

Defensives – European Raw Material Alliance kick-off on 23 November 2020

Have you received the letter from NGOs raising concerns on EU Critical Raw Materials Action plan?

- The Commission replied to the letter received on 28 September on behalf of 234 civil society organisations and 110 individuals.
- The Alliance on Raw Materials represents the first deliverable of the actions announced in the Communication on Critical Raw Materials, published on 3 September.
- We assured NGOs that environmental and social interests are at the heart of the action plan.
- The Commission is fully committed to creating an economy, in which resources are used, kept and reused to the fullest, and additional resource extraction is minimised or altogether avoided.
- Regarding requested legal right for EU communities, the 'Right to Say No' to mining projects, we are working with Member States, regions and industry to ensure that mining and extractive activities adhere to the highest environmental and social standards. We are helping to develop new mining techniques with lower impact on the environment through our research and innovation funding.
- We support your point about the importance of correct application and enforcement of EU Environmental Law in the Member States. In addition to the legal rights of affected parties to submit complaint, the Commission can initiate infringement actions.
- The Commission agrees that extraction of raw materials has to respect human rights and the environment. Our work with the partner countries can support building sustainable value chains that benefit both their and our economies. With the EU Conflict Minerals Regulation coming into force in 2021, the EU takes a major step towards ensuring that its companies source tin, tungsten, tantalum and gold (3TG) responsibly and that the benefits reach local communities.
- Our action plan does not mention deep seabed mining, the Commission believes in a cautious approach towards deep-sea mining, as set out in the EU's biodiversity strategy.

How is the governance of ERMA set up?

- The governance framework follows the successful example of previous initiatives such as the European Battery Alliance.
- Companies, regions and research institutions may join the Alliance by subscribing to its declaration.

- The raw materials Knowledge and Innovation Community of the European Institute of Innovation and Technology (KIC-EIT RawMaterials) will manage the alliance on the operational side.
- The Commission will oversee the Alliance's activities through the European Innovation Partnership on Raw Materials, an established stakeholder forum chaired by the Commission and involving Member States, industry, financial institutions, international organisations and civil society groups.

Is industry in the driving seat in this alliance?

- Industry is an indispensable player to create new projects on the ground that will make Europe more resilient. But the voice of local communities and governments, as well as of environmental groups is just as important, as we want to build a *sustainable* raw materials value chain that benefits all.
- All discussions taking place in the context of the alliance will be open, transparent and inclusive. The KIC-EIT RawMaterials, which will manage the alliance operationally, is an EU-funded organisation dedicated to connecting universities, researchers, innovators and entrepreneurs in the field of raw materials, and therefore well-placed to facilitate the inclusion of all stakeholders.

How will you include civil society in this process?

- Increasing domestic mining and processing is only possible when the local population supports it on the ground. All actors have to be involved in transparent, cooperative dialogue: Member States, regions, the local authorities, civil society organisations, industry and other stakeholders.
- The governance structure of the European Raw Materials Alliance, where KIC-EIT RawMaterials's management will be overseen by the European Commission and the European Innovation Partnership, ensures that all stakeholders can contribute to the strategic discussions and follow industry-led activities that arise from the Alliance transparently.
- We are especially hoping for the expertise of green NGOs to contribute to projects regarding circularity and sustainability.

Why focus on rare earths and permanent magnets?

- Rare earths have been identified amongst the highest supply risk critical raw materials for the EU.
- China continues to reinforce control and technological leadership of the rare earths-magnets value chain.
- Because of their unique magnetic, luminescent, and electrochemical properties, the 17 rare earth elements are crucial for high-tech, low-carbon products such as wind turbines, electric mobility solutions (bikes, cars, trains, trucks, commercial vehicles, drones and other e-aircrafts, ships), batteries, LED lighting, lasers, radars, robots, automotive catalysts etc.
- The EU currently has no mining of rare earths. We have several interesting deposits in Finland, Germany, Portugal, Spain, Sweden, but also in Greenland and Norway.
- We need to mitigate the risks to the EU and this should cover the entire supply chain: from mine, through processing plant, end-use products and recycling.
- But the clear intention is to widen the scope and should initiatives be taken to already address issues in other area we would of course be ready to welcome them in the framework of the alliance.

How does it make sense that we are increasing material extraction and environmental destruction while we are intending to become green and circular, as the Green Deal professes? Can circularity not cover our needs?

- We are working to make RM use more circular, but even so, according to OECD, World Bank and UN we will need substantially-more primary raw materials.
- There is a trade-off between resource efficiency and climate/digitalisation but it is very clear that **by abandoning any primary raw materials extraction, the greater goals of the green and digital transitions would be seriously hampered**, to the detriment of our economy, society and also the climate.
- In any case, the EU will work to push circularity and resource efficiency as much as possible and to ensure that all activities related to European consumption of raw materials takes place under responsible and sustainable conditions.

How does the EU ensure that the increased extraction of raw materials causes no environmental harm and contributes to social development?

- Within the EU, a **strong regulatory framework** exists with careful involvement of local stakeholders and high standards for environmental management. Outside the EU's borders, however, bigger uncertainty exists as to how sustainably resource extraction is organised.
- Therefore, **Europe should no longer import raw materials and export problems**. We have the capacity in Europe to develop more sustainable mining and processing operations and we should therefore use it to enhance our resilience and strategic autonomy, create jobs and set standards for sustainable raw materials extraction.

