29 July 2026

CRM Alliance Response to the Call for Evidence for the Impact Assessment of the EU Critical Raw Materials Centre

The Critical Raw Materials Alliance (CRM Alliance) welcomes the opportunity to contribute to the European Commission's initiative on the establishment of a European Critical Raw Materials Centre (CRM Centre).

The Alliance shares the Commission's assessment of the challenges facing the EU critical raw materials sector. In particular, Europe continues to face significant obstacles in securing investment for critical raw material projects, addressing structural market weaknesses, improving preparedness for supply disruptions, and enhancing its understanding of strategic dependencies across critical raw material value chains.

A well-designed and effectively implemented CRM Centre could make a meaningful contribution to overcoming these challenges and strengthening the resilience, competitiveness and strategic autonomy of the European critical raw materials ecosystem.

Below please find key recommendations regarding the main areas of activity envisaged for the CRM Centre.

- **CRM Centre Governance**

The RESourceEU Action Plan indicates that the future CRM Centre should take inspiration from Japan's JOGMEC model. While JOGMEC offers valuable lessons, the European approach will need to reflect the unique institutional structure of the European Union. Unlike Japan, the EU is composed of 27 Member States with different responsibilities and competences in areas relevant to critical raw materials. For this reason, the Centre's mandate should be carefully designed to foster coordination and greater consistency across the EU, while respecting the respective roles of Member States and existing national frameworks. In particular, industry possesses essential expertise and operational capabilities that are critical for addressing challenges across critical raw material value chains. Its active involvement in the governance and activities of the Centre will therefore be essential to ensure effective, practical and market-responsive solutions.

We see a strong role for the EU in providing strategic coordination, market oversight and ensuring a consistent approach across the Single Market, while actively involving industry and, where appropriate, Member States in the Centre's activities. EU-level governance can enhance transparency, accountability and coherence; however, its effectiveness will depend on a governance structure that enables timely and efficient decision-making and avoids unnecessary administrative complexity. The Centre should also serve as a long-term partner for strategic projects, supporting not only project development and ramp-up, but also helping to create the conditions necessary for their sustainable commercial operation. Recent experiences in Europe have demonstrated that securing financing and permitting is only part of the challenge; strategic projects must also be able to compete and survive commercially once operational.

At the same time, excessive reliance on national approaches risks creating fragmentation across the Single Market. This concern is already evident today, as some Member States actively support critical raw material projects through dedicated funding instruments and targeted industrial policies, whereas others provide significantly more limited support. As a result, strategic projects can face very different conditions depending on where they are located, undermining the level playing field within the Single Market. Against this background, we support a stronger role for the CRM Centre in promoting coherence across the EU, reducing disparities between Member States and ensuring that strategic projects benefit from a more consistent framework regardless of location. The Centre should therefore act as a coordinating and enabling body, helping to align efforts across the EU while leveraging the respective strengths of industry, Member States and EU institutions. At the same time, the CRM Centre should work closely with EIT RawMaterials, which has already established a strong presence and network across the EU raw materials ecosystem. Clear delineation of roles and responsibilities will be essential to avoid duplication of activities, ensure efficient use of resources and prevent confusion among stakeholders.

- **CRM Intelligence**

A key function of the Centre will be to support informed strategic decision-making through the collection and analysis of data from public sources, market intelligence, analytical assessments and, where appropriate, industry stakeholders. Existing monitoring mechanisms are often fragmented, inconsistent across Member States and insufficiently comprehensive. A more coordinated approach to monitoring critical raw material value chains would improve market transparency, strengthen evidence-based policymaking, enhance the comparability of data across the EU and support the early identification of supply risks, vulnerabilities and emerging bottlenecks.

