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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

RESourceEU Action Plan

Accelerating our critical raw materials strategy to adapt to a new reality

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INTRODUCTION

History has shown that with sufficient ambition and the right tools, the EU is capable of reducing even deep-seated dependencies. This was demonstrated with *REPowerEU* ([1]), which reshaped our energy landscape including the phase-out of Russian gas imports. Today, the Commission adopts the RESourceEU Action Plan, applying a similar logic of derisking and diversification to critical raw materials. RESourceEU mobilises a large spectrum of policy tools as well as private and public actors so that, together, the EU accelerates the implementation of its Critical Raw Materials Strategy, reduces its critical dependencies, and strengthens its economic security.

In 2024, the EU has already put forward ambitious measures in the Critical Raw Materials Act (CRMA) ([2]). This Act sets clear objectives for EU supply security: by 2030, the EU should have the capacity to extract 10%, process 40% and recycle 25% of the strategic raw materials it consumes ([3]). In parallel, the EU should diversify its supply so that it does not depend on a single country for more than 65% of its demand. While the direction is clear, it is essential that we accelerate our progress towards it.

CRMs are essential for the EU's competitiveness, clean energy and digital transitions, as well as for its defence and aerospace needs and food security. However, for most CRMs (including the 26 that are relevant for the energy transition), the EU is excessively dependent on imports from non-EU countries. China has established a dominance of global production capacity at all value chain stages, from extraction to metal making or magnet manufacturing ([4]). This stronghold creates dependencies for the EU and other partners, that are increasingly weaponised for geopolitical purposes with an ability to significantly affect EU manufacturing. A crisis in the supply of CRMs is a very real and present threat to the EU.

The rising demand for CRMs is driving a geopolitical scramble to access resources. China acts with the whole of supply chain approach, leveraging its CRM market power to steadily expand its dominance across key downstream value chains (batteries, electric vehicles or

([1]) https://energy.ec.europa.eu/topics/markets-and-consumers/actions-and-measures-energy-prices/repowereu-3-years_en

([2]) Regulation (EU) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020.

([3]) Strategic raw materials (SRMs) are a subset of critical raw materials, defined in the CRMA and used in strategic technologies for the digital and green transition as well as for defence and aerospace industries. CRMs and SRMs are listed in the Annexes 1 and 2 of the CRMA.

([4]) Carrara, S., Baldassarre, B., Jakimów, M., Kuzov, T., Mc Govern, L. et al., Deep dive on critical raw materials for wind turbines in the EU, Black, C. (editor), Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2760/5665594, JRC141759.

wind turbines). This is achieved through a mix of Non-Market Economy Policies and Practices, including subsidies across the value chain, which help scale up domestic production, create overcapacity, use predatory supply and pricing practices, force technology transfers, and invest to control the value chains in third countries.

In addition, over the past three years, China has adopted a series of export control measures, covering CRMs such as graphite, gallium, tungsten, bismuth, germanium and rare earths, but also final products like batteries, or equipment related to processing rare earths elements. The 9 October 2025 restrictions included extraterritorial controls on any industrial or defence product containing certain CRMs. Their suspension by a year offers only a temporary and partial relief. EU industrial players remain affected by other measures still in effect, which cause administrative blockages and shipping delays. European car and machinery producers, and medical devices manufacturers, are rushing to secure their supply of rare earth permanent magnets. With few alternatives on the market, they are often left waiting, without visibility on the timing of approval of the licenses and are required to provide sensitive business information.

This risks leading to production shutdowns and eventually to plants' closure and lay-offs, while undermining the EU's economic security, long-term competitiveness and transitions objectives. Critical dependencies for certain CRMs also risk hampering the EU's ability to deliver on its 2030 defence readiness objectives and to support militarily Ukraine, thereby posing a direct security risk and undermining the goals of the European Economic Security Communication ([5]). Ensuring the resilience of these strategic supply chains, shielding them from external interference and preventing risky dependencies is also among the main economic security objectives. Other global players have been taking measures to address their dependencies, such as the United States, which is entering into CRMs projects on offtakes agreements and signing partnerships with partner countries.

Through a coherent Team Europe approach, stronger and faster measures are now required in the EU as market forces cannot deliver the necessary diversification by themselves. Due to an uneven playing field, it is often costlier to produce in the EU than in other regions, like for permanent magnets, for which it can be three times more expensive. This is due to a variety of reasons, ranging from energy prices to stricter regulatory environments. Furthermore, outright market manipulation by incumbents creates price instability and weakens the business case of European CRMs projects. This deters European downstream industries from committing to long-term purchase agreements with EU suppliers. The EU must address the difficulties faced by new entrants to operate in a highly concentrated market, especially where other actors deploy non-market practices and behaviours motivated by geopolitical or other non-economic interests.

The Commission is therefore adopting **the RESourceEU Action Plan** to accelerate the achievement of the CRMA objectives, preserve and expand EU production of primary and secondary CRMs, strengthen the EU's resilience against supply disruptions and chart a path towards a faster diversification of CRMs supply chains. As such, the RESourceEU Action Plan complements other measures to advance the Union's economic security goals, as part of a strategic approach presented in the Economic Security Communication and contributes to the objectives set out in the Communication on the Clean Industrial Deal ([6]).

([5]) COM/2025/977 final.([6]) COM/2025/85 final.

([6]) COM/2025/85 final.

Though the Action Plan can support all critical raw materials, the immediate focus is to boost the value chains for rare earths permanent magnets, battery raw materials and defence-related raw materials, given their strategic dimension for Europe's competitiveness, transition and defence readiness objectives. For that purpose, this Action Plan provides measures to accelerate the roll-out of CRM projects that can become operational in 2029 and before. Once operationalised, those mature projects can significantly contribute to the reduction of the EU's dependencies and drive forward the rest of the value chain, helping set the basis for a competitive CRMs industry in Europe and for the successful achievement of all current and future CRMs Strategic Projects. Circularity will be a central enabler of this endeavour, driven by the support to recycling projects and regulatory incentives to recover raw materials.

