

# The EU's Critical Raw Materials Act (CRMA)

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# Act



- **The Commission published the proposal for Critical Raw Materials Act on March 16, 2023**
- **Background:** Europe's raw material dependence
- **Context:** The COVID-19 pandemic and the war in Ukraine have highlighted Europe's vulnerability to supply chain disruptions.
- **Importance:** The availability of critical raw materials is essential for the digital transition and green transition as well as for the defense and space sectors.
- **Future Demand:** The demand for critical raw materials is expected to grow significantly in the future.
- **Regulation:** The regulation outlines measures aimed at sustainable strengthening of the security of supply for critical raw materials in the Union.
- **Agreement:** Political consensus on the regulation was reached at the end of November 2023.
- **Effective Date:** The regulation entered into force on May 23<sup>rd</sup> 2024



# Raw material lists

- **Update:** The regulation updated the existing list of EU's critical raw materials.
- **New Group:** In addition to critical raw materials, a narrower group called **strategic raw materials** was defined.

## Union-level benchmarks for strategic raw materials by 2030 in the regulation:

- **Extraction:** 10% of the EU's consumption mined within the EU.
- **Refining:** 40% of the EU's consumption refined within the EU.
- **Recycling:** 25% of the EU's consumption from recycling.
- **Import Dependency:** No more than 65% of any strategic raw material should be imported from a single third country.

# Different parts of the Act



## To achieve the benchmarks, the regulation aims to:

- Strengthen EU's raw material value chains
- Improve risk monitoring and management
- Diversify imports and reduce strategic dependencies
- Promote sustainability and circular economy
- Establish the necessary structures and governance to implement the objectives

# Strengthening the Union raw materials value chain - Strategic Status



- The **strategic project status** and benefits connected to it
  - Applications are submitted to the Commission that makes the decision whether to grant the status
  - Recognition criteria:
    - (a) the project would make a **meaningful contribution** to the security of the Union's supply of strategic raw materials;
    - (b) the project is or will become **technically feasible** within a reasonable timeframe and the expected production volume of the project can be estimated with a sufficient level of confidence;
    - (c) the project would be **implemented sustainably**
    - (d) for projects in the Union, the establishment, operation or production of the project would have **cross-border benefits** beyond the Member State concerned, including for downstream sectors;
    - (e) for projects in third countries that are emerging markets or developing economies, the project would be **mutually beneficial** for the Union and the third country concerned by adding value in that third country
- A strategic project could therefore be, **a mining, processing, recycling, or substitution project**
- Member State has the right to object to the granting of status in their territory

# Strengthening the Union raw materials value chain – Permitting and land-use planning



## Streamlining of permitting:

- Member States shall establish a "Point of single contact" for all critical raw materials projects
  - The Point of Single Contact is responsible for facilitating and coordinating the permit granting process for critical raw materials projects and providing information. The point of single contact shall coordinate and facilitate the provision of all relevant documents and information.
- In addition, **for strategic projects**, certain other measures to streamline permitting are included in the Act:
  - The Act sets out a maximum duration for the permit granting process
    - Deadlines for new projects: extraction projects, 27 months, others 15 months from the date when application is deemed complete
  - Strategic projects shall be considered to be of public interest or serving public health and safety, and may be considered to have an overriding public interest meant by the Water Framework Directive, Birds Directive and Habitats Directive, provided that all the conditions set out in the mentioned Acts are fulfilled
  - Priority for permit and court proceedings, where provided for in national law

## Planning

- National, regional and local authorities responsible for preparing plans, including zoning, spatial plans and land use plans, shall consider including in such plans, where appropriate, provisions for the development of critical raw materials projects.

