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THE CRITICAL RAW MATERIALS REGULATION: EU'S CHALLENGES IN ENSURING A SECURE *AND* SUSTAINABLE SUPPLY OF RAW MATERIALS

1. *Introduction: Political and Legal Context of the Critical Raw Materials Regulation (CRMR)*

Certain non-energy, non-agricultural raw materials stand at the very beginning of almost EU's industrial value chains and, therefore, they are of great importance for the Union economic security. These so-called critical raw materials (hereinafter CRMs) are often produced and used in relatively small quantities but have special features that make them essential ingredients for products in strategic areas such as renewable energy, electric mobility (hereinafter e-mobility), the digital industry, the defence and aerospace sectors as well as the health sector. Well-known examples include the rare earths elements found in the permanent magnets used to manufacture wind turbines motors, lithium used for batteries, and silicon used for semiconductors. Many studies have shown that with the global shift towards renewable energy and the digitalisation of modern economies, the demand for some of these CRMs is forecasted to massively increase in the coming decades.[1] In the EU alone, the European Commission's Joint Research Centre expects lithium consumption to increase 21 times by 2050, driven almost entirely by the uptake of e-mobility. In the case of gallium, used to manufacture semiconductors, the EU demand is expected to grow 17 times its current level by 2050. In the case of graphite (natural and synthetic), used in batteries, the overall EU

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[1] See, *ex multis*, INTERNATIONAL ENERGY AGENCY (hereinafter IEA), *Global Critical Minerals Outlook 2024*, May 2024, p. 6 *et seq.*; ID., *Global Critical Minerals Outlook 2025*, May 2025, p. 6 *et seq.*

consumption is expected to increase to 14 times its current level by 2030, and 26 times by 2050.[2]

The reliance on CRMs introduces its own vulnerabilities. Due to geological distribution, economic specialisation and geopolitical drivers, suppliers of CRMs are often concentrated in a small number of third countries, both at the extraction and processing stage. For example, nearly 70% of all cobalt and rare earth elements are extracted in, respectively, the Democratic Republic of Congo (hereinafter, DRC) and China; 75% of lithium is extracted in Australia and Chile; and about half of the global nickel supply is mined in Indonesia. China's dominant position in the midstream supply chain operations for cobalt, lithium, copper, and rare earth elements in particular, gives it a competitive edge in the manufacture of component parts such as battery anodes, cathodes and collectors. In such a quasi-monopolistic scenario, the EU is heavily reliant on imports to meet its domestic raw materials needs; for instance, it sources 100% of its heavy rare earth elements, 85% of its light rare earths elements and 97% of its magnesium supply from China, as well as 99% of its boron supply from Turkey and 79% of its lithium supply from Chile.[3] This degree of production's concentration, which is in many cases compounded by low substitution and low recycling rates, exposes the EU to significant supply disruptions. Beyond supply risks, CRMs face well-known significant social and environmental risks throughout their life cycle. Increasing demand amplifies human rights risks within sourcing regions: child and forced labour remains a persistent concerns in some countries; workers in the supply chain, particularly those at artisanal and small-scale mines sites, have faced health and safety issues due to poor working conditions and workplace hazards (such as exposure to toxic chemicals); indigenous peoples rights are often violated, since significant amount of CRMs are located on or near indigenous territories.[4] Regarding environmental risks, CRM mining and processing cause – *inter alia* – deforestation, habitat destruction, soil erosion, loss of biodiversity, water contamination and scarcity and also generate hazardous waste and high greenhouse gas emissions.[5]

In the light of these circumstances, over the last 15 years the EU has adopted various regulatory initiatives and plans in order to enhance secure and sustainable CRM supply chains.

In 2008, the European Commission formulated the first EU-wide resource strategy, the Raw Materials Initiative (hereinafter RMI).[6] It was aimed to ensure sufficient access to

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[2] S. CARRARA et al., *Supply chain analysis and material demand forecast in strategic technologies and sectors in the EU – A foresight study*, 2023, p. 8 *et seq.*

[3] European Commission, *Study on the Critical Raw Materials 2023 – Final Report*, 2023, p. 23 *et seq.*

[4] See, *ex multis*, INTERNATIONAL RENEWABLE ENERGY AGENCY, *Geopolitics of the Energy Transition: Critical Materials*, 2023, p. 73 *et seq.*; E. BERTHET et al., *Assessing the social and environmental impacts of critical mineral supply chains for the energy transition in Europe*, in *Global Environmental Change*, 2024, p. 102841 *et seq.*; S. DE HAES, H. BRINK, *Social Impacts of Mining Critical Raw Materials: Challenges and Entry Points for Governance*, June 2025, p. 11 *et seq.*

[5] See, *ex multis*, WORLD WIDE FUND FOR NATURE, *Extracted Forests: Unearthing the Role of Mining-Related Deforestation as a Driver of Global Deforestation*, 2023; S. DE HAES, P. LUCAS, *Environmental Impacts of Extraction and Processing of Raw Materials for the Energy Transition*, 2024, p. 14 *et seq.*; IEA, *Sustainable and Responsible Critical Mineral Supply Chains: Guidance for Policy Makers*, December 2023, p. 44 *et seq.*; WORLD ECONOMIC FORUM, *Nature Positive: Role of the Mining and Metals Sector*, 2025, p. 21 *et seq.*

[6] European Commission, Communication from the Commission to the European Parliament and the Council, *The raw materials initiative – meeting our critical needs for growth and jobs in Europe*, COM(2008) 699 final, 4.11.2008. For an analysis, see K. KÜBLBÖCK, *The EU Raw Materials Initiative – Scope and Critical Assessment*, ÖFSE Briefing Paper, September 2013, p. 1 *et seq.*, p. 6 *et seq.*

raw materials for EU's economy and based on three pillars: 1) ensuring fair, undistorted access to raw materials from international markets; 2) fostering sustainable supply of raw materials from European sources; and 3) boosting resource efficiency and promoting recycling to reduce the EU's consumption of primary raw materials. The RMI continued to develop in 2011 when the Commission published a (first) list of CRMs. This list identified 14 minerals deemed particularly important for the EU, taking into account factors such as economic importance in the Union, supply risks in producer countries, and risk of protective measures in producer countries.[7] It was updated every three years since (2014, 2017, 2020 and lastly 2023).

In 2020 the EU raw materials strategy was updated to address new challenges. Moreover, as well known, one year before, the Commission launched the *European Green Deal* (hereinafter EGD) as a transformative "new growth strategy" aimed at turning climate and environmental challenges into opportunities, facilitating a just and inclusive transition to a sustainable, climate-neutral economy by 2050 while improving citizen health.[8] However, as equally well known, due to the COVID-19 pandemic the initial vision of the EGD was forced to harden and prioritise its security dimension. Indeed, the COVID-19 outbreak dramatically exposed economies to their vulnerabilities, introducing a call for policies ensuring better resilience and security in the supply of strategically considered inputs. Therefore, in September 2020 the Commission adopted an Action Plan for enhancing EU's CRMs resilience (hereinafter the 2020 Action Plan) aimed to increase the EU's open strategic autonomy in key sectors, including the defence and space ones.[9] It envisaged four main goals: 1) developing resilient value chains for EU industrial ecosystems; 2) reducing dependence on primary raw materials through circular use of resources, sustainable products and innovation; 3) strengthening the sustainable and responsible domestic sourcing of raw materials in the EU; and 4) diversifying sourcing from third countries while strengthening rules-based open trade in raw materials and removing distortions to international trade. To achieve these four objectives, the 2020 Action Plan outlined ten specific actions.[10]

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[7] European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *Tackling the challenges in commodity markets and on raw materials*, COM(2011) 25 final, 2.2.2011, Annex.

[8] European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *The European Green Deal*, COM(2019) 640 final, 11.12.2019. Access to CRMs needed to realise the green transition is deemed «a strategic security question for Europe's ambition to deliver the Green Deal»; *ibidem*, p. 8.

[9] European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability*, COM(2020) 474 final, 3.9.2020.

[10] With regards to the first objective, the plan foresaw: 1) the establishment of a new European Raw Materials Alliance, bringing together all relevant stakeholders, which would primarily focus on the most pressing needs; and 2) the development of sustainable financing criteria for mining. As to the second objective, the plan established: 3) the development of research and innovation on waste processing, advanced materials and substitution; and 4) the mapping of the potential supply of secondary CRMs from stocks and wastes. Related to the third objective, the plan outlined: 5) the identification of investment needs for mining and processing projects that would be operational by 2025; 6) the development of expertise and skills in mining, extraction and processing technologies; 7) the deployment of Earth-observation programmes, for resource exploration, operations and post-closure environmental management; and 8) the development of research and innovation projects on exploitation and processing of CMRs to reduce environmental impacts. As to the last objective, the plan established: 9) (significantly, as far as our analysis is concerned) the development of strategic international partnerships to secure a diversified supply of CRMs; and finally 10) the promotion of responsible mining practices for CRMs through the EU regulatory framework and relevant international cooperation.

While the abovementioned EU's raw materials initiatives tried to increase supply security, these generic *incentives* did not actually lead to significant changes in supply dependencies for many CRM value chains. The energy crisis following Russia's invasion of Ukraine in 2022 illustrated again the dangers of overreliance on third-country CRM imports in an increasingly volatile geopolitical climate, thereby placing the need to improve the resilience and autonomy of the EU's CMR supply chains at the top of the political agenda.

