary economic and environmental studies assessing the pollutant impact of CRMs extraction.

21. In the event that such preliminary studies fall outside the scope of the Strategic Projects envisaged under the CRMA, their public financing should be encouraged by means of coordination with State aid rules, and, more specifically, with the newly adopted 2023 Green Deal GBER amendment. Said preliminary studies shall indeed be qualified as "environmental aid" or "RDI aid", and, when they involve several Member States, as "Important Projects of Common European Interest" ("IPCEI").

22. Effective coordination with EU State aid measures already at a preliminary R&D stage could indeed ensure that the public funding supporting the subsequent implementation of Strategic Projects is effectively channelled towards sustainable objectives and ensure, in the specific case of IPCEIs, that they pursue a coordinated result. Public funding mechanisms (e.g. fast-track and

easier access to financial mechanisms such as loans/loan guarantees/grants) may also be introduced only with respect to investments carried out by EU companies within FTA projects.

Antitrust tools: mergers regulation to favour EU champions in the recycling and extraction of critical RM

23. Taking, as necessary preconditions, both the still unexplored availability of CRMs within the EU and the substantial investments required to implement a secure and sustainable CRM supply chain, it may be advisable to adapt some of the EU antitrust tools to facilitate the objectives established under the CRMA, while avoiding undue distortions of competition in the internal market (e.g., it may be helpful to apply the merger control framework in a more flexible and sustainable-oriented way, taking into account not only the Green Deal objectives (as already envisaged by the European Commission) but also the CRMA aims).

24. Therefore, it would be advisable to assess mergers in the light of the strategic projects to be implemented under the CRMA, in order to strike the right balance between the various interests at stake.

25. Competition authorities should thus be called to consider new types of efficiencies, i.e. reducing supply disruptions and increasing industrial preparedness in the event of external CRM shortages. Such assessments should also look at the Commission's aim of aggregating the demand of interested buyers of CRMs, and ultimately contribute to the reduction of current high prices.

International engagement and resource diversification: the involvement of candidate countries and coordination with bilateral cooperation in international fora

26. In line with the Commission's objective to diversify external sources of CRMs, the EESC recommends exploring avenues for specific partnerships and cooperation agreements, including with candidate countries. Such partnerships may include EU-funded projects to develop exploration campaigns in new selected sites and/or in dismissed mining sites, in line with the strategic projects that will be launched in the EU Member States under the new Commission proposals.

27. Such partnerships may be subject to the candidate countries' commitments to align their environmental policies to the EU acquis in a faster way. The inclusion of such partnerships within the framework of currently on-going accession negotiations may reasonably have a twofold benefit for the EU as a whole, by increasing the chances that the domestic sources of CRMs will increase in the future and by making it easier for candidate countries to comply with EU environmental legislation (e.g. in the field of waste, water, industrial pollution and air quality).

28. The CRMA shall be coordinated, not only with other EU policies and international trade actions, but also with the bilateral cooperation implemented by the EU in international fora (i.e., the EU-US cooperation in fora such as the Minerals Security Partnership, the Conference on

Critical Materials and Minerals and the International Energy Agency Critical Minerals Working Party recently strengthened by the EU-US Energy Council).

29. The CRMA shall provide the EU not only with a domestic self-sufficiency as to CRMs, but also with the external autonomy to set new standards on the global scene when it comes to ensuring the security and sustainability of their relative supply chains. A standard-setter role for the EU on the global stage will further increase chances to reach the overall objectives set under the Commission's proposal to tackle pollutant and unfair trade practices of CRMs across the world.

Long-term objectives vs. short-term objectives in assessing the consistency with other EU policies: striking the right (environmental) balance

30. In conclusion, it cannot be excluded that in the long run the effective implementation of the CRMA may require a remodelling of certain specific Green Deal objectives closely linked to the CRMA in the short-term. Indeed, the prospect of an (almost) self-sufficient EU, even if it requires more time to be fully effective, may ultimately render sustainability/climate neutrality targets more attainable in the long-term (also considering the relatively higher pollution caused by current methods of material extraction in some developing countries).

