

Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p> <p>2023/0079(COD)</p>	Awaiting committee decision
<p>Framework for ensuring a secure and sustainable supply of critical raw materials</p> <p>Amending Regulation 2013/168 2010/0271(COD) Amending Regulation 2018/858 2016/0014(COD) Amending Regulation 2018/1724 2017/0086(COD) Amending Regulation 2019/1020 2017/0353(COD)</p> <p>Subject</p> <p>3.40.16 Raw materials 3.70.20 Sustainable development</p> <p>Legislative priorities Joint Declaration 2023-24</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Industry, Research and Energy	 BEER Nicola	11/04/2023
		Shadow rapporteur	
		 BENTELE Hildegard	
		 CHAHIM Mohammed	
		 HAHN Henrike	
		 DAUCHY Marie	
		 KLOC Izabela-Helena	
		 ERNST Cornelia	
	Committee for opinion	Rapporteur for opinion	Appointed
 International Trade	 ASIMAKOPOULOU Anna-Michelle	27/04/2023	
 Internal Market and Consumer Protection	The committee decided not to give an opinion.		
 Development		08/05/2023	
	 BENTELE Hildegard		
 Foreign Affairs		04/05/2023	



[LEXMANN Miriam](#)

ENVI [Environment, Public Health and Food Safety](#)

04/04/2023



[POLFJÄRD Jessica](#)

BUDG [Budgets](#)

The committee decided not to give an opinion.

REGI [Regional Development](#)

23/03/2023



[BOGOVIČ Franc](#)

JURI [Legal Affairs](#)

The committee decided not to give an opinion.

ECON [Economic and Monetary Affairs](#)

20/04/2023



[POLFJÄRD Jessica](#)

Council of the European Union
European Commission

Commission DG

Commissioner

[Internal Market, Industry, Entrepreneurship and SMEs](#) DOMBROVSKIS Valdis

European Economic and
Social Committee

Key events

16/03/2023	Legislative proposal published	COM(2023)0160	Summary
08/05/2023	Committee referral announced in Parliament, 1st reading		

Forecasts

07/09/2023	Vote scheduled in committee
11/09/2023	Indicative plenary sitting date

Technical information

Procedure reference	2023/0079(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation 2013/168 2010/0271(COD) Amending Regulation 2018/858 2016/0014(COD) Amending Regulation 2018/1724 2017/0086(COD) Amending Regulation 2019/1020 2017/0353(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting committee decision
Committee dossier	ITRE/9/11590

Documentation gateway					
Legislative proposal		COM(2023)0160	16/03/2023	EC	Summary
Document attached to the procedure		SEC(2023)0360	17/03/2023	EC	
Document attached to the procedure		SWD(2023)0160	17/03/2023	EC	
Document attached to the procedure		SWD(2023)0161	17/03/2023	EC	
Document attached to the procedure		SWD(2023)0162	17/03/2023	EC	
Committee draft report		PE746.959	15/05/2023	EP	
Amendments tabled in committee		PE749.172	26/05/2023	EP	
Amendments tabled in committee		PE749.173	26/05/2023	EP	
Amendments tabled in committee		PE749.175	26/05/2023	EP	
Amendments tabled in committee		PE749.174	30/05/2023	EP	

Framework for ensuring a secure and sustainable supply of critical raw materials

PURPOSE: to lay down a regulatory framework to support the development of domestic capacities and strengthen sustainability and circularity of the critical raw material supply chains in the EU.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: raw materials are found at the beginning of all industrial value chains. The focus of this draft Regulation is on non-energy, non-agricultural raw materials that are important for the EU economy, the supplies of which are subject to a high level of supply risk. These critical raw materials (CRMs) are often indispensable inputs for a wide set of strategic sectors including renewable energy, the digital industry, the space and defence sectors and the health sector. At the same time, extraction and processing of CRMs can have negative environmental impacts, depending on the methods and processes used, as well as social impacts.

The EU relies almost exclusively on imports for many critical raw materials. Suppliers of those imports are often highly concentrated in a small number of third countries, both at the extraction and processing stage. For example, the EU sources 97% of its magnesium in China. Heavy rare earth elements, used in permanent magnets, are exclusively refined in China. 63% of the world's cobalt, used in batteries, is extracted in the Democratic Republic of Congo, while 60% is refined in China. This concentration exposes the EU to significant supply risks. There are precedents of countries leveraging their strong position as suppliers of CRMs against buyer countries, for instance through export restrictions.

With the global shift towards renewable energy and the digitalisation of our economies and societies, demand for some of these critical raw materials is forecasted to rapidly increase in the coming decades.

Disruption in the supply of essential goods during the COVID-19 crisis and the energy crisis sparked by Russia's war of aggression against Ukraine have highlighted the EU's structural supply dependencies and their potentially damaging effects in times of crisis.

The 2008 raw materials initiative and the 2020 action plan on critical raw materials both provided a framework for initiatives to assess the criticality of different raw materials, the international diversification, research and innovation and the development of CRMs production capacity in the EU. However, non-regulatory actions have not been enough to ensure the EU's access to a secure and sustainable supply of critical raw materials.