Achieving these objectives will require close cooperation between national authorities, EU institutions and industry, while ensuring that commercially sensitive information remains adequately protected. The scope of monitoring should extend beyond traditional indicators such as production volumes and trade flows. Additional areas of focus should include processing and refining capacity, industrial inventories, logistics and transport infrastructure, qualification and permitting lead times, exposure to energy costs, ownership and control structures, export restrictions imposed by third countries, and market distortions such as unfair trade practices or below-cost pricing. The monitoring framework should make use of multiple data sources and existing reporting mechanisms, while avoiding unnecessary administrative burdens on industry.

This broader perspective is essential, as supply chain vulnerabilities frequently arise at the processing and refining stages rather than at the extraction stage alone.

Industry involvement will be crucial to ensure the accuracy, timeliness and practical relevance of the information collected. At the same time, reporting obligations should remain proportionate, harmonised across the EU and designed to avoid unnecessary administrative burdens. While enhanced monitoring can provide significant value, the collection and reporting of large volumes of data across all critical raw material value chains could create substantial compliance costs and administrative complexity for companies. There is also a risk that data collection processes become overly bureaucratic, reducing their effectiveness and industry engagement. For the system to succeed, industry stakeholders must be confident that their expertise is genuinely valued, taken into account and recognised as an integral part of the EU's critical raw materials knowledge network. Past experiences, including the SCRREEN factsheets process, have sometimes created the perception that industry input was sought but not adequately reflected in the final outputs. While recent initiatives have demonstrated improvements in stakeholder engagement, the CRM Centre should ensure that industry contributions are meaningfully considered and that feedback mechanisms remain transparent. Any data collection framework should therefore build, wherever possible, on existing reporting mechanisms and include robust safeguards for confidential business information. The CRM Centre should adopt a risk-based approach to monitoring, combining targeted market analysis with structured industry engagement. In particular, industry should have the possibility to alert the Centre to emerging market distortions, supply disruptions, trade restrictions or other material risks, allowing monitoring efforts to focus on areas where concerns have been identified rather than relying solely on continuous and comprehensive reporting across all value chains. Such an approach would improve responsiveness while limiting unnecessary reporting burdens on companies.

- **Stockpiling**

We believe that strategic stockpiling should be designed and managed in a way that enhances supply security without distorting markets or influencing commercial competition. The development of any stockpiling mechanism should be based on close cooperation between the EU, Member States and industry, with careful consideration given to governance arrangements, financing mechanisms, ownership structures and access conditions before decisions are taken on the organisation and location of stockpiles.

The appropriate design of strategic stocks is likely to vary across different raw materials and should take into account factors such as market size and liquidity, supply concentration, price volatility and the predictability of demand. Decisions regarding the location and management of stockpiles should also reflect security considerations, logistical requirements, storage suitability and the feasibility of maintaining rotating inventories in order to preserve material quality and minimise costs. Strategic stockpiling measures should be proportionate to identified supply vulnerabilities and should focus on raw materials where there is a credible risk of supply disruption. A targeted, risk-based approach will therefore be essential to ensure that strategic stockpiling strengthens resilience while maintaining efficient market functioning.

- **Financing Hub**

We believe that the establishment of a dedicated CRM Financing Hub within the CRM Centre could play an important role in streamlining access to finance, mitigating investment risks and accelerating the development of strategic projects. There is a clear correlation between the attractiveness of investment and the criticality of the raw materials concerned: while governments increasingly recognise critical raw materials as essential to economic security, defence preparedness and industrial competitiveness, many strategically important projects continue to struggle to attract investment because their commercial risk profile does not compare favourably with that of other sectors. The Centre should help bridge this gap by unlocking capital for strategic projects at the lowest possible cost. Support should extend across the entire critical raw material value chain, including processing, refining and recycling capacities, where Europe continues to face significant investment gaps and strategic dependencies.

The Financing Hub should focus on mobilising private capital rather than simply funding projects directly. Public intervention should be used strategically to address risks that markets cannot reasonably bear alone, thereby improving projects' ability to attract commercial financing and achieve long-term competitiveness without creating permanent dependence on public support. The Centre should also explore mechanisms that strengthen market confidence, including support for long-term offtake arrangements, sustainability-based procurement and other measures that encourage the uptake of responsibly produced critical raw materials.