III. PROPOSED AMENDMENTS TO COM(2023) 160 final

Amendment 1
Recital 29

Text proposed by the Commission	Amendment
Recital 29 (29) Private investment by companies, financial investors and off takers is essential. Where private investment alone is not sufficient, the effective roll-out of projects along the critical raw material value chain may require public support, for example in the form of guarantees, loans or equity and quasi-equity investments. This public support may constitute State aid. Such aid must have an incentive effect and be necessary, appropriate and proportionate. The existing State aid guidelines, which have recently undergone an in-depth revision in line with twin transition objectives, provide ample possibilities to support investments along the critical raw materials value chain subject to certain conditions.	(29) Private investment by companies, financial investors and off takers is essential. Where private investment alone is not sufficient, the effective roll-out of projects along the critical raw material value chain may require public support, for example in the form of guarantees, loans or equity and quasi-equity investments. This public support may constitute State aid. Such aid must have an incentive effect and be necessary, appropriate and proportionate. The existing State aid guidelines, which have recently undergone an in-depth revision in line with twin transition objectives, provide ample possibilities to support investments along the critical raw materials value chain subject to certain conditions. ***The Commission and Member States should provide greater clarity as***

	to how State Aid rules would be used and introduce grant, loan and tax credit mechanisms to support the EU existing industrial capacities and the creation of new facilities in the EU and reliable partner third countries. These should be focused on both operational and capital expenditure.-

Reason
Current State Aid-envisaged measures are unclear and lack mechanisms to support the existing industrial capacities that got hit significantly by the soaring energy prices the creation of new critical raw materials facilities in the EU and abroad.

Amendment 2
Article 1, paragraph 2, new sub-paragraph

Text proposed by the Commission	**Amendment**
	2(a) set a transparent and clearly defined methodology for the assessment of materials to be included in the strategic raw materials list, including through the use of technical factsheets, similar to the methodology applied to the critical raw materials list. Future strategic and critical raw materials lists should be accompanied by an impact assessment of existing EU legislation and the impact it has on materials on those lists.

Reason
Critical raw materials are assessed through a criticality assessment based on a specific methodology which includes a long and thorough validating process with the assistance of external experts, industry representatives and research institutes. On the contrary, the identification of strategic raw materials was not based on a published methodology nor did it include previous consultations. Incorporating strategic raw materials in to the critical raw materials list (Annex 2) implies that all of materials have met the thresholds set by the CRM methodology, which is misleading.

Amendment 3
Article 1, paragraph 3

Text proposed by the Commission	**Amendment**
3. Where, based on the report referred to in Article 42, the Commission concludes that the Union is likely not to achieve the objectives set out in paragraph 2***, it shall assess the feasibility***	3. Where, based on the report referred to in Article 42, the Commission concludes that the Union is likely not to achieve the objectives set out in paragraph 2, ***it shall allow for a certain***

and proportionality of proposing measures or exercising its powers at Union level in order to ensure the achievement of those objectives.	***level of flexibility to best reflect the uniqueness of the value chain of the raw material targeted, as each material has specific properties and challenges associated with its sourcing, processing and recycling. It should focus on maintaining existing capacities and supporting them. An open and constant dialogue between industry and policymakers should be encouraged to identify benchmarks that are both technically and economically feasible, as well as in line with the EU's objectives.***

Reason
The benchmarks in terms of sourcing, processing and recycling are too general and unrealistic, and may result in unintended and negative consequences. Provisions should be carefully considered against the economic and technical difficulties associated with their implementation and the risk of overburdening EU industry, in particular SMEs.

Amendment 4
Annex I

Text proposed by the Commission	**Amendment**
ANNEX I Strategic raw materials	ANNEX I Strategic ***primary and secondary*** raw materials
SECTION 1 LIST OF STRATEGIC RAW MATERIALS	SECTION 1 LIST OF STRATEGIC RAW MATERIALS
The following raw materials shall be considered strategic: (a)Bismuth (b)Boron ***- metallurgy grade*** (c)Cobalt (d)Copper (e)Gallium (f)Germanium (g)Lithium ***- battery grade*** (h)Magnesium ***metal*** (i)Manganese ***- battery grade*** (j)***Natural*** Graphite ***- battery grade*** (k)Nickel ***- battery grade*** (l)Platinum Group Metals (m)Rare Earth Elements ***for magnets*** (Nd, Pr, Tb, Dy, Gd, Sm, and Ce) (n)Silicon ***metal***	The following ***primary and secondary*** raw materials shall be considered strategic, ***including their respective carrier metals and minerals with which these strategic raw materials are extracted***: (a)Bismuth (b)Boron (c)Cobalt (d)Copper ***(da) Ferrous scrap (including stainless)*** (e)Gallium (f)Germanium (g)Lithium ***(ga) Magnesite/magnesia*** (h)Magnesium (i)Manganese (j)Graphite (k)Nickel