At present, there is no regulatory framework aimed at structurally reducing supply risks across the range of critical raw materials.

CONTENT: therefore, the Commission is presenting this proposal which seeks to set out regulatory framework to ensure the Union's access to a secure and sustainable supply of critical raw materials. The proposed Regulation aims to:

1. strengthen the different stages of the European critical raw materials value chain;
2. diversify the EU's imports of critical raw materials to reduce strategic dependencies;
3. improve the EU capacity to monitor and mitigate current and future risks of disruptions to the supply of critical raw materials;
4. ensure the free movement of critical raw materials on the single market while ensuring a high level of environmental protection, by improving their circularity and sustainability.

List of critical and raw materials

In addition to an updated list of critical raw materials, the proposal identifies a list of strategic raw materials, which are crucial to technologies important to Europe's green and digital ambitions and for defence and space applications, while being subject to potential supply risks in the future. The proposed Regulation embeds both the critical and strategic raw materials lists in EU law.

The Commission should review and, if necessary, update the list of strategic raw materials by four years after the date of entry into force of this

Regulation and every four years thereafter.

Benchmarks

The proposal lays down benchmarks to improve capacities for extraction, processing and recycling of critical raw materials in the EU and guide diversification efforts.

It also sets clear benchmarks for domestic capacities along the strategic raw material supply chain and to diversify EU supply by 2030:

- at least 10% of the EU's annual consumption for extraction;
- at least 40% of the EU's annual consumption for processing;
- at least 15% of the EU's annual consumption for recycling; not more than 65% of the Union's annual consumption of each strategic raw material at any relevant stage of processing is from a single third country.

The proposal also:

- sets out rules for the recognition by the Commission of certification schemes related to the sustainability of critical raw materials;
- sets up a European Critical Raw Materials Board, composed of high-level representatives from the Member States and the Commission, which will chair the Board. The Board will provide advice to the Commission and assist with coordination, cooperation and information exchange to support the implementation of this Regulation.

Lastly, the proposal contains articles on penalties, monitoring progress and on carrying out an evaluation of the Regulation. It also establishes a common reporting for Member States related to different measures and contains an article ensuring that confidential information collected under this Regulation is handled in a consistent manner.

Budgetary implications

The proposal has budgetary implications for the Commission. Specifically, and when fully operational, it requires up to 33 full-time equivalents per year to implement the regulation and the related delegated acts over the period 2024-27 of the EUs multiannual financial framework.

In addition to EUR 3.2 million counted under Heading 1 for performing a range of studies needed for the implementation of the Regulation, it requires commitments on existing budget lines, amounting to EUR 14.969 million in Heading 7 (Administrative Expenditure). The new commitments will be covered from the existing budgetary envelopes of the relevant programmes.

In terms of staffing needs, the Commission has looked carefully at ways to share the work between DGs, reallocate staff where possible and outsource scientific and technical support for the preparation of delegated and implementing acts and for cross-cutting tasks. It remains apparent, however, that the high level of ambition of the measures and the increased importance of critical raw materials call for a structured approach to develop the EUs capacity to take action on this matter.

Transparency				
FUGLSANG Niels	Shadow rapporteur for opinion	ECON	31/05/2023	KIC InnoEnergy SE
BEER Nicola	Rapporteur	ITRE	31/05/2023	Robert Bosch GmbH
BEER Nicola	Rapporteur	ITRE	24/05/2023	W.L. Gore & Associates GmbH
BEER Nicola	Rapporteur	ITRE	24/05/2023	Vulcan Energies
BOURGEOIS Geert	Shadow rapporteur for opinion	INTA	24/05/2023	Haleon
HAHN Henrike	Shadow rapporteur	ITRE	23/05/2023	Brot für die Welt SOMO - The Centre for Research on Multinational Corporations FARN (Fundación Ambiente Recursos Naturales)
BEER Nicola	Rapporteur	ITRE	22/05/2023	Joint European Disruptive Initiative
BEER Nicola	Rapporteur	ITRE	17/05/2023	Stora Enso
BEER Nicola	Rapporteur	ITRE	17/05/2023	AEGIS Europe
HAHN Henrike	Shadow rapporteur	ITRE	17/05/2023	BASF SE
KOHUT	Member	24/05/2023	Jastrz?bska Sp?ka	

?ukasz			W?glowa S.A.
HAHN Svenja	Member	10/05/2023	TRIMET Aluminium SE WirtschaftsVereinigung Metalle
GÁLVEZ MUÑOZ Lina	Member	10/05/2023	Alcoa Inespal Aurubis AG Atlantic Copper Asturiana de Zinc
SKYTTEDAL Sara	Member	10/05/2023	LKAB
SKYTTEDAL Sara	Member	09/05/2023	ERAMET
BALT Marek Pawe?	Member	08/05/2023	Hydro
BENTELE Hildegard	Member	30/03/2023	Bundesverband der Deutschen Industrie e.V.
MALDONADO LÓPEZ Adriana	Member	29/03/2023	Grupo Renault
GÁLVEZ MUÑOZ Lina	Member	29/03/2023	CRM Alliance
BENTELE Hildegard	Member	29/03/2023	BeST - Beryllium Science & Technology Association