Effective support will require dedicated expertise and sufficient flexibility to address the specific barriers facing individual projects, whether these relate to price volatility, the absence of established offtakers, permitting timelines or other factors. A number of principles should guide this work. First, greater regulatory predictability lowers project risk profiles and improves access to finance. Second, as critical raw materials are often concentrated in particular jurisdictions, cooperation between states, including the sharing of financial burdens, can help maximise outcomes for all parties involved. Third, industry should be supported towards genuine global competitiveness through a long-term and consistent approach. This is particularly important in the context of the EU's Multiannual Financial Framework (MFF), where negotiations on successive budget periods can lead to delays, funding gaps and disruptions to existing programmes. Such interruptions can be especially detrimental for critical raw material projects, which typically require long investment horizons and stable policy support. Consideration should therefore be given to continuity funding arrangements that ensure ongoing support for strategic projects and activities during transitions between EU budget cycles. Finally, the framework should reflect the diversity and complexity of critical raw material markets, drawing on industry expertise to address project-specific challenges within a stable and predictable policy environment.

To achieve this, the Centre should operate as a public-private platform bringing together governments, financial institutions and industry expertise. It should draw on experienced professionals from project finance, commodity markets and industry to work directly with project developers and investors, identify barriers to investment, structure appropriate financing solutions and coordinate support across existing European and national financing instruments. The Centre should also serve as an interface with public authorities, helping to identify regulatory and policy obstacles that unnecessarily increase project risks. To be effective, the Financing Hub will require a governance structure, mandate and staffing model that ensure a high level of technical, financial and industrial expertise.

The Centre should be equipped with a flexible financing toolbox adapted to differing project needs. Depending on project characteristics, this could include grants for feasibility studies and permitting, concessional loans, guarantees, targeted equity participation, structured offtake agreements, export credit support, stockpile-linked financing and market-based price stabilisation mechanisms, including two-way Contracts for Difference where appropriate.

Finally, the Centre should improve coordination across Europe's fragmented financing landscape. Although a range of EU and national funding instruments already exists, many strategically important projects continue to struggle to secure the capital needed to reach implementation. By bringing existing instruments together within a coherent framework, the Centre could offer project promoters a genuine single point of entry while maximising the impact of public resources and reducing unnecessary complexity. At the same time, careful consideration should be given to the interaction between the CRM Centre and existing organisations and initiatives operating in the raw materials sector. In particular, entities such as EIT RawMaterials already perform functions aimed at supporting project development, investment readiness and access to finance. The creation of the CRM Centre should therefore avoid unnecessary duplication and instead build on existing expertise, address clearly identified gaps and ensure that public resources are deployed as efficiently as possible.

In concrete terms, we recommend the creation of an intergovernmental public-private facility with three complementary roles: first, to mobilise private investment through innovative financial instruments and targeted public support; second, to advise public administrations on measures that could improve investment conditions for strategic projects; and third, to provide confidential policy recommendations to governments on the impact of proposed measures on the critical raw materials sector.

Disclaimer

The critical raw materials (CRM) market differs significantly from one element to another, making broad questions on CRMs difficult to address uniformly. The beryllium industry is opposed to stockpiling (and joint purchasing) of beryllium and does not subscribe to related comments in this document.

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About Us

The Critical Raw Materials Alliance represents primary producers, traders and associations of raw materials that the European Commission has determined to be critical to the EU economy (CRMs). Critical Raw Materials (CRMs) are those raw materials which are economically and strategically important for the European economy but have a high-risk associated with their supply. Used in environmental technologies, consumer electronics, health, steelmaking, defence, space exploration, and aviation, these materials are not only "critical" for key industry sectors and future applications, but also for the sustainable functioning of the European economy.

The CRM Alliance stresses the need of a unique approach in regulation and policymaking when addressing CRMs to avoid overregulation, innovation barriers and loss of EU competitiveness and societal well-being.