1. SECURING SUPPLY WITH THE EUROPEAN CRITICAL RAW MATERIALS CENTRE

The critical raw materials challenge requires strategic oversight and a long-term European structural response to fulfil the objectives of the CRMA and RESourceEU.

Learning from the experience of Japan's Organization for Metals and Energy Security (JOGMEC), the Commission will establish in 2026 a European Critical Raw Materials Centre ('the Centre') with the mandate to help securing access to CRMs for the European industry. The Centre will develop a systemic intelligence on CRMs value chain and on primary and secondary markets, to inform European and national actions on investment, stockpiling and joint purchasing.

By using this intelligence, the Centre will play a pivotal role in steering actions and financing, both at EU and national level along the EU CRMs supply chain, and, in particular, in Strategic Projects, relying on financial instruments tailored to projects' needs, ranging from loan and guarantee to equity, in cooperation with public and private financial institutions and Member States' CRMs funds. Acting as a portfolio manager, the Centre will encompass both domestic and global activities to build a diversified, sustainable and secure primary and secondary CRMs value chain. The Centre will also monitor projects throughout their development cycle and operations to ensure that they quickly ramp up and continue operating in the EU and within trusted partner countries.

The Centre will act as a shield to support the long-term EU competitiveness and the resilience of the Single market by facilitating strategic stockpiles of primary and secondary CRMs, in coordination with EU industrial players and Member States. To ensure the viability of projects and to develop the stockpiles, the Centre will have the necessary mandate to undertake joint purchasing operations and matchmake demand and supply. The Centre will also prioritise the purchase of critical raw materials of relevance for the strategic sectors of the Union, such as aerospace and defence, while ensuring coherence and complementarity with Member State and industry's own stockpiling efforts.

The Centre will start its operations in 2026, building on the mechanisms of CRMA and RESourceEU. The Commission will also propose legislative instruments by Q2 2026 to equip it with the necessary tools to conduct all its envisaged activities in a second stage.

2. PROMOTING AND ACCELERATING PRIORITY PROJECTS

Identifying and supporting relevant projects is an essential condition for the emergence of a European CRM supply chain and for ensuring the diversification of

EU supply sources. The Commission has already approved 60 Strategic Projects under the CRMA, including 13 in third countries ([7]). Among those Strategic Projects and other CRMs projects, some have the capacity to be deployed in the very short term to help the EU reduce its dependencies on a single country of origin by 30 to 50% by 2029 at the latest for battery, rare earth or defence related raw materials value chains ([8]). To achieve the necessary production capacity, those projects must mobilise around EUR 2.15 billion to meet their estimated financial needs for both capital and operational expenditures. This cannot be achieved without public intervention to de-risk projects and mobilise the substantial private investments needed.

De-risking tools must therefore be mobilised and regulatory bottlenecks must be unlocked to accelerate the production start of such relevant projects. Projects would otherwise remain constrained by investors' reluctance to commit to long-term and complex operations and by the downstream industry's limited interests in offtake agreements.

2.1. Creating a CRM financing hub to accelerate CRMs projects in the EU and in partner countries

The Commission, Member States and public and private financial institutions are already engaged to support the Strategic Projects selected earlier this year under the CRMA. Fostering the development of a European CRMs value chain also requires sufficient private capital from within the EU. In this perspective, the Savings and Investments Union will play a key role in facilitating EU companies' access to private funding at each stage of their life cycle.

There is a range of EU funding programmes providing support to the CRMs value chain. The **Innovation Fund's** 2024 call awarded five CRMs projects for EUR 376 million, in particular the Polvolt Strategic Project to manufacture a low-emission recycling facility for battery raw materials in Poland. In addition, several Innovation Fund projects have received the STEP Seal to facilitate funding at national level. The **Just Transition Fund** has provided EUR 18.7 million in funding to Neo Performance's Rare earths magnet project in Estonia.

As part of its new CRM strategic initiative, the **European Investment Bank** (EIB) is committed to provide up to EUR 2 billion financing per year for CRM-related projects, via loans, venture debt, and private funds ([9]). To date, the EIB has already provided financing to the Strategic Projects UpCatalyst (processing of graphite) and Keliber (lithium extraction and processing) via loan agreements, supported also by InvestEU. The EIB has put in place a dedicated CRM advisory support to help CRM projects become more bankable, providing technical assistance and guidance on structuring projects to attract investment.

The **European Bank for Reconstruction and Development** (EBRD), with the support of the Commission, launched a facility to mobilise EUR 100 million to invest equity into CRM exploration projects ([10]). The EBRD also invested in equity around EUR 6 million in the EuroManganese Strategic Project in the Czech Republic and EUR 3.6 million in the

([7]) https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/strategic-projects-under-crma/selected-projects_en
([8]) Estimates based on announced planned production capacities.
([9]) https://www.eib.org/en/press/all/2025-156-eib-steps-up-financing-for-european-security-and-defence-and-critical-raw-materials
([10]) EBRD and EU to mobilise up to €100 million for critical raw materials investments

Sarytogan Graphite Strategic Project in Kazakhstan ([11]) ([12]). **EU-level de-risking financing is essential to support the development of a EU CRM value chain, but additional efforts are needed with a hands-on, result and project-oriented approach.** As a starting point, the Commission will coordinate today's fragmented funding sources on CRMs as well as the different actors involved. From research funding, through scale up funding, and grants management, the Commission will bring enhanced coherence to all these actions. The Commission will also work to avoid disconnections between internal and external action instruments to promote all relevant projects for the EU and ensure a value chain approach to CRMs projects, taking into account the contribution of SMEs.