Why does the EU not make absolute EU resource use reduction a priority?

- *This is part of the Circular Economy approach as outlined in the Critical Raw Materials Communication, which looks inter alia into digital means to promote material efficiency in EU industries. However, we have to acknowledge that digital and green transition will require more raw materials in the future than today.*
- The rationale behind the new Circular Economy Action Plan is building circular, less wasteful systems that use resources more efficiently and sustainably, providing work opportunities and a high quality of life.
- In general, new business models that are enabled by digitalisation and the shared economy will accelerate the dematerialisation of our economy, making Europe less dependent on primary materials. In the mobility sector, car sharing or ride-sharing are examples of such new business models.
- The EU is already at the forefront of the circular economy and has already increased its use of secondary raw materials where possible. We are keen to further increase it, and thereby reduce the use of primary raw materials.
- The Action Plan on Critical Raw Materials follows the logic of "resource efficiency first". It puts a priority on research funding for substitution and recycling of critical raw materials and announces a mapping of Europe's secondary raw materials potential that will help us to make better use of it.
- The European Raw Materials Alliance will put a focus on ensuring the recyclability of the raw materials we focus on, such as the rare earths.

We will look at product design and effective recycling systems from the very start.

Will you give communities a legally-binding right to say no to mining projects?

- *Domestic mining will only work if it has the backing of public acceptance. This is a public and transparent discussion we have to have, and of course no decisions will be made which are not publicly accepted – especially at regional level, i.e. with those communities most affected. We should take note that domestic mining presents an important opportunity for regions in transition.*

Will you ensure compliance with EU environmental law by Member States?

- *Yes. We fully agree with this approach and we have a strong implementation agenda based on the EU's green agenda.*

Why is the EU “exploiting” third countries?

- *The EU agrees that unfair trading practices with developing countries must be stopped. This is exactly the approach as outlined in the Critical Raw Material Communication. Our proposal is to develop strategic partnerships with third countries, including developing countries, that are based on responsible and sustainable sourcing.*
- *By increasing sustainable and responsible domestic sourcing in Europe, we can reduce the amount of raw materials we have to source from elsewhere.*
- *The strategic partnerships with resource-rich countries that the Action Plan proposes, such as partnership being developed with Africa, will be based on a win-win principle. The EU can help developing countries to develop their mineral resources sustainably by exchanging responsible mining practices and supporting improved local governance. This will foster economic growth, create decent jobs and promote the local population's well-being.*
- *Responsible and sustainable sourcing is of great importance to the Commission, which is working with relevant international fora on related programmes, such as the Mineral Resources Governance of the United Nations Environmental Programme and the OECD work on Due Diligence.*

- In 2017, the EU co-legislators adopted a Regulation on Conflict Minerals, covering tin, gold, and the critical raw materials tantalum and tungsten that will apply to EU importers as of 1 January 2021. It obliges them to ensure that the minerals and metals they import, originate from responsible and conflict-free sources only.
- The European Partnership on Responsible Minerals helps mines to comply with the EU Regulation and OECD due diligence guidance.
- The forthcoming proposal for a Batteries Regulation will address the responsible sourcing of battery raw materials and the Commission is considering making a possible horizontal regulatory proposal on due diligence.
- The new EU Action Plan on Critical Raw Materials promotes responsible mining practices for critical raw materials through the EU regulatory and relevant international cooperation.

Why is the EU funding projects that communities oppose?

- It is essential that mining projects in Europe gather the support of local communities. A dialogue with the local communities is always part of permitting procedures.
- National or regional authorities in charge of issuing the relevant permits and making sure the extraction activities comply with relevant EU and national rules.
- EU research funding is granted only for genuinely innovative activities that require public financial support. All projects are closely monitored and evaluated to prevent any activities from being supported that are in conflict with EU priorities and values.
- Our goal is that in case new mining activities are established in the EU, this will be done according to the highest environmental and social standards. This also needs cooperation and best practice exchange between different EU regions, so that they can improve their practices.
- We need to be aware that many raw materials, including lithium is mined and processed under much worse social and environmental conditions in third countries than it would be in the EU.

Are you encouraging the move into new frontiers for mining like the deep seabed?

- The biodiversity strategy adopted in May states very clearly that the EU advocates for a cautious approach.
- Marine minerals in the international seabed area cannot be exploited before the effects of deep-sea mining on the marine environment, biodiversity and human activities have been sufficiently researched, the risks are understood and the technologies and operational practices are able to demonstrate no serious harm to the environment.
- This is in line with the precautionary principle.
- In parallel, the EU will continue to fund research on the impact of deep-sea mining activities and on environmentally-friendly technologies.

How will the European Battery Alliance and the European Raw Materials Alliance work together to avoid duplications regarding raw material activities relevant for the Battery Value Chain?

- Given the use of several critical raw materials in batteries, it is right and essential that the European Battery Alliance has created a workstream dedicated to battery raw materials.
- However, there are many challenges in the batteries value chain that go beyond raw materials; and battery raw materials are only a small subset of the critical raw materials that deserve attention in the context of the European Raw Materials Alliance.
- EIT RawMaterials, the Innovation Community that is managing ERMA, has been working together closely with its sister organisation EIT InnoEnergy. Naturally, a close interaction between the European Battery Alliance and the European Raw Materials Alliance will be maintained.