# Strengthening the Union raw materials value chain – National exploration programmes



- Each Member State shall draw up a **national programme for general exploration** targeted at critical raw materials and carrier minerals of critical raw materials.
  - The programmes shall be reviewed at least every five years and updated if necessary.
- **Content:**
  - (a) mineral mapping at a suitable scale;
  - (b) geochemical campaigns, including to establish the chemical compositions of soils, sediments or rocks;
  - (c) geoscientific surveys, such as geophysical surveys;
  - (d) processing of the data gathered through general exploration, including through the development of predictive maps;
  - (e) reprocessing of existing geoscientific survey data to check for unidentified mineral occurrences containing critical raw materials and carrier minerals of critical raw materials.
- Basic information must be public and available online – more detailed information to be made available upon request

# Strengthening the Union raw materials value chain – Enabling conditions



## Coordination of financing (Art. 16)

- Coordination of (existing) financing opportunities to strategic projects
  - Carried out mainly by the CRM-board established by the Act

## Facilitating offtake Agreements (Art. 17)

- The Commission to set up a system to facilitate the conclusion of offtake agreements related to Strategic Projects

## Online accessibility of administrative information (Art. 18)

- Member States to provide information on administrative processes relevant to critical raw material projects online, and in a centralised and easily accessible manner

# Sustainability and circularity



- Member states are required to **establish a public database of closed extractive waste sites** within their territories. Each member state must assess the economic feasibility of utilizing these sites through various means, including:
  - Reviewing permit files,
  - Conducting geochemical sampling.
  - The data must be added to the database, which should be published digitally.
- In addition, **operators** obliged to draw up waste management plans according to existing legislation must submit **a preliminary economic assessment** of the potential for utilizing extractive waste to authorities.

# Sustainability and circularity



- Member states must approve and implement **national programmes related to the reuse of critical raw materials.**
- In addition, **other sustainability/circular economy provisions:**
  - "Recognized schemes"
    - – Governments, industry associations and groupings of interested organisations that have developed and oversee certification schemes may apply to have their schemes recognised by the Commission.
  - Calculation rules for the environmental footprint of critical raw materials & declaration requirements
  - Specific provisions on recyclability of permanent magnets (e.g., requirements for recycled content of permanent magnets in certain products, labeling rules).

# Other parts of the Act – (Risk monitoring, Strategic partnerships & Governance)



## Risk monitoring

- Requirements for **member states to gather information** related to, e.g supply chain risks and provide it the commission
- Member States shall identify the **large companies** operating on their territory that use strategic raw materials in certain products
  - The identified companies must carry out a **supply chain risk assessment**
- The Commission to set up a voluntary system to facilitate **joint purchasing**

## Governance

- The Act founded **the EU's Critical Raw Materials Board**
  - Provides advice to the Commission and carries out various tasks set out in the regulation
  - Maps out potential **strategic partnerships** for the Union

# Strategic projects - Process



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# National position to strategic projects



- **Commission makes the decision**
- **Member State's Right to Object to the Granting of Status**  
The Commission provides each member state with applications concerning projects located within its territory – the MS can Object
- **Authority to Decide on Exercising the Right to Object in Finland:** The Finnish Government's plenary session.
  - **Preliminary Opinion by the Chancellor of Justice, Dated 22.5.2024:**  
Exercising the national right to object in granting strategic project status is a decision of a socio-political or economic nature, which requires resolution in the government's plenary session.
  - **Legal Basis:**  
Section 93, subsection 2 of the Finnish Constitution, and section 3, item 9 of the Government's Rules of Procedure.
- **Preparatory work for the Government decisions:**  
Ministry of Economic Affairs and Employment (in cooperation with other relevant ministries)
- **Basis for Assessment and Objection:**  
The criteria set in the regulation – national position is not an administrative decision
- **Notification of Objection:**  
The member state must inform the Commission of its objection in the Board meeting and provide a justification for the objection at the committee meeting.