The Commission will set up a CRM financing hub to coordinate strategically funding support, provide technical assistance to project promoters and national administrations and accelerate projects development. The financing hub will bring together different pillars to provide support to relevant projects along the value chain, with a specific emphasis on recycling, and different levels of technological maturity (from innovation to market deployment):

- **InvestEU** provides critical de-risking capacity for CRM projects along the value chain. The Commission expects to mobilise around EUR 2 billion in additional Critical Raw Materials related investments in the 2026-2027 period, including thanks to the reinforcement of the InvestEU omnibus.

- In addition, the **Innovation Fund** will support innovative projects along the CRMs value chain: the 2025 call will dedicate EUR 1 billion to clean tech manufacturing with a strong emphasis on strengthening CRMs value chains for clean tech applications in the EU, such as for rare earths permanent magnets and batteries.

- The **Battery Booster**, with an envelope of EUR 1.8 billion, will also be designed to fund CRMs projects crucial to the battery value chain, notably lithium, cobalt, nickel, manganese and graphite, for up to EUR 300 million.

- Given their importance for the defence industry, the Commission will work with the Member States to integrate critical raw materials as a priority area in the context of the Security of Supply regime and funding priorities for the upcoming **European Defence Industry Programme** ([13]).

In 2026, the Commission will launch a new approach to project financing, which will put the focus on increasing the long-term viability of CRMs projects by incentivising and securing their offtake in the EU. This approach will put a premium on increasing EU demand for diversified and resilient CRMs supply chains.

In 2026, at least EUR 700 million will be made available from the **Innovation Fund** in the call dedicated to clean tech manufacturing and CRMs supply chains. In this call, both clean tech and CRMs projects will be eligible to apply and the Commission will promote an integrated approach by prioritising clean tech manufacturing projects -sourcing critical raw materials through domestic offtake agreements or from other diversified sources in reliable partners. Where the project promoter shows this is not feasible, a plan for rapid diversification of CRM's supply will be required. Member States will be invited to

([11]) Euro Manganese equity | We invest in changing lives
([12]) AsxDownload.aspx
([13]) https://defence-industry-space.ec.europa.eu/eu-defence-industry/edip-dedicated-programme-defence_en

contribute funding to this call in the form of a grant-as-a-service, in compatibility with State aid.

Furthermore, the Commission will work with Member states and interested financial institutions to design de-risking financial instruments, such as Contracts for Difference, to further incentivise such offtake agreements.

In line with the EU Economic Security Communication, it will be essential to ensure that the projects supported continue to deliver security of supply. The Commission will work with the EIB and the EBRD to set out stringent conditions to ensure that CRMs projects supported by EU funds deliver to their intended markets.

The Critical Raw Materials Centre will play a central role in monitoring and supporting project development and implementation and **coordinate the activities of the CRM financing hub.**

Overall, as part of a Team Europe approach, the EU should mobilise EUR 3 billion of EU funds within the next 12 months in direct support of the CRM value chain.

2.2. Leveraging the capacity of Member States and regions

The scale of the challenge requires an all-encompassing approach, maximising synergies between EU-level support and fundings from national and local administrations. France, Germany, Italy and the Netherlands have launched **national CRMs funds**, with others pursuing similar actions. Member States are encouraged to leverage their domestic funds on CRMs to ensure the prompt roll-out of projects contributing to the EU value chain resilience. To that end, Member States are encouraged to make full use of the possibilities to grant aid for eligible projects, notably on the basis of State aid schemes approved under the Clean Industrial Deal State Aid Framework. In the context of the mid-term review of cohesion policy programmes, the Commission encourages Member States and regions to channel up to EUR 1 billion funding to support Strategic Projects selected under the Critical Raw Materials Act. Funds are already being reallocated to investments contributing to the objectives of the **Strategic Technologies for Europe Platform** (STEP), which encompasses CRM value chains ([14]).

In parallel, Member States are encouraged to use financial assistance for stockpiling raw materials to improve the availability of defence products under the **Security Action for Europe (SAFE)** Regulation ([15]). Member States that are also NATO allies can build on the Hague Summit Declaration to channel funding towards defence-relevant CRMs projects as part of their 1.5% of GDP commitment to strengthen their security ([16]).

It is essential that cooperation and coordination continue between the EU and national level to maximise the impacts of public intervention. That is why the Commission will continue to work with Member States and financial institutions to coordinate the rolling-out of CRMs funding instruments within the **Critical Raw Materials Board**.

([14]) https://strategic-technologies.europa.eu/index_en

([15]) Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument.

([16]) The Hague Summit Declaration | NATO Official text

2.3. Operationalising international partnerships toward concrete projects

International partnerships on raw materials are bringing concrete results for the EU and its partners. Bilaterally, projects, investments and cooperation programmes are conducted under the umbrella of the partnerships. Across its 15 partners, the Commission has identified a pipeline of 60 projects of direct relevance to the EU ([17]). CRMs imports from Canada, Kazakhstan, Greenland, Chile and Namibia have increased both in volume and value in the past years ([18]).

Yet, the evolving global circumstances require a more operational to strategic partnerships and multilateral initiatives. Based on a project-driven approach, the Commission will provide a toolkit to support relevant projects at different stages of their development and to ensure they create high local value added and other socioeconomic benefits. First, under Horizon Europe 2021-2027 the Commission will launch a co-funded European partnership composed of Member States and third countries to co-finance research and innovation projects along the CRMs value chain for an expected total budget of EUR 300 million ([19]). Second, Global Gateway's financial instruments will support Strategic Projects and other relevant projects outside of the EU, ensuring that supplies will be directed towards EU offtakes, such as with Greenland Resources' Malmbjerg molybdenum project. EFSD+ Guarantee instruments will be used to crowd in public and private capital in complex, high-risk CRM environments. Third, the EIB CRM Task Force Facility and the Commission's CRM Facility will provide technical assistance, supporting promising projects to reach bankability. More mature projects could then be supported with a guarantee or blending instruments from the European Fund for Sustainable Development Plus.

Beyond that, the EU should mobilise all its diplomatic and economic tools to facilitate the rapid conclusions of contracts between European and third countries' companies along the raw materials value chain.