Consequently, as called by the European Parliament and the Council of Ministers,[11] in 2022 the Commission announced a *legislative* proposal on the supply of CRMs.[12] On 16 March 2023, the Commission adopted indeed the proposal for a CRMs regulation; the Council of Ministers adopted its general approach on the Commission's proposal on 30 June 2023 and the European Parliament adopted its negotiating position on 14 September 2023.[13] On 13 November 2023, the Parliament and the Council reached in "record time" (approximately eight months) a provisional agreement on the original Commission's proposal. The European Parliament adopted the agreed text in plenary on 12 December 2023 and, subsequently, the Council gave its final approval to the agreement on 18 March 2024. The "Critical Raw Materials Regulation" (hereinafter CRMR), entered into force on 23 May 2024,[14] is a key component of the 2023 European *Economic Security Strategy* and the 2023 *Green Deal Industrial Plan for the Net-Zero Age*.[15] Importantly, the Commission's proposal was

[11] European Parliament, European Parliament resolution of 24 November 2021 on a European strategy for critical raw materials, P9_TA(2021)0468, which called for an integrated approach throughout the value chain to increase the supply of CRMs. See also the 2022 Versailles Declaration, adopted in March 2022 by the European Council, which outlines the strategic importance of CRMs to guarantee the Union's strategic autonomy and European sovereignty.

[12] A legislative proposal on the supply chain of CRMs was announced (*inter alia*) in the *REPowerEU Plan*; see European Commission, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, *REPowerEU Plan*, (COM) 230 final, 18.5.2022, p. 10. As well known, the latter aims to transition faster to clean energy, diversify its energy supplies and save energy to improve EU's strategic autonomy in energy.

[13] European Commission, Proposal for a regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020, COM(2023) 160 final, 16.3.2023 (hereinafter the Commission's proposal); General Secretariat of the Council, Proposal for a regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020 – Mandate for negotiations with the European Parliament, 11297/23, 30.6.23 (hereinafter the Council's position); European Parliament, Amendments adopted by the European Parliament on 14 September 2023 on the proposal for a regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020, P9_TA(2023)0325 (hereinafter the European Parliament's position).

[14] Regulation (EU) 2024/1252 of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/857, (EU) 2018/1724 and (EU) 2019/1020, in OJ L, 3.5.2014, p. 1 *et seq.* (corrected by Corrigendum 1, in OJ L, 2024/90330, 3.6.2024, p. 1 *et seq.* and Corrigendum 2, in OJ L, 2024/90589, 1.10.2024, p. 1 *et seq.*).

[15] European Commission, High Representative of the Union for Foreign Affairs and Security, Joint Communication to the European Parliament, the European Council and the Council, *European Economic Security Strategy*, JOIN(2023) 20 final, 20.6.2023. See also European Commission, Communication from the Commission to the European Parliament, the European Council, the European Economic and Social Committee and the Committee of the Regions, *A Green Deal Industrial Plan for the Net-Zero Age*, COM(2023) 62 final, 1.2.2023. The first pillar of this plan, aimed to increase the EU's manufacturing capacity and support the EU's clean tech industry and supply chains, is composed by the CRMR and the Net-Zero Industry Act. The latter is designed to boost EU's clean tech manufacturing, aiming for 40% of annual deployment needs to be

accompanied – firstly – by a Commission's Communication that explains the overall Union strategic vision for strengthening Union's supply of CRMs, through action both *within* and *outside* the EU.[16] Secondly, the proposal was accompanied by an impact assessment, which identified the EU's *lack* of secure and sustainable access to CRMs as the core problem.[17]

The CRMR is designed to respond to specific, tangible threats. The first one is the "weaponisation" of raw materials supply chains, where economic interdependence is used to exert *political* pressure.[18] The second one is the global (green) tech race, where international competition and massive subsides from the US and China has created a reinforcing *protectionist* environment.[19] However, as it will be discussed below, the overarching objective of the CRMR is to establish a framework to ensure Union's access not only to a secure a supply chain of CRMs *but also* a sustainable one. The two goals of ensuring the *security* and *sustainability* of CRM supply chains are on equal footing and not in a hierarchical relationship, although they are not synergetic. Indeed, quite to the contrary, tension may arise between supply security, on the one hand, and sustainability on the other. As already mentioned, while the EU's technological and manufacturing base would be seriously weakened without a stable and resilient flow of CRMs, their extraction and processing are also associated with a range of negative social and environmental impacts.

In the light of all these circumstances, it is important to analyse and critical discuss – firstly – the *main* provisions of the CRMR in order to evaluate if they *consciously prioritise* the security of CRMs supply over social and environmental protection, despite the (at least theoretical) equal-ranking consideration of security of supply and sustainable aspects of the EU's raw material demand. Equally important is to assess the *degree to which* the CRMR operationalises and implements environmental, social and governance standards, specifically focusing on its two core tools aimed to secure European CRM supply chains, that is Strategic Partnerships and Strategic Projects. This article focuses on the first line of research, while the second will be the subject of a subsequent in-depth analysis. Consequently, it will extensively examine the rich content of new framework envisaged in the CRMR (section 2), by focusing on – respectively – its aims and legal basis (section 2.1); the definitions of critical and strategic raw materials and the establishment of ambitious benchmarks to increase

met by local production by 2030; see Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724, in OJ L, 28.6.2024, p. 1 *et seq.*

[16] European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *A secure and sustainable supply of critical raw materials in support of the twin transition*, COM(2023) 165 final, 16.3.2023 (hereinafter the 2023 Commission's Communication on CRMs).

[17] European Commission, Commission Staff Working Document, *Impact Assessment Report* accompanying the Commission's proposal, SWD(2023) 161 final, 16.3.2023 (hereafter the 2023 Commission's impact assessment report). The latter points to three sub-problems: 1) insufficient anticipation and mitigation of supply risks, which make the EU prone to supply chain disruptions; 2) insufficient use of the EU's domestic CRM potential and lack of capacity in key stages of the value chain; and 3) insufficient sustainable EU sourcing of CRMs because the market does not take sufficient account of the environmental footprint of CRMs.

[18] A notable example is China's export control of materials essential for strategic technologies, such as germanium, gallium, natural graphite and rare earths elements to (*inter alia*) constrain EU policymaking autonomy. On this aspect, see – *ex multis* – A. GLENCROSS, *The geopolitics of supply chains: EU efforts to ensure security of supply*, in *Global Policy*, 2024, p. 729 *et seq.*, p. 731 *et seq.*

[19] A notable example is the adoption, in August 2022, by President Biden of the *Inflation Reduction Act* which provides USD 369 billion of decarbonisation-related funding and incentives across different sectors. For a comment, see – *ex multis*, *The United States Takes Actions to Secure Supply Chains for Critical Minerals*, in *Am. Jour. Int. Law*, 2025, p. 168 *et seq.*, p. 170 *et seq.*

domestic production and diversify imports of strategic raw materials (section 2.2); the establishment of so-called Strategic Projects, aimed to strengthening the EU value chain of strategic raw materials (section 2.3); the conclusions of so-called EU's Strategic Partnerships, another key instrument towards achieving the abovementioned benchmarks (section 2.4); monitoring and mitigation of supply risks (section 2.5); the development of secondary critical raw materials through circularity, recyclability and other measures (section 2.6); its governance framework (section 2.7); and its final provisions (section 2.8). Finally, some concluding reflections will be devoted to highlight that, despite the CRMR's aim is to promote both economic and sustainability interests, many provisions of this legislation prioritise political and economic (security) considerations over environmental and social protection (section 3).

2. *Content of the CRMR*

The CRMR's text consists of 9 chapters, 49 articles, and 5 annexes. It contains various policy instruments to enhance the security, resiliency and sustainability supply of raw materials and introduces several legal changes and implementation tasks for the EU and its Member States.

2.1. *Aims and Legal Basis*

The overarching objective of the Regulation is – as mentioned – to establish «a framework to ensure the Union's access to a secure, resilient and sustainable supply of critical raw materials, including by fostering efficiency and circularity throughout the value chain».[20] To achieve this objective, the CRMR lays down measures aimed to: a) *lower* the risk of supply disruptions related to CRMs, by identifying and supporting so-called Strategic Projects that contribute to lowering dependencies and diversifying imports and by undertaking efforts to incentivise technological progress and resource efficiency in order to moderate the expected increase in the Union consumption of CRMs; b) *improve* the EU's ability to monitor and mitigate the supply risk related to CRMs; and c) ensure both the free movement of CRMs and products containing CRMs placed on the EU market *while ensuring* a high level of environmental protection, including by improving their circularity.[21]

As to the legal basis, the Regulation is based on Article 114 of the Treaty on the Functioning of the European Union (hereinafter TFUE) which – as well known – empowers the European co-legislators to issue regulatory measures with the objective of ensuring the well-functioning of the single market. In fact, potential supply disruptions of CRMs would be likely to trigger unilateral national efforts to address their consequences, and these efforts could have the potential to *distort competition* and create *intra-EU restrictions* on the free movement of goods. Therefore, the problems and risks related to CRMs supply concern the single market as a whole and require a coordinated Union approach.[22]

[20] CRMR, Article 1(1).
[21] CRMR, Article 1(2). Raw material is defined as «a substance in processed or unprocessed state used as an input for the manufacturing of intermediate or final products, excluding substance predominantly used as food, feed or combustion fuel»; Article 2(1).
[22] Commission's proposal, Explanatory Memorandum, p. 7.

