EUROPEAN GREEN DEAL RISK RADAR | NEW

What to watch out for in the EU's new legislative term 2024–2029



CRITICAL RAW MATERIALS ACT (CRMA)

Regulation (EU) 2024/1252 establishing a framework for ensuring a secure and sustainable supply of critical raw materials

The Regulation introduces targets and rules for strategic raw materials (SRMs), covering their extraction, processing, recycling and substitution. Demand for these raw materials causes important greenhouse gas emissions and damage to the environment. At the same time, EU companies need them as components for manufacturing products that potentially contribute to emission reductions, such as electric vehicles, batteries or wind turbines.

WHAT'S IN IT?

OBJECTIVE

Climate ambition

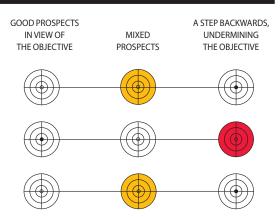
In view of respecting the limit of 1.5°C global warming under the Paris Agreement

Biodiversity

Preserving biodiversity in the EU and beyond

Zero pollution

Achieving zero pollution and a circular economy in the EU and beyond



WHAT'S NEXT?

STATUS

MILESTONES

Entered into force



By 24 May 2025

Implementing acts for national measures on circularity for CRM recovery.

By 24 November 2025

European Commission (EC) report with indicative projections of CRM consumption.

By 24 May 2026

EC report to CRM Board on strategic stocks; Member States' report on implementation progress.

By 24 November 2026

Extractive waste operators to report economic assessment regarding potential recovery of CRMs. EC's first performance review of each CSP.

By 1 January 2027

Delegated acts for EU recycling capacity benchmarks.

By 24 May 2027

LIMITED RISK

EC report on progress towards meeting benchmarks and towards moderating the expected increase in EU consumption.

By 24 May 2029

European Commission evaluation of the CRMA.

HIGH RISK

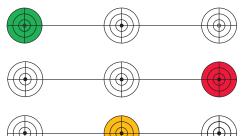
WHAT TO WATCH OUT FOR?

Speed. Slowing down the EU law's progress or implementation.

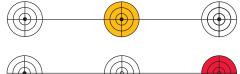
Money. Conflict on distributional effects or lack of finance for making this EU law impactful.

Licence for polluters. Undermining the polluter-pays principle, increasing global pollution.

Inequalities. Allowing for practices that deepen global inequality.



MEDIUM RISK











WHAT'S IN IT?

• Climate ambition

The Regulation supports the supply, processing, recycling, substitution and resilience of 34 CRMs that are key for the clean energy transition, thus supporting climate mitigation efforts of a major emitter. It also contributes to regulate Strategic Partnerships with third countries aiming to diversify the EU's external supply of CRMs while being supportive of third countries' sustainable development, mainly via private investment and Global Gateway funds. However, there is limited information on requirements for these investments to yield net positive impacts for the climate and environment. Increasing CRM production is likely to increase greenhouse gas emissions.

Biodiversity

The expedited permitting procedure for the expansion of extractive activities risks weakening the evaluation of the subsequent environmental impacts, including on biodiversity. Overall, the CRMA could do more to encourage the sustainable use of raw materials from a circularity view. As a result, the EU risks maintaining high levels of resource use, a key driver of biodiversity loss.

Zero pollution

The sourcing benchmarks for EU consumption of SRMs by 2030 include 25% from domestic recycling. The use of recycled CRMs is encouraged through minimum recycled content requirements. Alignment with other relevant EU legislation for waste prevention and reduction following the aim to reuse and repair is encouraged and to be reviewed. Remaining gaps (lack of resource management targets and circular product design, low recycling rates) should be addressed through the Ecodesign for Sustainable Products Regulation (ESPR).

WHAT TO WATCH OUT FOR? RISKS













The CRMA maintains high resource use and it involves heightened risk of environmental impacts from mining, e.g. habitat/farmland destruction, land use and water stress/pollution, both inside and outside the EU. It also maintains forms of commodity dependence for low-income exporting countries with high economic and social risks for these countries and their populations, and little prospects to develop their green industries. Moreover, it presents limited capacities and the risk of fragmentation of the single market due to absence of dedicated EU-level funding. This was addressed by the Strategic Technologies for Europe Platforms (STEP) Regulation. It should be solved by the next Multi-Annual Financial Framework.

`We cannot endlessly dig for resources without a long-term plan or consideration for people and the planet. Every new mine creates irreparable wounds to the land so the need for a rigorous review process is still great.

Sara Matthieu, MEP Greens/EFA, 14 September 2023

WHAT'S NEXT?



STATUS

Entered into force on 23 May 2024

Transposition by EU Member States

By May 2025, Member States must identify large companies using SRMs and conduct an SRM supply chain risk assessment (including mitigation measures).

By May 2027, Member States shall adopt and implement plans for circularity to: incentivise technological progress and resource efficiency; promote waste prevention; reuse and repair; increase collection and recycling of CRM-containing waste; increase use of secondary CRMs; promote circular design, materials efficiency and substitution of CRMs; equip the workforce with circularity skills; and modulate producers' Extended Producer Responsibility (EPR) fees to incentivise recovery of secondary CRMs.

Revision clauses and reporting duties

In November 2025, the EC will publish indicative projections on the annual consumption of each CRM in 2030, 2040 and 2050, and benchmarks to reach 2030 extraction and processing benchmarks, including important provisions vis-à-vis the different reference scenarios. From May 2026, and then yearly, Member States will have to report to the Commission on the implementation of national circularity programmes.

Delegated acts and other related legislative action

By January 2027, the EC will adopt delegated acts setting EU recycling capacity benchmarks (waste-based benchmarks). By May 2029, the EC is expected to publish an evaluation of the CRMA.

HOW TO IMPROVE IT? OPPORTUNITIES

It is key to tackle circularity gaps in the general approach to managing CRMs by ensuring policy coherence of the CRMA and other legislation to maximise CRM usefulness, and manage highvalue End of Life CRM products. The EC and Member States should limit the expected increase in consumption of CRM, e.g. through sufficiency or demand-side mitigation measures. More attention is required to develop long-lasting and mutually beneficial economic and environmental partnerships that prioritise circular initiatives and business practices, along with involving civil society and indigenous peoples, prioritising high environmental, social and governance (ESG) standards, upholding basic human rights in mining projects, and ensuring transparency on material use. This would contribute to closing the circular divide (advanced industrialised nations hold a significant competitive advantage). When the EC publishes projections of CRM consumption, this will be an important moment to push for resource efficiency and suggest maximum environmental footprint thresholds for CRMs.

FURTHER READING

IEEP: Circularity strategies and sustainable resource management to safeguard the clean energy transition, June 2024