2.4. Speeding up projects' delivery

The Commission is working to help ensure the long-term viability of EU relevant projects by streamlining and simplifying the permit-granting process.

The **CRMA** provides a first response to **permitting** uncertainties by requiring that Member States enforce a strict permitting timeline for Strategic Projects (27 months for extraction projects and 15 months for processing and recycling projects) and establish Single Point(s) of Contact to coordinate projects' permit-granting process. However, Member States that have not yet established **Single Point(s) of Contact** should set them up immediately, while all Member States should provide their administration with the necessary resources to abide by the CRMA permitting timelines for Strategic Projects. Lack of a designated Single

([17]) Argentina, Australia, Canada, Chile, the Democratic Republic of Congo, Greenland, Kazakhstan, Namibia, Norway, Rwanda, Serbia, South Africa, Ukraine, Uzbekistan and Zambia.

([18]) For example, CRM imports from Kazakhstan have increased both in volume (from 32 153.3 tons to 673 982.9 tons) and value (from EUR 188 million to EUR 662 million) over the period 2000 – 2024. For Canada in particular, EU total imports of certain CRMs increased between the pre-CETA period (2012-2016) and the post-CETA period (2017-2023). EU imports of lithium grew by 11%, graphite by 33%, manganese by 28%, and rare-earth elements by 24%.

([19]) https://cordis.europa.eu/programme/id/HORIZON_HORIZON-CL4-INDUSTRY-2025-01-MATERIALS-64

Point of Contact, especially for projects designated as Strategic, like Rovina's copper extraction in Romania, impedes the acceleration of permitting procedures.

The Commission is reviewing and adapting its legal framework to remove any regulatory bottlenecks to unlock the potential of domestic production and recycling.

As a first step, the Commission will table a proposal on environmental permitting acceleration, which will include provisions speeding up permitting for CRMs projects.

Additionally, to increase the synergies and complementarity between the Water Resilience Strategy and the Critical Raw Materials Act, **the Commission will in Q1 2026 issue a guidance document** to enable **a simpler and more harmonised implementation in Member States of the EU law on environmental permitting, including aspects relating to the mining sector.** The guidance document will clarify elements such as the compliance of Environmental Quality Standards at the level of the water body as a whole and promote easier and faster compliance. It will also confirm that the law allows to take into account 'natural' background concentrations when assessing the chemical status of surface water.

In addition to the guidance, **by Q2 2026 the Commission will review and revise the Water Framework Directive** building on stakeholders' input and experiences in Member States, paying particular attention to simplification and the need to address potential bottlenecks, in order to promote circularity and access to critical raw materials in the EU, while protecting the environment and human health.

The Commission will also consider the specific operational realities of the extractive, recycling and processing sectors in the announced revision of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation and in the current implementation and possible future revisions of the Carcinogens, Mutagens and Reprotoxic Substances (CMRD) Directive, while fully upholding the highest level of protection for workers, health and the environment ([20]) ([21]).

Beyond permitting, CRM activities require supportive enabling conditions. The Commission has launched a project to support beneficial **industrial cooperation along the CRMs value chain**, including cooperation between SMEs, in compliance with competition law. The Commission also stands ready to provide guidance to companies involved in efficiency-enhancing industrial cooperation projects.

Lastly, the EU is also acting to address the human capital needs of CRMs activities by establishing a large-scale skills partnership on critical raw materials and a Raw Materials Academy to promote skills relevant to the workforce in critical raw materials supply chains ([22]) ([23]).

Actions to promote and accelerate priority projects
The Commission will set up a **multi-pillars CRM financing hub** to de-risk CRMs projects through a range of EU instruments, including InvestEU, the EU Innovation Fund, the Battery

([20]) Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

([21]) Directive 2004/37/EC of the European Parliament and of the Council of 29 April 2004 on the protection of workers from the risks related to exposure to carcinogens, mutagens or reprotoxic substances at work.

([22]) https://pact-for-skills.ec.europa.eu/document/download/9a32c1f7-66e4-4af9-86db-df5a25856db7_en

([23]) https://eitrawmaterials.eu/rawmaterials-academy

Booster or the European Defence Industry Programme. It aims to mobilise EUR 3 billion within the next 12 months.
The Commission, Member States and partner countries will further operationalise the Strategic Partnerships by accelerating support to projects in third countries through technical assistance, guarantee and blending instruments supported by EU diplomatic and economic tools.
To kick-start the implementation of RESourceEU, the Commission and the EIB are today unlocking financial support for 2 CRMs projects that will promptly deliver on the EU needs: Greenland Resources' Malmbjerg molybdenum project to achieve supply security for the defence sector; and Vulcan's lithium's extraction Strategic Project in Germany, to contribute to supply of battery raw materials. The project secured EUR 250 million of financial support from the European Investment Bank.
The Commission will propose adjustments to the EU regulatory framework **on permitting** to improve the framework conditions to help CRM projects become operational more quickly.
By Q1 2026, the Commission will issue a guidance on the Water Framework Directive and, by Q2 2026, the Commission will review and revise it.

3. UNLEASHING THE CIRCULARITY AND INNOVATION POTENTIAL

3.1. Keeping CRMs in the EU and recycling the resources already available

Recycling critical raw materials is key to increase EU production capacities. Yet, today, the EU average collection of end-of-life products in the EU is 40%, and less than 1% of rare earth elements are recycled in the EU ([24]). In other words, there is a flow of permanent magnets scrap and end-of-life products that leaves the EU, remains unused or – worse still – ends up in a landfill. With the appropriate feedstock and incentives, EU rare earths recyclers such as Carester and Solvay in France or Inspiree in Italy could ramp up their activities to contribute to the production of 3 800 tonnes of rare earths permanent magnets in the next few years, corresponding to about 20% of today's demand.