2.2. *Critical Raw Materials (CRMs) and Strategic Raw Materials (SRMs) Definitions and Benchmarks*

The Regulation establishes, for the first time, a list of 17 "strategic raw materials" (hereinafter SRMs), including lithium, nickel, graphite, rare earth elements, tungsten, among others.[23] A material is assessed as strategic based on its relevance for *key technologies*, that is for *green* and *digital* transition as well as *defence* and *aerospace* applications. In addition, the assessment takes into account the projected demand growth for these materials compared to current levels of supply and the difficulty in increasing their production.[24] This new category is a core element of the CRMR as several provisions *only apply* to SRMs, as it will be analysed below. It is important to underline that the new list includes several SRMs that are simultaneously indispensable for the green and digital transition (*e.g.*, batteries, wind power, e-mobility) and for modern military systems (*e.g.*, drones, sensors, guided weapons), and therefore called "dual use" materials.[25] However, the CRMR does neither differentiate between civilian and military uses nor prioritise uses for the energy transition rather than military applications, creating the risk that – under geopolitical pressure – the EU *could prioritise* the needs of the defence industry and therefore significantly delay the civilian energy transition.[26]

The CRMR envisages also a new list of 34 CRMs; it includes all SMRs as well as other raw materials which are considered of high economic importance for the overall Union economy and face a high risk of supply disruption.[27] Both lists will be reviewed, and if necessary, updated by the Commission by May 2027, and thereafter, every three years, through delegated acts.[28] Furthermore, the CRMR also foresees the possibility for the newly established European CRMs Board (hereinafter the Board), as it will be discussed below, to request the Commission to review and update the list of SRMs at any time in addition to the list's regular reviews.[29] This in order to ensure the EU can respond *rapidly* to fast-moving geopolitical, economic, and technological changes.

As another core element, the Regulation establishes that the Commission and the Member States must reinforce the various stages of the value chain of SRMs in order to depend less on third countries. Accordingly, Article 5 sets out *four* benchmarks to improve capacities for extraction, processing and recycling of SRMs in the Union as well as to guide diversification efforts. It envisages in particular the following 2030 benchmarks: i) Union extraction capacity of ores, minerals and concentrates meets at least 10% of the EU's annual

[23] CRMR, Annex I, Section 1.
[24] CRMR, Articles 2(30), emphasis added, 3(1-2) and Annex I, Section 2.
[25] On 11 December 2024, the NATO published a list of twelve defence-critical raw materials that are considered indispensable to produce advanced defence systems and equipment; except for beryllium, all these materials are likewise designated as SRMs under the CRMR. It has been alleged that the aerospace and defence industry's lobby had a considerable influence on the inclusion of certain raw materials under the CRMR; see O. PETITJEAN, L. VERHEECKE, *Blood on the Green Deal: How the EU is boosting the mining and defence industries in the name of climate action*, November 2023.
[26] See M. FAHLBUSCH, M. WALSCHOT, *The EU Critical Raw Materials Act and the defence industry*, IPIS Briefing, July 8, 2025.
[27] CRMR, Article 4(1) and Annex II.
[28] CRMR, Article 3(2-3) and Article 4(2-3).
[29] CRMR, Article 3(3).

consumption of SRMs; ii) Union processing capacity, including for all intermediate processing steps, meets at least 40% of the EU's annual consumption of SRMs; iii) Union recycling capacity meets at least 25% of the EU's annual consumption of SRMs and increases recycling from waste.[30] In addition, by 2030, no more than 65% of annual EU consumption of each SRM at any stage of processing will be imported from one third country.[31] These benchmarks are non-binding and therefore not legally enforceable; however, they serve as a signal to Member States and the private sector of the Union's intention to support the building of a resilient and autonomous supply chain of SRMs for the EU. Considering that the EU consumes 25-30% of the metals produced worldwide, but is home to only 6% of world's population, it is noteworthy that the Regulation *fails* to incorporate a concrete benchmark for SRMs consumption reduction, as called by the civil society.[32] It merely outlines that the EU and Member States shall undertake efforts to incentivise technological progress and resource efficiency in order to moderate the expected increase in the Union consumption of CRMs.[33] As it will discuss below, the responsibility for developing initiatives to promote resource efficiency lies with Member States, which – however – are mandated to adopt *non-binding* national programmes on circularity. Consequently, the omission of concrete measures to achieve the overall reduction of the Union consumption of SRMs is particularly concerning, as it risks exacerbating the significant social and ecological costs associated with resource extraction and processing worldwide.

2.3. *Strengthening the EU's Security of SRM Value Chains through Strategic Projects*

Another key component of the CRMR is the introduction of so-called Strategic Projects that intend to: a) start or expand extraction, processing, or recycling of SRMs; b) produce and scale-up of innovative raw materials that can substitute SRMs in strategic technologies; or c) produce SRMs as a by-product.[34] The Strategic Projects may be located in EU Member States as well as in third countries or overseas countries and territories (hereinafter OCTs).

Project promoters of SRMs can request the Commission to recognise and declare a project as "strategic". Article 6(1) of the CRMR sets out five criteria for selecting "Strategic Projects", while Annex III (entitled "Assessment of the recognition criteria for Strategic Projects") provides the specific criteria and evidence for assessing those projects. *Together*, they define the *mandatory* conditions for projects to receive the status of "strategic".

The five criteria outline in Article 6(1) are: a) whether the project would make a meaningful contribution to the security of the Union's supply of SRMs;[35] b) the project is or

[30] CRMR, Article 5(1)(a). Regarding Union recycling capacity, Article 5(3) envisages that by January 2027 the Commission shall adopt delegated acts to supplement the Regulation by providing for Union recycling capacity benchmarks expressed as a share of the SRMs available in relevant waste streams.

[31] CRMR, Article 5(1)(b).

[32] See, *ex multis*, EUROPEAN ENVIRONMENTAL BUREAU, FRIENDS OF THE EARTH EUROPE, *'Green mining' is a myth: The case for cutting EU resource consumption*, October 2021, p. 11 *et seq.*

[33] CRMR, recitals 5, 11 and 13; Articles 1(2)(a), 5(2) and 26(1)(a).

[34] CRMR, Article 2(4) and (14) and recital 14.

[35] According to Annex III(1), for projects located in the Union the assessment of this point shall take into account: a) whether the project contributes towards the benchmarks set out in Article 5(2)(a); b) whether the project contributes to maintaining or strengthening Union capacities as a share of the Union's annual consumption of SRM, taking into account the expected increase in Union consumption; c) whether the project contributes to strengthening Union capacity to produce innovative raw materials able to substitute SRM in one or more strategic technologies, while taking measures to achieve an equal or lower environmental footprint

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;[36] c) the project would be implemented sustainably, as it will be explained in Part II of this article; d) for a project 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;[37] and e) for a project in third countries that are emerging markets or development economies, the project would be mutually beneficial for the Union and the third country concerned by adding value in that third country.[38]

Applications for recognition of projects as "strategic" will have to be submitted to the Commission. According to Article 7(1) of the Regulation, the following information must be included in the application: a) relevant evidence related to the fulfilment of the assessment criteria laid down in Article 6(1); b) a classification of the project according to the United Nations Framework Classification for Resources, supported by appropriate evidence;[39] c) a timetable for the implementation of the project, including an overview of the permits required for the project and the status of the corresponding permit-granting process; d) a plan containing measures to facilitate public acceptance including, where appropriate, measures to facilitate the meaningful involvement and active participation of affected communities, the establishment of recurrent communication channels with local communities, organisations, including social partners, and relevant authorities, and the implementation of awareness-raising and information campaigns and potential mitigation and compensation mechanisms; e) information about the control of the undertakings involved in the project as defined in Article 3(2) and (3) of Council Regulation (EC) No 139/2004, and, where multiple undertakings are involved, information outlining the relative involvement of each undertaking in the project;[40] f) a business plan evaluating the financial

compared to the SRM that is substituted. According to III(2), for a project located outside the Union the assessment of this point shall take into account: a) whether the project contributes to the benchmarks set out in Article 5(2)(b) or contributes to maintaining the resilience of the Union's supply of SRMs; b) whether the applicable legal framework or other conditions provide assurance that trade and investment related to the project will not be distorted, taking into account, in particular, whether the EU has concluded a Strategic Partnership or a trade agreement containing a chapter on raw materials with the relevant third country, or OCTs, and is consistent with the EU's common commercial policy; c) the extent to which there are undertakings that have or are willing to conclude offtake agreements with the project promoter with a view to using or processing the SRMs produced by the relevant projects in the EU; d) whether the project is in line with the EU's development cooperation and foreign policy objectives.

[36] According to Annex III(3) the assessment of this point shall take into account: a) the quality of the feasibility studies carried out on the potential of development of the project; b) whether the technology intended to be used has been demonstrated in the relevant environment.

[37] According to Annex III(7), the assessment of this point shall take into account: a) whether undertakings from different Member States participate in the project; b) whether potential offtakers are located also in more than one Member State; c) effects on the availability of SRMs for downstream users in more than one Member State.

[38] According to Annex III(8) the assessment of this point shall take into account the extent to which the project contributes, in the relevant third country: a) to strengthening more than one stage of the raw materials value chain in that country or its wider region; b) to fostering private investment in the domestic raw materials value chain; c) to the creation of wider economic or social benefits, including the creation of employment.

[39] The United Nations Framework Classification for Resources is a resource project-based and principle-based classification system for defining the environmental-socio-economic viability and technical feasibility of projects to develop resources. For more details, see European Commission's document "Strategic projects under the Critical Raw Materials Act – Guide for Applicants", Version 1.0, 23.05.2024, pp. 16-22 (hereinafter the Commission's Guide for Applicants).

[40] Under Article 3(2) and (3) of Council Regulation No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the so-called EC Merger Regulation, in OJ L 24, 29.1.2004, p. 1 *et seq.*)

viability of the project; g) an estimate of the project's potential for quality job creation and the project's needs in terms of skilled workforce; h) for projects in third countries or in OCTs involving extraction, a plan to improve the environmental state of the affected sites after the end of exploitation, with the view to restoring the prior environmental state while considering technical and economic feasibility; i) for projects related exclusively to processing and recycling located in areas protected pursuant to Directive 92/43/EEC or Directive 2009/147/EC, a description of the technically appropriate alternative locations assessed by the project promoter and why those alternative locations are not considered to be appropriate locations for the project; j) for project with the potential to affect indigenous peoples, a plan containing measures dedicated to a meaningful consultation with them about the prevention and minimisation of the adverse impacts on their rights, and, where appropriate, fair compensation for them, as well as measures to address consultations' outcomes.