(o)Titanium ***metal*** (p)Tungsten	***(ka) Phosphorous*** ***(kb)) Potash*** (l)Platinum Group Metals (m)Rare Earth Elements (Nd, Pr, Tb, Dy, Gd, Sm, and Ce) (n)Silicon (o)Titanium (p)Tungsten ***(pa) Zinc***

Amendment 5
Annex II

Text proposed by the Commission	Amendment
ANNEX II Critical raw materials	ANNEX II Critical ***primary and secondary*** raw materials
SECTION 1 LIST OF CRITICAL RAW MATERIALS	SECTION 1 LIST OF CRITICAL RAW MATERIALS
The following raw materials shall be considered critical: (a)Antimony (b)Arsenic (c)Bauxite (d)Baryte (e)Beryllium (f)Bismuth (g)Boron (h)Cobalt (i)Coking Coal (j)Copper (k)Feldspar (l)Fluorspar (m)Gallium (n)Germanium (o)Hafnium (p)Helium (q)Heavy Rare Earth Elements (r)Light Rare Earth Elements (s)Lithium (t)Magnesium (u)Manganese (v)***Natural*** Graphite (w)Nickel **–** ***battery grade*** (x)Niobium	The following ***primary and secondary*** raw materials shall be considered critical, ***including their respective carrier metals and minerals with which these critical raw materials are extracted***: (a)Antimony (b)Arsenic (c)Bauxite (d)Baryte (e)Beryllium (f)Bismuth (g)Boron (h)Cobalt (i)Coking Coal (j)Copper (k)Feldspar ***(ka) Ferrous scrap (including stainless)*** (l)Fluorspar (m)Gallium (n)Germanium (o)Hafnium (p)Helium (q)Heavy Rare Earth Elements (r)Light Rare Earth Elements (s)Lithium ***(sa) Magnesite/magnesia*** (t)Magnesium

(y)Phosphate rock (z)Phosphorus (aa)Platinum Group Metals (bb)Scandium (cc)Silicon metal (dd)Strontium (ee)Tantalum (ff)Titanium metal (gg)Tungsten (hh)Vanadium	(u)Manganese (v)Graphite (w)Nickel (x)Niobium (y)Phosphate rock (z)Phosphorus (aa)Platinum Group Metals ***(aaa) Potash*** (bb)Scandium (cc)Silicon metal (dd)Strontium (ee)Tantalum (ff)Titanium metal (gg)Tungsten (hh)Vanadium ***(ii) Zinc***

Reason for amendments 4 and 5
Certain materials can usually only be mined together with another, base metal – such as rare earths with iron ore – and cannot be mined separately. In addition, certain materials are necessary in the ecosystem of production, refining and recycling of materials, e.g., magnesite for smelters – without this material, it is not be possible to recycle metals/materials using high temperatures. We should avoid limitations in this area (both for critical and strategic RMs) and avoid prescribing specific uses to specific raw materials in the value chain. Otherwise only the last refining step would be eligible, yet not the extraction. The transition to a low carbon and circular economy makes secondary raw materials increasingly important as they help reduce the dependence on virgin raw materials, support resource efficiency, waste reduction, and sustainability. In addition, some of these materials are essential for industry decarbonisation, the green transition and the achievement of net zero goals.

Amendment 6
Article 2 – point 15 (a new)

Text proposed by the Commission	**Amendment**
	Strategic Raw Materials Project means any planned facility or planned significant extension or repurposing of an existing facility active in extraction, processing or recycling of raw materials listed in Annex II, including where these raw materials occur as by-products of extraction and processing of carrier raw materials that are not listed in Annex I or II.