That is why, by Q2 2026, the Commission will propose restrictions on the export from the EU of scraps and waste of permanent magnets, on the basis of a thorough assessment, taking due account of its international obligations and partnerships with third countries. In fact, the threat of a supply shortage of rare earth element required to manufacture permanent magnets requires dedicated action to ensure access to the necessary feedstock, in line with EU production and expansion capacities. This work includes developing an EU-level subcode under the Combined Nomenclature and the European Waste Catalogue to identify and monitor flows of permanent magnets and end-of-life products containing them. These measures will have to be accompanied by strengthened enforcement by the Member States against illicit flows at the external borders.

With the Batteries Regulation's Implementing Act on labelling , **the Commission will ensure that battery raw materials can be recovered and recycled more easily.** For batteries, recycling also requires access to black mass, which remains a challenge for the European industry. The Joint Research Centre estimates that the EU could treat around 50% to 65% of the black mass it produces, leading to up to 1 million new electric vehicles' battery packs per year. Yet, this capacity remains largely under-utilised and a substantial

([24]) MC GOVERN, L., TAPOGLOU, E. and GEORGAKAKI, A., Material streams from wind energy decommissioning to 2050, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2760/0326924, JRC139814.

share of Europe's black mass is still exported to Asia for final recovery. To reduce that risk, as decided in March 2025, waste lithium-ion batteries and black mass will be classified as hazardous waste in September 2026 ([25]). This means that exports to non-OECD countries will be prohibited after that date. The Commission will work to effectively implement this ban, with no circumvention, and will present, as necessary, measures to restrict black mass exports even further. This means that projects recycling battery raw materials, such as Hydromet in Finland, could access additional black mass to carry out their operations.

In addition, the Commission will propose targeted measures on aluminium scrap in Spring 2026, to address global imbalances and maintain the competitiveness of the aluminium industries and deliver on the Steel and Metal Action Plan. This initiative is informed by the findings from the monitoring of scrap flows leaving the EU launched by the Commission in July 2025 and will help ensure that European smelters and recyclers retain sufficient access to essential feedstock. Following further monitoring activities, similar actions will be considered for copper scrap if this proves necessary.

To address the overall flow of CRMs waste, the Commission will enable efficient shipments of CRMs waste and secondary materials within the EU through the implementation of the Waste Shipment Regulation, including the shift to digital procedures and the possible "green-listing" of specific waste streams for recycling in the EU ([18]). In addition, the Commission will close loopholes which are currently leading to the export to third countries of copper or aluminium scrap presented fraudulently as products ([19]).

3.2. Incentivising the recycling of critical raw materials

The Commission is incentivising the recycling of products containing CRMs. The CRMA already introduced labelling requirements for permanent magnets to improve recycling processes. Building on this, the Commission is proposing to amend the CRMA to **expand the list of products** containing permanent magnets for which a **label** providing relevant information for recyclers is required.

Additional actions are also needed to ensure that recovered materials re-enter the value chain and that secondary raw materials are effectively used in new products. The CRMA focuses on post-consumer waste to encourage the development of end-of-life collection and secondary markets within the EU. However, it does not include pre-consumer waste in the calculation of recycled content, although it is typically cleaner, easier, and more cost-effective to recycle. Including pre-consumer waste generated during manufacturing would improve short-term resource efficiency and complement the recovery of post-consumer waste, which remains essential to achieving genuine circularity and recycling systems. The Commission is therefore proposing today to amend the CRMA to require a declaration of **recycled content derived from pre- and post-consumer waste**. Based on the information collected, the Commission should also define minimum shares of CRMs recovered from domestic pre- and post-consumer waste to be used in permanent magnets incorporated in products. The measure also supports recycling capacity within the EU, creating production incentives for projects such as MagReesource in France.

Beyond rare earths permanent magnets, additional efforts are required to increase recovery of CRMs from e-waste. The revision of the Waste Electrical and Electronic

([25]) Commission Delegated Decision (EU) 2025/934 of 5 March 2025 amending Decision 2000/532/EC as regards an update of the list of waste in relation to battery-related waste.

Equipment (WEEE) Directive, as part of the Circular Economy Act proposal, will include measures to improve the collection of end-of-life electrical and electronic equipment to enhance CRMs recovery. It will also propose to enhance the end-of-life treatment of electrical and electronic equipment to preserve CRM-rich components. Pending its approval by co-legislators, the revision of the end-of-life vehicles Directive will also enable the recovery of CRMs from automotives.

Similarly, additional efforts are needed to reduce the critical dependencies on fertilisers in Europe, some of which are based on critical raw materials, through recycling and by stimulating the domestic production of fertilisers.

3.3. Stimulating innovation to enable substitution and efficiencies

The Commission is supporting Research and Innovation (R&I) to improve CRMs extraction, processing and recycling technologies, as well as the substitution of CRMs with innovative advanced materials, advanced manufacturing and alternative solutions. The Commission has already allocated under Horizon Europe EUR 700 million in the past five years to support the development of R&I projects on the CRMs value chain, out of which twenty contributed to technologies for Strategic Projects under the CRMA such as the Barroso, Emili and Keliber lithium projects.

In order to amplify this potential for substitution and efficiency, the Commission will launch dedicated calls under Horizon Europe of EUR 593 million under the 2026-2027 work programme to support the optimisation of resources' uses in a circular economy and in new production processes.

The European Innovation Council (EIC) will provide for an additional EUR 100 million blended finance support through two EIC Accelerator challenges, one EUR 50 million challenge on 'Boosting the European Critical Raw Materials value chain' and another EUR 50 million challenge on 'Advanced Materials for Renewable Energy and Energy Storage Systems'.

The **European Defence Fund** will also be leveraged to increase the competitiveness and innovation of the European defence technological and industrial base by supporting integration of relevant substitutes to CRMs into defence products and technologies.