Article 7 also establishes the procedure to apply for a project to be recognised as "strategic" before the Commission.[41] Importantly, if the project is proposed within a Member State, the latter has the right to object to (and therefore retains the authority to refuse) the designation of "strategic" status. Similarly, if a project is to be implemented in a third country or in OCTs and the respective government objects, the Commission will not recognised that project as a Strategic Project.[42] The first selection round led in 2025 to the designation of 47 Strategic Projects in the EU and 13 Projects in third countries and OCTs.[43]

Strategic Projects designated under the CRMR benefit from several advantages, and these benefits are tailored differently depending on whether the project is located within the Union or in a third country or in OCTs.

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control is defined as the possibility of exercising "decisive influence" over an undertaking, either solely or jointly, through rights, contracts, or other means that change the structure of the market.

[41] Application for recognition of Strategic Projects shall be assessed by the Commission through an open call with regular deadlines. Following the submission of an application, the Commission will start checking its completeness. Project promoters will be informed within 30 days of the applicable cut-off date, if the Commission considers the information provided in the application to be complete. If the application is incomplete, the Commission may request the applicant to submit the additional information necessary to complete the application without undue delay, specifying which additional information is required. The Commission will reject those applications whose project promoters fail to comply with these requests. After the completeness check, the Commission will consult the Board for an opinion on whether the proposed projects fulfil the criteria laid down in Article 6(1). The Commission will transmit the full application to the Member States, third country or overseas country or territory (OCT) whose territory is concerned by the proposed project; if the latter object to a project being recognised as "strategic", the Commission will not approve the application. Based on the assessment and consultation, the Commission will adopt – within 90 days of the acknowledging the completeness of the application – a reasoned decision on the recognition as a Strategic Project and will notifies the project promoter; see CRMR, Article 7(3-10). The Commission will assess all complete applications with the help of experts who will be selected from the Commission's expert database, established following an open call for expression of interest. All experts who assist with the assessment of Strategic Projects, will be required to sign a contract with the Commission, which includes provisions on the confidentiality of all shared data, documents or other material (in any form); see the Commission's Guide for Applicants, p. 30.

[42] CRMR, Article 7(8).

[43] European Commission, Commission Decision (EU) 2025/840 of 25 March 2025 recognising certain critical raw material projects as Strategic Projects under Regulation (EU) 2024/1252 of the European Parliament and of the Council, in OJ L, 30.4.25, p. 1 *et seq.*; Commission Decision (EU) 2025/1174 of 4 June 2025 recognising certain critical raw material projects located in third countries and in overseas countries or territories as Strategic Projects under Regulation (EU) 2024/1252 of the European Parliament and of the Council, in OJ L, 12.6.2025, p. 1 *et seq.*

For projects located in the Union, they will benefit from support by the EU in form of fast-tracked permit-granting process, financing and facilitated off-takes agreements. Beginning with the former, the key elements envisaged in the CRMR are: i) providing single points of contact for approval of those Projects; ii) shortening their licensing procedures; iii) accelerating the Environmental Impact Assessment (hereinafter EIA) procedure and coordinating assessment procedures set out in the relevant EU legislation; and iv) giving those Projects priority status,[44] as what it follows.

Firstly, by February 2025 EU Member States must designate one or more authorities as «single points of contact» for promoters of Union's Strategic Projects. These authorities are responsible for facilitating and coordinating the procedure for obtaining all the required projects' authorisations and will assist promoters in submitting information and documentation in electronic form. However, to ensure the permit process is streamlined, Member States must ensure that there is only one single point of contact per relevant administrative level and stage of the (strategic) raw materials value chain.[45] Member States must also ensure that the single points of contact have sufficient human, financial, technical, and technological resources to effectively exercise their duties.[46]

With regard to the duration of the permit-granting process, it must be underlined that currently the latter varies considerably, ranging from 11 months in Portugal to up to three years in Sweden and up to five years in Poland.[47] The CRMR stipulates that the permit-granted process must not exceed 27 months for Union's Strategic Projects involving extraction and 15 months for those projects involving only processing or recycling.[48] This will increase predictability for projects promoters, enabling them to contribute to EU supply security. Notably, this time limitation does neither include (administrative and court) appeal procedures nor the time taken by the promoter to prepare the EIA report under the EIA Directive, as explained shortly.[49] By reducing administrative burdens and accelerating project approval timelines, the EU aims to increase its domestic capacity. However, it is worth noting that the CRMR will not diminish the much longer time period (on average, over 15 years) required for discovery, exploration and feasibility studies of raw materials.[50]

As to the environmental assessments and authorisations of Strategic Projects, it is worth noting that raw materials related projects inherently affect nature in many ways, posing

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[44] All exceptions discussed below operate under the caveat of the Union's international obligations. The requirement to explore the transboundary significant adverse impacts of a project under the 1991 Espoo Convention (UNECE Convention on environmental impact assessment in a transboundary context) and its 2003 Protocol on Strategic Environmental Assessment still applies. Equally, the 1998 Convention on Access to Information, Public Participation in Decision-Making, and Access to Justice in Environmental Matters (Aarhus Convention) requirements should be respected; CRMR, Article 14.

[45] CRMR, Article 9(1-4).

[46] CRMR, Article 9(9).

[47] M. ERICSSON, O. LÖF, *Comparative analysis of the mining legislation in certain countries: Suggestions for Estonia*, May 2021, pp. 9, 12 and 23.

[48] CRMR, Article 11(1). Projects that were already undergoing permit-granting processes or that concern extensions of existing projects are subject to shorter time-frames: 24 months for Strategic Projects involving extraction; 12 months for Strategic Projects involving only processing or recycling; Article 11(2). Extensions of up to six months for extraction and three months for processing and recycling projects may be granted exceptionally if the nature, complexity, location, or size of the Strategic Project so require; Article 11(4).

[49] CRMR, Article 11(10) and (3).

[50] On this aspect, see F. FINDEISEN, Y. WERNERT, *Meeting the costs of resilience: The EU's Critical Raw Materials Strategy must go the extra kilometer*, June 2023, Policy Brief Jacques Delors Center, p. 6; B. TRÖSTER, S. PAPATHEOPHILOU, K. KÜBLBÖCK, *In search of critical raw materials: What will the EU Critical Raw Materials Act achieve?*, May 2024, ÖFSE Research Report 18, p. 21.

risks to (*inter alia*) the environment, flora and fauna. Therefore, they may fall under the scope of – respectively – the EIA Directive,[51] the Habitats and Birds Directives,[52] and the Water Framework Directive.[53]. Very briefly, the EIA Directive requires Member States to make projects likely to have *significant* effects on the environment, because of their nature, size or location, subject to consent and an assessment by a competent national authority. To get a permit, the EIA Directive requires *e.g.,* the preparation of an environment impact assessment report and the carrying out of consultation of the authorities, the public and other Member States affected by the projects. The Habitats and Birds Directives require Member States to prevent *significant* negative effects on protected species and habitats in Natura 2000 sites. To that end, raw materials related projects that are likely to have a significant effect on such a site, must be subject to an appropriate assessment. The Water Framework Directive establishes, in its turn, a comprehensive legal framework for the protection and improvement of all water bodies across the EU. Projects potentially affecting bodies of water, including raw materials projects, need to be subject to assessment and permitting procedures. With regard to the EIA Directive, the CRMR provides for the acceleration of the EIA procedure. Firstly, it shortens the period for evaluating the need for an EIA (the so-called scoping decision) to 30 days.[54] Secondly, it specifies that the public consultation period for the EIA must be no shorter than 30 days and no longer than 85 days.[55] Finally, it limits the EIA decision period for Union's Strategic Projects to 90 days.[56] In addition, in the effort to simplify authorisations, the CRMR envisages that the various assessments under the EIA Directive, Habitats and Birds Directives, Water Framework Directive, Industrial Emissions Directive,[57] Seveso III Directive,[58] and the Waste Framework Directive[59] should be bundled whenever possible.[60] This streamlining gives national authorities limited time for critical tasks such as projects scoping, risking to undermine the ability of a Member State's permit system

[51] Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, in OJ L 124, 25.4.2014, p. 1 *et seq.* hereinafter EIA Directive.
[52] Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, in OJ L 206, 22.7.1992, p. 7 *et seq.*, hereinafter Habitats Directive. See also Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (Codified version), in OJ L 20, 26.1.2010, p. 7 *et seq.*, hereinafter Birds Directive.
[53] Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, in OJ L 327, 22.12.2000, p. 1 *et seq.*, hereinafter Water Framework Directive.
[54] CRMR, Article 12(1).
[55] CRMR, Article 12(5). This period may be extended by a further 40 days if the location or complexity of the project requires it.
[56] CRMR, Article 12(3). In exceptional cases, where the nature, complexity, location or size of the proposed projects so require, Member States may extend that time limit by a maximum of 20 days; Article 12(4).
[57] Directive (EU) 2024/1785 of the European Parliament and of the Council of 24 April 2024 amending Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (integrated pollution prevention and control) and Council Directive 1999/31/EC on the landfill of waste, in OJ L, 5.7.2024, p. 1 *et seq.*, hereinafter the Industrial Emission Directive.
[58] Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 on the control of major-accident hazards involving dangerous substances, amending and subsequently repealing Council Directive 96/82/EC, in OJ L 197, 24.7.2012, p. 1 *et seq.*, hereinafter the Seveso III Directive.
[59] Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives, in OJ L 312, 22.11.2008, p. 3 *et seq.*, hereinafter the Waste Framework Directive.
[60] CRMR, Article 12(2). This is not a major novelty; Article 2(3) of the EIA Directive provides for streamlining the assessment procedures related to environmental issues required under various EU directives.

to prevent significant harm and leading further delays later in the permitting process.[61] Additionally, shortening consultation periods in environmental impact assessments of permit-granting procedures reduces opportunities for participation in the permitting processes by NGOs and local communities. This can lead to a loss of trust and higher public opposition,[62] which can cause significant delays to projects.