Reason

Strategic raw materials frequently exist as by-products of a carrier (base) metal or mineral. It is necessary to provide more clarification regarding the inclusion of extractive projects for such base and carrier metals and minerals under the purview of CRMA strategic projects.

Amendment 7
Article 3a – new

Text proposed by the Commission	Amendment
	1. Secondary raw materials shall be considered in the lists of strategic (Annex I) and critical (Annex II) raw materials. ***2. The Commission shall review at least every two years~~,~~ and, if necessary, update the list of strategic and critical secondary raw materials, part of Annex I and Annex II, taking into consideration their strategic role in decarbonisation and green transition, high forecasted demand growth or scarcity at global level, difficulty of increasing collection/recovery in the EU; high potential for recovery of critical raw materials in the EU.***

Reason
Secondary raw materials play an important part in the decarbonisation of European industries, especially those producing strategic technologies for the green and digital transitions. Recognizing their strategic value supports responsible sourcing and reduces virgin material extraction. A sub-list of strategic secondary raw materials should be established within the strategic raw materials list, considering, inter alia, these criteria: strategic role in decarbonisation and the green transition; forecasted global demand growth; difficulty of collection, recovery, or recycling in EU; high potential for critical raw material recovery. The assessment should take into account the latest available data. as well as the predicted evolution of demand-supply over an appropriate reference period, to address future scarcity or supply disruptions.

Amendment 8
Article 5 – paragraph 1 – point c)

Text proposed by the Commission	Amendment
(c) the project would be implemented sustainably, in particular as regards the monitoring, prevention and minimization of environmental impacts the use of socially responsible practices including respect of human and labour rights, quality jobs potential and meaningful engagement with local communities	(c) the project would be implemented sustainably, in particular as regards the monitoring, prevention and minimization of environmental impacts ***especially in the long-term and on a global scale***, the use of socially responsible practices including respect of human and labour rights, quality jobs potential and

and relevant social partners, and the use of transparent business practices with adequate compliance policies to prevent and minimise risks of adverse impacts on the proper functioning of public administration, including corruption and bribery;	meaningful engagement with local communities and relevant social partners, and the use of transparent business practices with adequate compliance policies to prevent and minimise risks of adverse impacts on the proper functioning of public administration, including corruption and bribery;

Reason
Striking the right balance between long term sustainability objectives with short term objectives (also taking the relatively higher pollution caused by current methods of material extraction in some developing countries and the circumstance that we live in the same planet).

Amendment 9
Art. 19, par. 1

Text proposed by the Commission	**Amendment**
Article 19, paragraph 1 1.The Commission shall monitor supply risk related to critical raw materials. That monitoring shall cover at least the evolution of the following parameters: (a)trade flows; (b)demand and supply; (c)concentration of supply; (d)Union and global production and production capacities at different stages of the value chain.	1.The Commission shall monitor supply risk related to critical raw materials. That monitoring shall cover at least the evolution of the following parameters: (a)trade flows; (b)demand and supply; (c)concentration of supply; (d)Union and global production and production capacities at different stages of the value chain; **(e)unfair trade practices. The Commission shall maintain and strengthen trade defence measures, in order to ensure a level playing field. The EU should also prioritise establishing WTO-compliant incentives to ensure a level playing field globally. These could take the form of consumer incentives for sustainable European raw materials or support to manufacture more advanced facilities.**

Reason
The European raw materials industry is at a global competitive disadvantage and needs to be assured that trade defence measures will be used to protect the industry from unfair trade practices.

Amendment 10
Article 35, paragraph 1

Text proposed by the Commission	Amendment
1. The Board shall be composed of Member States and the Commission. It shall be chaired by the Commission.	1. The Board shall be composed of Member States and the Commission and ***technical independent experts***. It shall be chaired by the Commission.

Reason
The envisaged CRM Board plays a crucial role in supporting the implementation of the CRMA, including the authorisation procedures. To this end, in order to make sure that its monitoring tasks are effective, it is advisable to include in the Board not only institutional representatives, but also technical independent experts in the field.

Brussels, 12 July 2023

Oliver Röpke
The President of the European Economic and Social Committee