The European Commission will support Member States through the Joint European Forum for Important Projects of Common European Interest (IPCEIs) in deploying IPCEIs to promote innovation and first industrial deployment in sourcing, processing and recycling of CRMs. The Commission will also support, through the IPCEI Design Support Hub, the finalisation of the design of an IPCEI candidate on circular advanced materials.

In parallel, the Commission will accelerate the development and deployment of substitutes of CRMs with advanced materials innovation under the **Advanced Materials Act**.

Actions to unleash the circularity and innovation potential in the EU
By Q2 2026, the Commission will propose restrictions on the export of rare earth permanent magnets scrap. By Q2 2026, the Commission will also propose targeted measures for aluminium scrap. Similar measures will be considered for copper scrap, following further monitoring.

As part of RESourceEU, the Commission proposes amending the CRMA to increase the recyclability of rare earth permanent magnets.
By Q3 2026, the Commission will propose measures to increase CRM recovery in the Circular Economy Act, including from e-waste.
By Q2 2026, the Commission will propose an action plan to ensure the availability and affordability of domestic fertilisers, including actions to enable recycled nutrients and other alternatives to fertilisers
Under the 2026-2027 work programme of Horizon Europe, the Commission will launch dedicated calls of EUR 593 million to support the RESourceEU objectives, with an additional EUR 100 million blended finance support from the European Innovation Council.
By Q4 2026, the Commission will propose the Advanced Materials Act.

4. INCREASING EUROPEAN DEMAND FOR EUROPEAN PROJECTS AND CREATING A LASTING MARKET

Currently, price volatility and non-transparent market practices challenge existing production capacities and the future development of more resilient CRMs value chains. This contributes to the limited number of offtake agreements between EU and partners upstream and downstream sectors.

Public intervention is therefore necessary to diversify supply sources but also to create market mechanisms and support the operation of CRM projects over time, overcoming higher costs, price fluctuations and global market uncertainty.

4.1. Enabling demand aggregation and joint purchasing by European industry

The Commission has developed under the EU Energy and Raw Materials Platform a dedicated Raw Materials Mechanism. It will act as a matchmaking tool to connect buyers and suppliers of strategic raw materials, financial institutions and stockpiling service providers. It will provide the opportunity for interested buyers to aggregate demand and jointly purchase raw materials, and for nascent projects to secure offtake agreements in compliance with EU antitrust rules. The mechanism will also improve SMEs' access to strategic raw materials by reducing their search costs and allowing them to reach the critical size to be eligible for large volumes sold by suppliers. The platform will significantly increase the transparency of CRM markets. Furthermore, the platform may support future de-risking activities of the CRM financing hub. When operational, the Centre will build on the mechanism's activities to carry out public joint purchasing on behalf of public and private bodies.

The Commission launched the registration to the platform on 18 November 2025 and the first matchmaking round will take place in March 2026 ([26]). This initial round will target immediately and soon-to-be-available rare earths, battery and defence raw materials value chains, benefitting in particular actors in small, non-liquid markets such as for

([26]) EU Energy and Raw Materials Platform - Raw Materials Mechanism

tungsten or gallium ([27]). The Raw Materials Mechanism will focus on suppliers from the EU, the European Economic Area, Overseas Countries and Territories, and strategic partnership countries. Upcoming rounds will focus on project development, securing diversified supply of strategic raw materials for the EU industry, and connecting participants with storage and stockpiling services.

This market connection function carried out by the Platform must be complemented by mechanisms to incentivise the conclusion of contracts with diversified suppliers. This function will be taken up in the future by the Centre. In view of this, the Commission will launch a process with stakeholders to study the design, scope and funding of a cost-effective mechanism for leveraging a price floor to unlock investments both into processing facilities in Europe and into extracting critical minerals in Europe and partner countries.

4.2. Stimulating CRM diversification by the European industry

The aggregation of supply and demand is a first step toward the making of a resilient and diversified CRMs market. Yet, it will not directly reduce the persisting price differential that affects EU CRMs projects and contributes to market volatility.

To stimulate further diversification of CRMs sourcing, the Commission is also proposing a targeted amendment to the CRMA. In fact, committing the European downstream industrial sectors to supply diversification is required as they can no longer fully rely on Chinese exports to meet their demands for CRMs. In practice, large companies will need **to carry out a risk assessment of their supply chains** and adopt, as necessary, mitigation measures, including to diversify away from a single source of supply. The Commission should have the capacity to incentivise effective diversification measures that large companies should adopt in the event of significant vulnerabilities, and, in case of non-action, make diversification mandatory. This should also contribute to stimulate demand for projects on the EU value chain and help secure supplies from trusted partner countries. In today's geopolitical context, the long-term benefits of diversification largely outweigh the short-term financial costs. They should be duly taken into account by private companies as well as financial institutions.

Furthermore, the case of the EU defence industry requires particular attention. Export controls of CRMs, with presumption of denial for military end use, including **extraterritorial controls of defence equipment containing CRMs by third countries**, represent a clear and present threat to the EU's security and defence. EU institutions and Member States, in coordination with NATO, should mobilise every possible lever at their disposal to swiftly reduce CRMs dependencies from defence industrial value chains, using **defence expenditure as a further catalyst for offtake of priority CRMs projects**. The Commission is exploring incentives for critical raw materials supply diversification in the context of the revision of the Public Procurement ([28]) and **Defence Procurement Directives**, as well as in the design of the Defence Readiness 2030 Flagship Projects ([29]).

([27]) Liquid CRM markets are characterised by a sufficient number of projects on the supply side, so market-based instruments like auctions can be used to determine a competitive price (e.g., lithium). Non-liquid markets comprise only one or very few suppliers (e.g., gallium or germanium).

([28]) Directive 2014/23/EU on Concessions, Directive 2014/24/EU on Public Procurement, and Directive 2014/25/EU on Utilities

([29]) Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC.

Member States' contracting authorities are also encouraged to enable the contractors to source raw materials in a secure way, e.g. by prioritising projects based on non-price criteria, such as diversification, notably when they rely on raw materials refined or recycled in EU.