As to the legal status of Union's Strategic Projects, the CRMR – firstly – grants those projects «the status of highest national significance possible» in the national permitting procedure of the Member State it is located in, provided such status exists in national law.[63] This means that Strategic Projects located in the Union will receive rapid treatment by national authorities through the avoidance of duplication of studies or permits, unless otherwise required by EU or national law. Equally, the CRMR requires Member States to ensure that Union's Strategic Projects will receive «urgent» processing in all judicial and dispute resolution procedures relating to them, provided that national law envisages such urgency procedures and that the usually applicable rights of defence of individuals or of local community are respected.[64] This means that Union's Strategic Projects will not only benefit from faster administrative procedures but also from expedited judicial procedures. Moreover, and significantly, Union's Strategic Projects will be considered *a-priori* as being in the «public interest» or «serving public health and safety» and they *may* qualify as projects of «overriding public interest» with regards to the derogation rules of the nature protection European laws due to their contribution to the *security* of supply of SRMs in the Union.[65] In this regard, it is worth mentioning that the Habitats Directive, the Birds Directive, and Water Framework Directive, envisage that projects, even though *adversely* affecting the integrity of a Natura 2000 site, protected species (Habitats and Birds Directives) and water bodies (Water Framework Directive) can be permissible under certain conditions. For all these directives *one* such condition is met when the project is in the interest of public health and safety.[66] The CRMR, by declaring that *all* Union Strategic Projects are in the public interest or serve public

[61] On these aspects, see – *ex multis* – I. PÖLÖNEN, *How to avoid missteps of accelerated EIA and permitting? – Reflections on the proposal for the EU's Critical Raw Material Act*, The Center for Climate Change, Energy and Environmental Law Blog, 11.10.23.

[62] On this aspect, see – *ex multis* – V. FISCHER, *Strategic projects – Making participation easy!*, November 2025, PowerShift, pp. 12-15.

[63] CRMR, Article 10(4).

[64] CRMR, Article 10(5).

[65] CRMR, Art. 10(1) and (2). Article 10(2) refers also to the Union legislative provisions regarding the restoration of terrestrial, coastal and freshwater ecosystems. However, Article 6 of the recent EU Nature Restoration Law states that *only* «the planning, construction and operation of plants for the production of energy from renewable sources, their connection to the grid and the related grid itself, and storage assets shall be presumed to be in the overriding public interest» without mentioning raw materials projects. See Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869, in OJ L, 29.7.2024, p. 1 *et seq*.

[66] See – respectively – Article 6(4) of the Habitats Directive, which stipulates that if the site hosts priority species/habitats the derogation is limited to reasons relating to human health, public safety, or beneficial consequences for the environment, or other imperative reasons of overriding public interest; Article 16(1)(c) of the Habitats Directive, which allows Member States to derogate from strict species protection (*e.g.*, in Articles 12 and 13) in the interests of public health and public safety; Article 9(1)(a) of the Birds Directive, which allows for derogations regarding protected birds, their eggs, nests, and habitats for reasons of public health and safety, particularly in context with air safety or controlling diseases; Article 4(7)(c) of the Water Framework Directive, which allows for new modifications to water bodies that lead to a deterioration in status if those modifications are deemed a sustainable human development activity that serves imperative reasons of public interest, including human health and public safety.

health and safety as *a matter of law*, limits the discretion of the competent authority in applying nature protection laws, and consequently, facilitates the fulfilment of one of the conditions required to obtain the derogation.[67] Therefore, this legislation, by conferring priority status to Union Strategic Projects due to their contribution to the *security* of SRMs domestic supply, *subordinates* the biodiversity protection to prevailing economic interests,[68] despite the fact that sustainability and security of supply are equally ranked in its overarching objective.

As to the other benefits arising from the status of Strategic Projects (located in the Union), firstly the CRMR envisages that, on the one hand, the Commission will carry out activities, where appropriate in cooperation with Member States, to accelerate and crowd-in private investment in Strategic Projects.[69] On the other the relevant Member State will assist the project's promoter in complying with applicable administrative and reporting obligations and in further increasing its ability to ensure the meaningful involvement and active participation of the communities affected by the Strategic Project.[70] Secondly, the Regulation establishes that, at the request of the promoter, the financing subgroup of the Board will discuss and provide advice on how the financing of its project can be completed, taking into account the funding already secured and considering at least the following elements: a) additional private sources of financing; b) support through resources from the European Investment Bank Group or other international financial institutions, including the European Bank for Reconstruction and Development (hereinafter EBRD); c) existing Member States instruments and programmes, including from export credit agencies, national promotional banks and institutions.[71] Moreover, the Commission will also set up a system for facilitating the conclusion of offtake agreements related to Strategic Projects, which will allow offtakers to make bids and project promoters to make offers and therefore facilitate the operational viability of Strategic Projects.[72]

The last two types of benefits also apply to Strategic Projects located outside the Union. In particular, regarding financing, those projects may be supported by relevant Union funding and financial programmes, with a particular focus on the Global Gateway Initiative.[73] The latter is a EUR 300 billion strategy (2021–2027) foreseen to support projects in Latin-America and the Caribbean, the Middle East, Asia and the Pacific, and Sub-Saharan Africa and aimed to narrow the global investment gap while fully aligning with the UN 2030 Agenda

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[67] For an analysis of the other conditions which must be met for obtaining a derogation, see D. MARIN et al., *Understanding Strategic Projects Under the CRMA: A Guide to Rights and Processes*, December 2024, pp. 42-46.

[68] In the same sense, see – *ex multis* – C. EHRMANN, S. VESA, *Legal coherence in the European Green Deal: The relationship between the Critical Raw Materials Act and the EU biodiversity law*, in *Journal of Energy & Natural Resources Law*, 5 January 2026, p. 1 *et seq*., pp. 23-27.

[69] CRMR, Article 15(1). Such activities may, without prejudice to Articles 107 and 108 TFUE, include providing and coordinating support to Strategic Projects that face difficulties in accessing finance. According to Article 18(2) the Commission must, in a centralised and easily accessible manner, provide online information on administrative processes relevant to the recognition of Strategic Projects and on the benefits of such recognition.

[70] CRMR, Article 15(2). According to Article 18(1) Member States will provide online, user-friendly, and centralised information on – respectively – all single points of contact; the permit-granting process and related administrative processes required for obtaining the relevant permits; funding possibilities at Union or Member States levels and business support services.

[71] CRMR, Article 16(1). By May 2026, the Commission shall, on the basis of the advice of the financing subgroup of the Board, submit a report to the Board describing obstacles to accessing finance for Strategic Projects and recommendations to facilitate such access; Article 16(2).

[72] CRMR, Article 17.

[73] CRMR, Article 16(1)(d).

for Sustainable Development and the Paris Agreement on climate change. Thematically, the investments are to cover five areas: digital, climate and energy, transport, health, education and research. The Global Gateway is based on the "Team Europe" approach, combining resources from EU institutions, Member States (including their implementing agencies and public development banks), financial institution (including the European Investment Bank and the EBRD) and the private sector.[74]

Finally, extractive Strategic Projects located in the Union may – albeit indirectly – benefit from national exploration programmes and planning provisions outline in the Regulation. According to the former, by May 2025, each Member State must draw up a national programme for general exploration targeted at CRMs and carrier minerals of CRMs. These national programmes will include measures to increase available information on occurrences of CRMs within the EU (by *inter alia* mineral mapping, carrying out geochemical campaigns and geoscientific surveys, processing the data obtained through general exploration).[75] These programmes shall be reviewed at least every five years and updated if necessary; they must also be communicated to the Commission. Additionally, Member States must inform the Commission on how the measures included in their national programmes are progressing.[76] With regard to planning, the CRMR stipulates that national, regional, and local authorities in charge of preparing plans (zoning, spatial and land-use plans) must, where appropriate, include provisions for the development of CRMs projects.[77] Consequently, the primary goal of these provisions is to *reduce* the financial and administrative risks associated with exploration, thereby facilitating the discovery of new raw materials resources and *boosting* domestic extraction projects within the EU.

2.4. *Diversifying the Union's Imports of CRMs through Strategic Partnerships*

As already mentioned, the CRMR includes a very ambitious benchmark according to which by 2023 no single third country or overseas country or territory should provide more than 65% of the Union's annual consumption of any SRM at any stage of the value chain. Therefore, so-called Strategic Partnerships constitutes a "building block" for achieving this target. These partnerships are not a new instrument; reference to them were already included indeed in the 2020 Action Plan.[78]

The CRMR provides for a definition of a Strategic Partnership as «a commitment between the Union and a third country or an overseas country or territory to increase cooperation related to the raw materials value chain that is established through a non-binding instrument setting out action of mutual interest, which facilitate beneficial outcomes for both the Union and the relevant third country or overseas countries or territories»[79]. The

[74] European Commission, High Representative of the Union for Foreign Affairs and Security Policy, Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, *The Global Gateway*, JOIN(2021) 30 final, 1.12.2021; for more details see, *ex multis*, S. TAGLIAPIETRA, *The European Union's Global Gateway: An institutional and economic overview*, in *The World Economy*, 2024, p. 1326 *et seq.*

[75] CRMR, Article 19(1-2). Member States that do not have, with a high degree of certainty, deposits of CRMs are excluded from exploration obligations; Article 19(3).

[76] CRMR, Article 19(4-5).