# Strategic Projects – First Call



- **First Call for applications opened on 23<sup>th</sup> May 2024**
  - Rolling call – Cut-off dates 4 times a year
- **By the first (22<sup>nd</sup> August) deadline for Strategic Projects the commission received:**
  - 170 applications total: 77 applications focused on extraction, 58 on processing, 30 on recycling and five on substitution.
  - 16 from FI
- **The date for the first decisions was postponed until Q1 2025**
  - **Commission granted the status to 47 projects in the EU – 6 (8) from FI – Mines:**
    - Sakatti, Sodankylä. Anglo American
    - Kolmisoppi, Sotkamo. Terrafame
    - Keliber, Kokkola





# Notes on the process of strategic projects and its future



- During the first process, many new issues arose that needed to be resolved, both nationally and at the EU level.
  - There are different practices in different countries, and the variation is significant
  - What is the legal status of various decisions (national/EU)?
    - There have been no similar processes previously, either nationally or at the EU level, so there are no comparisons
- Interpretations and Practice will gradually form regarding the application of evaluation criteria
  - for example, the maturity level of the projects
- Legal proceedings?
- The number of applications exceeded expectations.
  - In the future, the Commission is unlikely to adhere to the basic schedule stipulated in the regulation, according to which applications would be reviewed four times a year.
- The next call for applications will likely take place before the end of Q2.

# Legislative changes and some future insights



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2024

EU:n Kriittisten raaka-aineiden asetus voimaan

2025

2026

2027

2028



Seuraamukset - (18 kk)

Raportointi - (24 kk)

Raportointi sisältää mm uusien hankkeiden UNFC- luokittelun

Komissio lähettää toimijoille ja jäsenvaltiolle askelmerkit sisältävän kirjeen

Jäsenvaltioiden nimettävä edustajansa asetuksella perustettavaan kriittisten raaka-aineiden toimikuntaan

Ensimmäiset päätökset strategisen hankkeen aseman myöntämisestä komissiosta

Luvituksen yhteyspiste nimetty (9kk)

Jäsenvaltioiden tunnistettava kriittisiä raaka-aineita käyttävät suuryritykset (12kk)

Kansalliset etsintäohjelmat (12kk)

Hylättyjä kaivannaisjätealueita koskeva tietokanta perustettu ja alueita koskevat lupatiedostot tarkasteltuna (18kk)

Geokemiallinen näytteenotto (2v)

Ensimmäiset markkinavalvontatehtävät (Komission kertomus viim. 18kk + 12kk)

Tarvittaessa yksityiskohtaisemmat tutkimukset (34kk)

Muut markkinavalvontatehtävät (Täytäntöönpanoasetus 12kk + 2v)

Kiertotalousohjelmat (Täytäntöönpanoasetus voimaan viim. 12kk + 2v) Tarkastelu 5 v välein

Jäsenvaltioiden hyväksyttävä ja pantava täytäntöön toimenpiteitä, joilla edistetään kriittisten raaka-aineiden talteenottoa kaivannaisjätteestä (42 kk)

Jatkuva / ("Ongoing")

Ilmoitusvelvollisuus komissiolle mahdollisista toimitusketjujen häiriöistä

Komission informointi relevanteista bilateraalista raaka-ainekumppanuuksista

Kaavoitus

Kriittisten raaka-aineiden hankkeita koskevat relevantit hallinnolliset tiedot verkkoon

Keskeisten alueen markkinatoimijoiden tunnistaminen ja ilmoittaminen tilastoviranomaisille

Komission informointi tietoon tulevista CRM toimitusketjujen häiriöistä

# Required legislative changes + new EU initiatives



- **Permit Procedures**

- *Act on the Handling of Environmental Protection and Water Issues by the Regional State Administrative Agencies*
- Wider "One-stop shop" legislation currently in the parliament
  - Contact point authority: PS-AVI and LVV.
- Priority in permitting in certain processes

- **Risk Monitoring and Management**

- Included in the comprehensive reform of the Act on security of supply

- Government proposal to Parliament on acts implementing, supervising, and sanctioning certain obligations under the EU Critical Raw Materials Regulation

**New Law – Provisions include:**

- **Market surveillance** (Competent authorities)
- **Reporting** (Competent authorities, right to access information)
- **Obligations for operators** related to the UN Framework Classification for Resources (UNFC) + provisions on competent authorities, sanctions (?), and access to information
- Amendments to related legislation, e.g., *Act on Market Surveillance of Certain Products*

- **Clean Industrial Deal - "Critical Raw Materials Center"**

- Raw materials purchasing platform
- Storage
- New funding/support instruments – also for the upstream part of the value chain



**Thank you!**