4.3. Supporting stockpiling to increase European industrial resilience

The Commission and Member States are working to coordinate stockpiles of critical raw materials, which can be an essential tool to limit supply risks. Presently, many companies only purchase CRMs when needed, hampered by limited licencing from China, a lack of storage capacity, insufficient financing options, and changing material specifications over long storage periods. This situation results in suboptimal purchasing conditions during periods of high prices and low stockpiling levels. There is no structural instrument in the EU to manage CRMs stockpiles and ensure proper and fair release across the Member States in case of disruptions, while significant strategic efforts have been made by third countries such as Japan, the United States and South Korea to ensure their own security and economic stability.

In July 2025, the EU Stockpiling strategy was adopted, with the aim of improving interoperability and coordination of stockpiling systems at EU and national level ([30]). Moreover, the upcoming European Defence Industry Programme will support activities related to accelerating the adjustments to structural changes, including those linked to raw materials, their stockpiling and building up reserved surge.

The Commission and several Member States are collaborating on a pilot project on the stockpiling of critical raw materials in order to develop an effective and coordinated approach to stockpiling CRMs within the EU. The pilot will become operational in early 2026, building on Member States and Commission's capacities, and paying particular attention to secondary raw materials. It will address the logistical dimensions of stockpiling, such as the conditions behind purchasing, storing and releasing CRMs. The pilot will also consider the type of stockpiling that best supports the European industry in light of the financing tools available for those operations and to ensure coherence with industry's efforts. The Centre will afterwards integrate the activities of this pilot when carrying out stockpiling operations.

Actions to increase European demand for European projects and create a lasting market
By Q1 2026, the Commission will launch the first round of matchmaking under the EU Energy and Raw Materials Platform focusing on the rare earth permanent magnets, battery and defence raw materials value chain.
As part of RESourceEU, the Commission proposes amending the CRMA to stimulate the supply chain diversification efforts of large market operators, in order to prevent dependence on single sources of supply.
The Commission is exploring incentives for diversification in the context of the revision of the Defence Procurement Directive and in the design of the Defence Readiness 2030 Flagship Projects.
By Q1 2026, the Commission and Member States will kick-off a first pilot on CRMs stockpiling.

([30]) COM(2025) 528 final.

5. PROTECTING THE SINGLE MARKET AND THE RESILIENCE OF THE EU CRMS VALUE CHAIN

5.1. Strengthening the monitoring of supply chains and coordinating responses to supply disruptions

In times of crises, the EU's first responsibility is to protect the Single Market, and the Commission is ensuring that Member States work together and not against each other. This is the main objective of the **Internal Market Emergency and Resilience Act** (IMERA) ([31]). As of this Act's entry into force in May 2026, and based on the intelligence gathered when implementing the CRMA, the Commission will use the IMERA toolbox to address challenges over the EU value chain. In the event of the activation of the internal market vigilance or emergency modes under IMERA, the Commission will be able to address information requests on production capacities and stocks, supply chains disruptions or shortages, but also to carry out joint purchases, mandate priority-rated requests and coordinate stockpiling distribution.

Ahead of its entry into force, the Commission already gathered Member States to take stock of supply disruptions and coordinate reactions. This was possible thanks to the monitoring of supply chains conducted under the Critical Raw Materials Act. Member States and the Commission have begun to stress-test strategic supply chains, and next joint exercises will focus on rare earths elements value chains and defence-related critical raw materials. Member States are also required to monitor key market operators along the CRMs value chain and to notify the Commission if major events may hinder their regular operations. It is important to work with trusted partners to assess supply disruptions and strengthen preparedness.

5.2. Shielding the EU from hostile interference

The Commission is working to use the intelligence gathered on potentially harmful market practices. Although foreign investors can contribute to the CRMs projects in the EU, the EU must ensure such investment brings real added value to the Single Market and aligns with our economic security objectives. Given the strategic nature of the CRMs value chain, the Commission will integrate the Critical Raw Materials Act's Strategic Projects as "*Projects or Programmes of Union Interest*" under the Foreign Direct Investment Regulation, thereby providing increased control over foreign investment on the EU CRMs value chain on security grounds.

The Horizon Europe work programme for 2026-2027 will restrict participation of Chinese entities and Chinese-controlled EU-based entities in all CRMs research and innovation actions. The Commission will work to replicate this approach across other funding instruments in the EU and encourages Member States to take similar measures for their domestic funding support to CRMs.

Building on their collective efforts to safeguards supply chains from unfair market practices, **the Commission, G7 countries, Australia and Ukraine endorsed the G7 Roadmap toward standards-based markets for critical minerals** ([32]). The

([31]) Regulation (EU) 2024/2747 of the European Parliament and of the Council of 9 October 2024 establishing a framework of measures related to an internal market emergency and to the resilience of the internal market and amending Council Regulation (EC) No 2679/98 (Internal Market Emergency and Resilience Act)

([32]) https://g7.canada.ca/en/news-and-media/news/roadmap-to-promote-standards-based-markets-for-critical-minerals

implementation of the Roadmap will drive supply chain traceability and transparency while setting out environmental, social and governance criteria to build reliable and secure premium markets for critical minerals. This will enable to leverage demand for premium markets internationally and make responsible production the global benchmark. The Commission will ensure that supply chain diversification and resilience remain essential components of standard-based markets.

In order to protect the EU's and Member States' investments in CRMs projects, it will be essential to ensure their viability cannot be disrupted through predatory market manipulation and non-market economy practices and policies by incumbent suppliers. In close coordination with G7 and other partners, and in line with the Economic Security Communication, **the Commission intends to develop and deploy a robust policy approach, including trade instruments, that ensures the EU can act swiftly and decisively in case of non-market practices by third countries, such as price manipulation, in CRMs value chains** ([33]). In doing so, the Commission will leverage the EU's key strengths, such as access to its Single Market, to ensure short-term access to CRMs in case of supply chain disruptions by third countries.