[77] CRMR, Article 13(1). These provisions must prioritise artificial and built surfaces, industrial sites, brownfields sites and active or abandoned mines, including – where appropriate – identified mineral occurrences.

[78] 2020 Action Plan, pp. 15-16.

[79] CRMR, Article 2(63).

partnerships are formalised through Memoranda of Understanding (hereinafter MoUs) which explicitly state that they do not create rights or obligations under domestic or international law on either side;[80] therefore, they signal merely a *political* commitment. Each MoU commits both sides to develop within six months a "roadmap" that identifies concrete actions to be developed under each pillar. The implementation of the roadmap is monitored on an annual basis by a working group composed of senior officials of both partners and can be updated with new actions as appropriate.[81] As of December 2025, the EU had conclude 15 Strategic Partnerships with: Canada and Ukraine (signed in 2021); Kazakhstan and Namibia (signed in 2022); Argentina, Chile, Zambia, DRC and Greenland (signed in 2023); Rwanda, Norway, Uzbekistan, Australia and Serbia (signed in 2024); and South Africa (signed in 2025).[82]

2.5. *Monitoring and Mitigating CRMs' Supply Risks*

In order to achieve the objective of ensuring the Union's access to *secure* and *resilience* supply of CRMs, the CRMR includes specific provisions related to the monitoring and mitigation of CRMs supply risks addressed to – respectively – the Commission, Member States and (certain) large companies in the Member States.

The Commission must monitor supply risks related to CRMs, particularly those that risk distorting competition or fragmenting the internal market. The monitoring must cover at least the following parameters: trade flows within the internal market and between the Union and third countries; demand and supply trends; concentration of supply; Union and global production and production capacities at different stages of the raw material value chain; price volatility; bottlenecks concerning EU production of SRMs (including permitting bottlenecks) as well as potential obstacles to trade in CRMs or in goods that use CRMs as input within the internal market.[83] In this respect, it must be underlined that the parameters for supply risks analysis completely *ignores* the social and environmental dimension of criticality. Potential or actual social and environment adverse impacts are in many cases the reason for low public acceptance of raw materials projects or even socio-ecological conflicts which can cause supply disruptions.[84] Once again, the exclusion of the social and environmental aspects of raw material production in the analyses of the supply situation *stands in stark contrast with* the equal-ranking consideration of security of supply and sustainable aspects of the EU's raw material demand as envisaged in the overarching objective of the Regulation.

The CRMR also stipulates that the Commission, in collaboration with the monitoring subgroup of the Board, shall ensure that a stress test is carried out for each SRM supply chain at least every three years or if significant increase in supply risks is detected as a result of the

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[80] See, for example, Memorandum of Understanding between the European Union and the Republic of Chile on a Strategic Partnership on Sustainable Raw Materials Value Chain, 18.11.23, p. 4.

[81] *Ibidem*.

[82] For a comparative overview of the EU Strategic Partnerships, see K. KÜBLBÖCK et al., *EU Raw Material Partnerships: Mutual Benefits or Green Extractivism? A critical analysis of the EU's Strategic Partnerships on Raw Materials, with a focus on Kazakhstan, Chile, and Rwanda*, September 2025, Annex.

[83] CRMR, Article 20(1).

[84] See – *ex multis* – BUSINESS & HUMAN RIGHTS RESOURCE CENTRE, *Transition Minerals Tracker: 2025 Global Analysis*, May 2025, pp. 24-25.

above mentioned monitoring.[85] Where the Commission considers, on the basis of the analysis carried out, that there is a clear indication of the risk of a supply disruption that is likely to distort competition or fragment the internal market, it must alert Members States, the Board and the Union governance bodies of crisis vigilance or crisis management mechanisms whose scope covers relevant strategic or critical raw materials.[86]

Turning to the obligations of Member States, the latter must – first of all – promptly notify the Commission if they detect that the supply chain of CRMs may be seriously disrupted.[87] Secondly, they have to provide the Commission with information on new or existing CRM projects in their territory that is relevant regarding the abovementioned serious supply disruption.[88] Thirdly, Member States have to identify key market operators along the CRMs value chain established in their territories and without delay notify the Commission of major events that may hinder the regular operations of the activities of those key market operators.[89] Furthermore, considering that strategic stocks are an important tool to mitigate supply disruptions, the Regulation envisages that Member States must submit to the Commission information on the state of their strategic stocks of SRMs.[90] Based on information acquired, the Commission, taking into account the view of the Board, must adopt a benchmark indicating a save level of Union strategic stocks of SRMs. The Commission may also issue non-binding options to Member States encouraging them to increase their reserves (and, where appropriate, production capacities) or to modify or manage the procedures and rules for using, allocating and distributing the strategic reserves.[91] Consequently, the CRMR focuses on reporting and coordinating strategic stocks, *failing* to give adequate considerations to environmental concerns that may be related to these stocks.[92]

As to the CRMR's provisions on large companies in Member States, by May 2025 and within 12 months of each update of the list of SRMs, Member States are required to identify large companies within their borders that use SRMs to manufacture certain strategic technologies.[93] According to Article 2(29) of the CRMR large company means a company

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[85] CRMR, Article 20(3). The stress tests will consist of assessing how vulnerable to supply disruptions the Union's supply chain of the relevant SRM is. In particular, the impact of different scenarios that may cause such disruptions and their potential effects must be estimated taking into account at least the following elements: a) where the SRM concerned is extracted, processed or recycled; b) the capacities of economic operators along the raw materials value chain as well as the market structure; c) factors that might affect supply, including the geopolitical situation, logistics, energy supply, workforce or natural disasters; d) the availability and ability to swiftly diversify supply sources, substitute materials or mitigate demand; e) the users of the relevant SRM along the raw materials value chain and their share of demand; and f) potential obstacles to cross-border trade in relevant SRMs or products that use them as an input within the internal market.

[86] CRMR, Article 20(5).

[87] CRMR, Article 20(2)(d).

[88] CRMR, Article 21(1).

[89] CRMR, Article 21(2). According to Article 2(27) «key market operators» are companies involved in the supply chain of CRMs in the EU and downstream companies consuming CRMs, the reliable functioning of which is essential for the supply of CRMs.

[90] CRMR, Article 22(1). This information shall cover strategic stocks held by all public authorities, publicly owned companies or economic operators charged by a Member State to build up strategic stocks on its behalf; Article 22(2).

[91] CRMR, Article 23(2-3).

[92] The process of stockpiling – including keeping materials stored for prolonged periods – can lead to hazardous chemical leaching, such as heavy metal migration, which contaminates surrounding soil and water. See – *ex multis* – INTERNATIONAL RENEWABLE ENERGY AGENCY, *Geopolitics of the Energy Transition*, cit., p. 110.

[93] Article 24(1) of the CRMR refers to large companies using SRMs to manufacture batteries for energy storage and e-mobility, equipment to produce and use hydrogen, equipment related to renewable energy generation,

with more than 500 employees and, according to their latest financial statements, net global turnover of more than EUR 150 million. The Regulation stipulates that those large companies must carry out a risk assessment of their SRMs supply chain every three years, which will involve: a) a mapping of where the SRMs they use are extracted, processed or recycled; b) an analysis of the factors that might affect their SRMs supply; c) an assessment of their vulnerabilities to supply disruption. If significant vulnerabilities to supply disruptions are detected, companies shall make efforts to develop and implement mitigation measures to address these weaknesses in their supply, which could include the diversification of their supply chains or the substitution of the SRMs.[94] The aim of these provisions is for large companies to become aware of their SRM supply chains and create appropriate mitigation strategies (as required) to be better prepared in case of supply disruptions. However, the Regulation *fails to require* the adoption of mitigation strategies in case of social and environmental adverse impacts along the SRM supply chains of those large companies, thereby ranking supply risks *over* social and environmental risks.

Besides a monitoring role, the Commission is mandated to establish and operate, through a service provider, a «joint purchasing» mechanism for both unprocessed and processed SRMs. This system will aggregate the demand of interested undertakings consuming SRMs established in the Union and to seek offers from suppliers to match that aggregated demand.[95] Joint purchasing, similar to the mechanism enabling demand aggregation and joint gas purchasing at the Union level,[96] is considered a key tool design to – *inter alia* – manage high supply disruption risks for SRMs.

2.6. *Developing Secondary CRMs through Circularity, Recyclability and Other Measures*

As already mentioned, one of the CRMR's objective is to ensure the security of Union's supply of CRMs – *inter alia* – by fostering efficiency and circularity throughout the value chain. In this respect, the Regulation includes provisions to promote collecting and recycling raw materials from which secondary raw materials can be obtained and reintroduced into the system. This, in order to meet by 2030 its ambitious benchmark whereby the Union recycling capacity can produce at least 25% of the EU's annual consumption of SRMs. The tools for achieving this objective (and benchmark) include: a) national programmes on circularity; b) recovery of CRMs from extractive waste; c) recyclability of permanent magnets and recycled content of those magnets; d) environment footprint declarations for certain CRMs and e)

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aircrafts, traction motors, heat pumps, equipment related to data transmission and storage, mobile electronic devices, equipment related to additive manufacturing, equipment related to robotics, drones, rochet launchers, satellites or advanced chips. It is worth noting that on 3 December 2025 the Commission put forward a proposal to amend the CRMR. The proposed amendments would – *inter alia* – transfer the obligation to identify large companies that use SRMs from the Member States to the Commission; see European Commission, Proposal for a Regulation of the European Parliament and the Council amending Regulation (EU) 2024/1252, COM(2025) 946 final, 3 December 2025 (hereinafter the Commission' proposal to amend the CRMR), Article 1(2)(a).

[94] CRMR, Article 24(2) and (4). According to the Commission's proposal to amend the CRMR, the Commission could adopt delegated acts specifying the risk mitigation measures that the companies would have to take if significant vulnerabilities to supply disruptions were detected; see Article 1(2)(f).

[95] CRMR, Article 25.

[96] Council Regulation (EU) 2022/2576 of 19 December 2022 enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders, in OJ L 335, 29.12.2022, p. 1 *et seq.*

free movement of products containing recycling content of permanent magnets as well as CRMs which are subject to a environmental footprint declaration, in what follows.

As to the national programmes on circularty, the Regulation envisages that by May 2025 the Commission has to adopt implementing acts specifying a list of products, components and waste streams considered as having a relevant CRMs recovery potential.[97] Within two years of such publication, Member States have to adopt and implement national programmes containing measures designed to (*inter alia*): a) incentivise technological progress and resource efficiency in order to moderate the expected increase in Union consumption of CRMs; b) promote waste prevention and increase re-use and repair of products and components with relevant CRMs recovery potential; c) increase the collection, sorting and processing of waste with relevant CRMs recovery potential, including metal scraps, and ensure their introduction into the appropriate recycling system in order to maximise the quantity and quality of CRMs available for recycling; d) increase the use of secondary CRMs, including through measures such as taking recycled content into account in award criteria related to public procurement or financial incentives for the use of secondary CRMs; e) increase the technological maturity of recycling technology for CRMs and promote circular design, materials efficient and substitution of CRMs in products and applications; f) equipping the workforce with the skills needed to support circularity of the CRMs value chain; and g) support the use of Union quality standards for the recycling processes of waste streams containing CRMs.[98] These programmes may be integrated into new or existing waste management plans and waste prevention programmes and will be reviewed within five years of their adoption and updated if necessary. They will cover in particular products and waste which are not subject to any specific requirement on collection, treatment, recycling or re-use under Union law.[99] Member States must also identify separately, and report, the quantities of components with CRMs removed from waste electrical and electronic equipment (hereinafter WEEE) and the quantity of CRMs recovered from such equipment.[100] As is clear, the goals of the circularity measures envisaged in the national programmes are set in *vague* language. The latter call for a general improvement in recycling, recovering and waste collection, re-use and secondary material use in production, but they *fail to set* clear and binding targets for minimum recycled content or waste separation for products with a high critical material content. In addition, the circularity measures *do not cover* the material's life cycle in its entirety, since they exclude measures focused on the initial and final stages of the life cycle. For example, measures focused on a lower material consumption, through *inter alia* sustainable material design are absent as well as measures on improving final waste treatment preventing the leaching of materials into the environment.[101]

With regard to the recovery of CRMs from extractive waste, by November 2026 operators who are required to prepare waste management plans in accordance with the

[97] CRMR, Article 26(7).
[98] CRMR, Article 26(1).
[99] CRMR, Article 26(2-3).
[100] CRMR, Article 26(5). The Commission will adopt implementing acts specifying the format and details of such reporting and Member States will include those data in their report on WEEE recycling.
[101] On these aspects see – *ex multis* – E. WATKINS, E. BERGELING, E. BLOT, *Circularity and the European Critical Raw Materials Act: How could the CRMA better promote material circularity?*, October 2023, p. 1 *et seq.*, pp. 12-13; N. A. VAFEAS, P. SLEZAK, M. W. HITZMAN, *Analysis of critical raw materials policy for electrical and electronic equipment: Planning for a truly circular economy*, in *Resources Policy*, 2024, p. 105380 *et seq.*

Extractive Waste Directive[102] will submit to the relevant competent authority a preliminary economic assessment study regarding the potential recovery of CRMs from extractive waste stored or generated at their facilities; this study must at least include an estimation of the quantities and concentrations of CRMs in the extractive waste together with an assessment of their technical and economic recoverability.[103] As for the Member States, they have to establish a database of the closed extractive waste facilities located on their territory, including those that have been abandoned, that may contain recoverable CRMs. The database shall include information regarding the location, the waste volume, and the approximate quantities and concentrations of all raw materials in the extractive waste.[104] By November 2027, Member States will adopt and implement measures to promote the recovery of CRMs from extractive waste, particularly from closed extractive waste facilities identified in the database as containing potentially economically recoverable CRMs;[105] however the Regulation *does not contain* concrete, enforceable obligations, falling short of extensively promoting the recovery of CRMs from extractive waste.

As already mentioned, the Regulation set out provisions on permanent magnets, the latter being technologies well-known for containing rare earths elements classified as SRMs and for whom the EU is fully dependent on third countries. It envisages a new framework aimed at facilitating their recyclability and setting minimum recycled content requirements. With regard to the former, by the end of 2028, economic operators who place on the market certain products containing permanent magnets[106] must label such products and include a «data carrier» on their exterior (or interior). The data carrier must indicate, among other things, whether those products incorporate one or more permanent magnets; the chemical composition of the magnet(s) as well as instructions enabling access to or removal of the magnets from the product.[107] This information must be retained for at least the typical lifetime of the product plus ten years.[108] As to the recycled content of permanent magnets, the Regulation stipulates that by two years after the Commission defines calculation rules, manufacturers must disclose information regarding the recycled content of permanent magnets (recovered from post-consumer waste) used in certain products.[109] The reporting obligations on recycling and recovering of permanent magnets are welcome because they create greater transparency and lead to the generation of relevant data. However, the

[102] Directive 2006/21/EC of the European Parliament and of the Council of 15 March 2006 on the management of waste from extractive industries and amending Directive 2004/35/EC, in OJ L 102, 11.4.2006, p. 15 *et seq.*, Article 5.

[103] CRMR, Article 27(1-3). Operators are exempted from this obligation if they can show with a high degree of certainty that the extractive waste at their facility does not contain CRMs that are technically recoverable.

[104] CRMR, Article 27(4). Member States, by March 2027, shall furthermore investigate closed extraction waste facilities and, if the investigation points to the presence of potentially recoverable quantities of CRM, carry out *e.g.*, geochemical sampling, followed by chemical and mineralogical characterisation if deemed indicated; Article 27(7). According to Article 27(6) this database must be put in place by November 2025, and all the information shall be introduced in that database by May 2027. It shall be made available in a publicly accessible and digital form and updated at least every three years to incorporate additional available information and newly closed or newly identified facilities.

[105] Article 27(5).

[106] Article 28(1) of the CRMR contains a list of such products. It is worth noting that the Commission proposed to expand this list; see Commission's proposal to amend the CRMR, Article 1(3).

[107] CRMR, Article 28(1) and (3-4).

[108] CRMR, Article 28(7).

[109] CRMR, Article 29. The proposed amendments of the CRMR include – *inter alia* – expanding the definition of recycled content for permanent magnets to cover pre-consumer waste (manufacturing waste) alongside post-consumer waste; see Commission's proposal to amend the CRMR, Article 1(4)(b).

Regulation *does not address* the significant technical and economic challenges associated with recovery and recycling processes of permanent magnets.[110] Additionally, it set out requirements *only* for permanent magnets and *not* for other products containing viable recoverable amounts of CRMs.

In order to encourage the use of secondary CRMs (against primary extraction), the CRMR empowers the Commission to issue by 2026 rules on calculating and verifying the environmental footprint of different CRMs, in accordance with Annex V and taking into account scientifically sound assessment methods and relevant international standards. This rules have to identify at least the three most relevant environmental impact categories accounting for the majority of the overall environmental footprint, including the category of greenhouse gas emissions.[111] By November 2025 the Commission is required to submit a report to the European Parliament and to the Council setting out which CRMs are to be prioritised for assessing whether the obligation to declare the environmental footprint of a CRM is necessary and proportionate. For those CRMs, the Commission must present assessment conclusions one year after the report.[112] Following the establishment of calculation rules, the Commission must develop environmental footprint performance classes through delegated acts to enable market differentiation and allow customers to make informed choices.[113] As a result, any economic operator that places on the market CRMs (not included in intermediate or final products) for which the Commission has adopted calculation and verification rules will have to make available an environmental footprint declaration.[114] The introduction of a mandatory environmental footprint statement is generally to be welcomed as it aims to promote the supply of CRMs with lower environmental footprint (and therefore, secondary CRMs).[115] However, the parameters for determining the necessity and proportionality of an environmental footprint declaration include also the taking into account of «the associated economic costs and administrative burden for economic operators».[116] By stipulating that the environmental footprint declaration obligation must not disproportionately affect the cost and supply of the private sector – even if the CRM has a significant environmental footprint – the Regulation, once again, ranks cost and security of supply *over sustainability*. In addition, the environmental footprint declaration obligation is not required for indirect CRMs imports in semi-finished and finished products which constitute a significant part of the Union's demand for CRMs; consequently, *it is not certain* that this obligation will have a positive impact in practice.

Finally, the Regulation also takes into account product's freedom of movement, which is essential in the Union's single market. It established that Member States shall not prohibit, restrict or impede the placing on the market or the putting into service of products incorporating permanent magnets or of CRMs that comply with the CRMR on grounds

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110 On these challenges, see V. RIZOS, E. RIGHETTI, A. KASSAB, *Understanding the barriers to recycling critical raw materials for the energy transition: The case of rare earth permanent magnets*, in *Energy Reports*, 2024, p. 1673 *et seq*., p. 1675 *et seq*.

111 CRMR, Article 31(1).

112 CRMR, Article 31(2).

113 CRMR, Article 31(8).

114 CRMR, Article 31(6). Article 31(7) specifies the information that must be included in the environmental footprint declaration. The latter shall be made available on a free-access website and shall be easily understandable; Article 31(10).

115 It must be underlined that the environmental footprint rules envisaged in the CRMR are designed primarily for information and transparency and *do not* set out limit values.