Actions to protect the single market and the resilience of the CRM value chain
From Q2 2026 and whenever necessary, the Commission will mobilise the IMERA toolbox to protect the internal market against supply disruptions on the CRM value chain.
By Q2 2026, the Commission will integrate CRMA Strategic Projects in the Foreign Direct Investment Regulation to increase control over foreign investment in strategic sectors.
In parallel, the Commission and G7 partners will develop CRM standards-based markets built on environmental, social, governance, supply diversification and resilience criteria.
By Q2 2026, the Commission will develop a robust policy approach, including trade instruments, to react against non-market practices, such as price distortions, on the CRMs value chain.

6. PARTNERING WITH THIRD COUNTRIES TO DIVERSIFY

6.1. Reinforcing and expanding the EU's engagement

To diversify EU CRM supplies, the Commission is pursuing on behalf of the EU and in cooperation with Member States a pro-active CRM diplomatic agenda. In addition to free trade agreements and Clean Trade and Investment Partnerships, **15 strategic partnerships** on raw materials have been signed to date with resource-rich countries since 2021 and the EU is further expanding its **network of partnerships with trusted partners** ([34]).

These partnerships aim to benefit both the EU and its partners through local beneficiation. The creation of local added value and jobs is essential, including by enabling by enabling third countries to reinforce their capacity beyond extraction. Overall, the partnerships seek

([33]) Insert reference

([34]) Argentina, Australia, Canada, Chile, the Democratic Republic of Congo, Greenland, Kazakhstan, Namibia, Norway, Rwanda, Serbia, South Africa, Ukraine, Uzbekistan and Zambia.

to integrate the value chain of both parties by supporting joint projects and cooperating on environment, social and governance (ESG) standards, research and innovation.

The latest Memorandum of Understanding was concluded with **South Africa** on 20 November 2025. Its implementation should support concrete projects such as the Zandkopsdrift Strategic Project to produce rare earths and manganese and the High Purity Manganese Sulphate Monohydrate plant of the Manganese Metal Company. In addition, the Commission launched bilateral negotiations with **Brazil**, a strategic partner with important value chains on rare earths, niobium, nickel, graphite, lithium manganese and aluminium.

The Commission will also work to integrate the EU's CRMs value chain with strategic partners, FTA countries, enlargement and neighbourhood countries. For instance, it will finance CRMs projects via the Ukraine Investment Framework, which may benefit Ukrainian Strategic Projects and drive the implementation of the EU-Ukraine strategic partnership on raw materials. Where applicable it will also provide financial instruments via the Western Balkans Investment Framework to facilitate the integration of their industrial value chains with the EU. Enhanced cooperation with our Neighbourhood countries, in particular in North-Africa, on access to phosphate rock and potash resources, and in the Gulf, will be promoted. The upcoming Action Plan of the Pact for the Mediterranean will contain a range of investment projects that will also offer mutually beneficial opportunities to our Southern Neighbourhood partner countries.

6.2. Building on multilateral initiatives to secure diversified supply

Multilaterally, the EU and G20 partners have welcomed a **Critical Minerals Framework**, a cooperative blueprint to ensure that critical minerals drive sustainable growth and prosperity, along the whole value chain ([35]). This framework will contribute, amongst others, to drive the mapping of geological resources, improve ESG standards and increase investments on CRM value chain.

To collectively de-risk CRMs projects, the Commission supports the Critical Minerals Production Alliance under the Canadian G7 presidency. The list of projects supported and announced during the October 2025 G7 ministerial is a first step toward coordinated efforts to support global CRMs supply chain. Upcoming iterations should include additional projects located in a diversified set of jurisdictions. The Critical Minerals Production Alliance and the standard-based markets G7 Roadmap echo the actions laid out above on both the supply and the demand sides of the critical raw materials value chain.

Actions on partnering with third countries to diversify supplies
EU diplomatic and economic tools in Team Europe context will also support the conclusions of contracts between EU and third countries companies
The Commission will launch negotiations on a CRMs partnership with Brazil.

([35]) https://www.consilium.europa.eu/en/press/press-releases/2025/11/22/g20-johannesburg-leaders-declaration/

The Commission will enhance cooperation with Southern Neighbourhood, notably with the upcoming Action Plan of the Pact for the Mediterranean.
The Commission will leverage the G7 Critical Minerals Production Alliance to de-risk CRMs projects in the EU and in partner countries.
The Commission will follow up on shared commitment and strong push for diversification at G20 level, in the framework of the G20 Critical Minerals Framework.

CONCLUSION

Although the European Union has set out a clear agenda to secure its supply of critical raw materials, the existing high level of dependency is set to be reduced only gradually and over the medium term. Given the scale of the challenge, only bold collective and joint EU and Member States action can support the European industry in a large-scale diversification effort through the mobilisation of a range of tools, competences, and financial capacity for the development of a stable and efficient EU CRMs value chain.

The RESourceEU Plan sets out a number of actions to strengthen the EU diversification policy with a near-term impact, with a view to rapidly increase its resilience to supply chains disruptions and to signal to markets a new policy direction for the medium term. Such actions will be strengthened with the creation of a Centre which will manage dedicated tools and price support mechanisms and will have the capacity to promote diversification, project development and the resilience of the EU CRMs value chain. The Centre will be backed up by the financial firepower provided by the European Competitiveness Fund, proposed as part of the future multiannual financial framework.

The diversification of critical raw materials supply must become an EU top political priority over the coming years. To this end, the Commission will intensify its efforts, mobilising all policy and financial instruments, to broaden the EU CRMs supplier base, strengthen domestic extraction and recycling, and reduce the current excessive dependencies for critical raw materials. The European Commission calls on enhanced cooperation on critical raw materials with the European Parliament, EU Member States, third country partners, industrial stakeholders and civil society. The Commission invites the European Council to endorse this Plan. The success of RESourceEU is dependent on working together.