116 CRMR, Article 31(4)(d).

relating to information for recycling or recycled content of permanent magnets or for reasons relating to information to their environmental footprint.[117]

2.7. *The Governance Framework*

Turning to its governance framework, the CRMR envisages the creation of a Board with the aims of providing advice to the Commission and carrying out the tasks set out in it.[118]

The Board is composed of a high-level representative from each Member State and the Commission, which acts as the Board's Chair and provides its secretariat. The European Parliament is a permanent observer to the Board (and the subgroups of the Board). Other stakeholders, such as industry, civil society, academia, third countries, OCTs as well as European agencies, may be invited by the Chair as observers or to provide written contributions. The Board shall take decisions by simple majority of the members.[119]

The Board must meet: a) every three months for the assessment of applications for Strategic Projects; b) every six months for the development of monitoring supply risks; c) one a year in order to discuss the progress of the implementation of Member States' exploration programmes. It has also to: a) periodically discuss the implementation of the Member States' obligation to establish single points of contact and share best practices for the purpose of accelerating the permitting procedures for Strategic Projects; b) where relevant, propose to the Commission guidelines for the establishment of one or more authorities as single points of contact; c) periodically discuss the implementation of Strategic Projects; d) provide advice to the Commission on the assessment of the establishment of the joint purchasing system; e) facilitate the exchange of best practices among Member States with the purpose of improving their national programmes on circularity.[120] The Board must also periodically discuss the EU's Strategic Partnerships on raw materials to ensure coherence, consistency and prioritisation.[121]

For specific topics, the Board meets in subgroups. The subgroups established by the CRMR are: a) a subgroup to discuss and coordinate financing for Strategic Projects, with representatives of financial institutions (private and public) invited as observers; b) a subgroup on public knowledge and participation, with representatives of civil society organisations as observers, to discuss on measures to increase public knowledge on the CRMs supply chain and share best practices concerning stakeholders participation; c) a subgroup on exploration of CRMs, with the purpose of contributing to the coordinate of national exploration programmes; d) a subgroup to discuss and exchange views on measures to promote circularity, resource efficiency and substitution of CRMs; e) a subgroup with the purpose of contributing to the Commission's monitoring and stress testing; f) a subgroup on strategic stocks of SRMs, with the purpose of contributing to the coordination of strategic stocks. Additional subgroups can be created by the Board when appropriate.[122] It is important to emphasise that during the legislative process of the CRMR the European Parliament's Committee on International Trade proposed the establishment of a sub-group bringing

[117] CRMR, Article 32(1).
[118] CRMR, Article 35.
[119] CRMR, Article 36(1-3) and the Rules of Procedure of the European CRMs Board, 13.03.2024, Point 5.
[120] CRMR, Article 36(5) and (7).
[121] CRMR, Article 37.
[122] CRMR, Article 36(8).

together scientists, experts and organisations specialised in sustainable mining and production of critical raw materials with the purpose of evaluating the sustainability provisions of the accepted Strategic Projects.[123] However, this proposal was *not* included in the Parliament's negotiating position.

2.8. *Final Provisions*

As is common with EU legislation, Chapter 9 of the CRMR (entitled "Final provisions") outlines important provisions on *inter alia* monitoring progress towards its objective, handling of confidential information, penalties and periodical reviews of its rules.

Beginning with the former, the Regulation establishes that the Commission and Member States must prepare some reports. As to the Commission, by November 2025 it has to submit a report including indicative projections of the annual consumption of each CRM in 2030, 2040 and 2050, including a low, a high and a reference projection, as well as indicative benchmarks for extraction and processing per SRM, with a view to meeting the benchmarks for 2030. In addition, by May 2027 and at least every three years thereafter, the Commission has to – taking into account the advice of the Board – monitor progress towards the benchmarks as well as the moderation of the expected increase in Union consumption of CRMs (established in Article 5) and publish a report detailing the EU's progress towards meeting those benchmarks and that moderation.[124] As to the Member States, by May 2026 and annually thereafter, they must submit a report to the Commission on issues such as the implementation of the measures included in their national exploration programmes; new or existing SRM projects in their territory and critical market operators established in their territory; their strategic stocks; the adoption of national programmes on circularity and progress in their effective implementation.[125]

As already mentioned, Chapter 9 of the CRMR includes specific provisions to ensure the secure handling of confidential information. In this respect, Article 46 – firstly – stipulates that the information acquired in the course of implementing this Regulation shall be used only for the purposes of the latter and shall be protected by the relevant Union and national law. Secondly, it outlines that Member States and the Commission shall ensure the protection of trade and business secrets and other sensitive, confidential and classified information obtained and processed in application of this Regulation, including recommendations and measures to be taken, in accordance with Union and relevant national law. Thirdly, the Commission and the national authorities, their officials, employees and other persons working under the supervision of those authorities shall ensure the confidentiality of information obtained in carrying out their tasks and activities in accordance with relevant Union or national law. This obligation also applies to all representatives of Member States, observers, experts and other participants attending meetings of the Board. Fourthly, when a Member State considers that the disclosure of aggregated information of strategic stocks is likely to compromise its national security it may, by means of a reasoned notice, object to the Commission's disclosure of that information. Finally, any obligations on sharing

[123] Opinion of the Committee on International Trade for the Committee on Industry, Research and Energy on the proposal for a regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials, 2023/0079(COD), 20.07.2023, Amendment 50.
[124] CRMR, Article 44(1) and (2).
[125] CRMR, Article 45.

information pursuant to the CRMR shall not apply to data that concerns the essential interests of the Member State's security or defence.[126]

With regard to penalties, by November 2025 Member States must establish (a list of minimum) effective, proportionate and dissuasive penalties applicable to non-compliance companies and take all measures necessary to ensure that they are implemented.[127]

Finally, by May 2027, the Commission must carry out an evaluation of the CRMR and present a report thereon to the European Parliament, the Council and the European Economic and Social Committee. This report shall at least assess: a) the appropriateness of establishing maximum environmental footprint thresholds for CRMs as well as the need to further strengthen the CRMs' supply chains after 2030; b) the appropriateness of establishing benchmarks targeting 2040 and 2050 on aggregate level and per SRM; c) the consistency of the Regulation with Union environmental law, in particular in relation to the priority status of the Strategic Projects; d) the availability of information on waste volumes and SRM content for relevant waste streams; e) the impact of the joint purchasing system on competition in the internal market; and e) the appropriateness of establishing further measures to increase waste collection, sorting and processing. Depending on the conclusions of this report the Commission will submit, where appropriate, relevant legislative proposals.[128]

3. *Concluding Remarks*

While the CRMR formally aims for *both* secure *and* sustainable supply chains, the above analysis of this legislation shows that it is structured with several trade-offs that *prioritise* security of supply over environmental and social sustainability. First of all, it aims to reshore parts of the entire value chain of SRMs by setting ambitious 2030 benchmarks (10% extraction, 40% processing and 25% recycling within the EU) which serve as a foundation for technological advancement and economic competitiveness. However, the Regulation *barely addresses* the sustainability of the expected high-increase consumption of CRMs in the EU; indeed, it *fails* to establish a benchmark on the reduction of the overall Union's consumption of these raw materials and relies on *voluntary* national programmes and initiatives addressing technological progress and resource efficiency, an approach that can result in fragmented and inconsistent implementation across Member States. Secondly, achieving these ambitious domestic production targets quickly means streamlining environmental permitting processes which may result in *lower* environmental scrutiny and *decreased* opportunities for public consultation. This, in turn, can generate local *opposition*, potentially causing project *delays* rather than speeding them up.[129] Thirdly, Union's Strategic

[126] CRMR, Article 46.
[127] CRMR, Article 47.
[128] CRMR, Article 48.
[129] The Jadar lithium project in Serbia and various lithium projects in Portugal have experienced recent, intense contestation, driven by environmental concerns and local opposition. Regarding them, see – *ex multis* – J. RAJIĆ et al., *The Jadar Project, Serbia: History, Context and Concerns*, Heinrich-Böll-Stiftung, March 2025; T. EEROLA, K. KOMNITSAS, *Insights on Public Acceptance of Major European Lithium Mine Projects*, in *Mining, Metallurgy & Exploration*, 2025, p. 2663 *et seq.*, p. 2673 *et seq.* It is worth mentioning that Rio Tinto announced a halt to the development of the Jadar project in late 2025, due to slow progress in permitting, intense local opposition, and a shift in company priorities.

Projects – considered to be of «public interest or serving public health and safety» due to their contribution to the security of supply of SRMs – may result in their authorisations *despite* their negative impacts on biodiversity; therefore, they take *precedence* over protected areas as defined by key EU environmental directives. Fourthly, Chapter 4 of CRMR focuses on monitoring supply chain risks, stress testing, and risk preparedness to ensure the resilience of the EU supply chain. However, its provisions *do not include* the analysis of disruptions caused by localised environmental-social conflicts in source countries. Similarly, its provisions on large enterprises require the latter to carry out a risk assessment across their supply chain, but *only* in relation to procurement and supply disruption of SRMs, *ignoring* consequently the environmental and social dimensions of criticality. Moreover, the CRMR focuses on reporting and coordinating strategic stocks, but it *does not* define how these stocks should be managed regarding social and environmental risks. Fifthly, although circularity is a pillar of the Regulation, its recovery and recyclability goals face *technical challenges* and *lack* strict, legally binding enforcement mechanism for private operators, which is widely considered a significant challenge for sustainability, potentially undermining long-term environmental goals for the sake of short-term economic resilience. Finally, the CRMR empowers the Commission to adopt rules that require certain CRMs placed on the internal market to have an environmental footprint declaration. However, the development of these rules involves *safeguards* to consider the impact on the industry, ensuring that the burden remains proportional and does not undermine the economic feasibility of sourcing these materials.

In conclusion, the CRMR raises concerns because it *consciously priorities* political and economic interests over social and environmental sustainability. Additionally, it *does not guarantee* that critical raw materials will be effectively use for the green transition (rather than military applications).