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Position Paper

KEY PRINCIPLES FOR THE FUTURE CRITICAL RAW MATERIALS CENTRE (CRMC).

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Introduction

The Critical Raw Materials Act (CRMA) marks an important step towards strengthening the European Union's resilience, competitiveness and strategic autonomy in the field of critical raw materials. As attention increasingly turns to its effective implementation, discussions have also emerged on the potential role of a future Critical Raw Materials Centre (CRMC).

Any future initiative in this area should seek to build upon the foundations established by the CRMA, ensuring that institutional developments generate clear added value, reinforce implementation capacity and support the objectives of the Act. In this context, **a CRMC could represent an opportunity to facilitate coordination, mobilise investments and strengthen Europe's strategic value chains**, provided that its mandate is carefully defined and remains complementary to the existing governance framework.

The following reflections outline a number of principles that could inform the development of such a Centre.

1. Ensuring complementarity with the CRMA

As the CRMA has only recently entered into force, priority may first be given to its effective implementation and the assessment of its practical impact. Such an approach would allow any remaining implementation gaps to be identified on the basis of experience rather than institutional assumptions.

Should it become evident that additional coordination or implementation capacity is required, **the establishment of a CRMC could offer a pragmatic response.** In such a scenario, **the Centre could primarily function as a coordination and support platform**, facilitating cooperation among European institutions, Member States, financial institutions and industrial stakeholders.

To deliver meaningful added value, consideration could be given to equipping the Centre with an appropriate level of operational capacity, including dedicated financial instruments, specialised technical expertise and the ability to support project implementation. **At the same time, preserving the existing institutional balance would remain important.**

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The Centre's role would therefore be best understood as enabling implementation and coordination rather than assuming extensive regulatory or market intervention responsibilities.

2. Facilitating investments across the value chain

Access to finance continues to represent one of the principal challenges for critical raw materials projects throughout the EU. **Addressing this challenge will require financing solutions capable of supporting projects across the entire value chain,** from exploration and mining through processing, refining, recycling and downstream manufacturing.

A future CRMC could therefore contribute by facilitating access to a comprehensive financing toolbox combining project finance, equity participation, guarantees, European Investment Bank instruments, exploration support and project development capital. Such instruments could also contribute to maintaining strategically important existing production facilities alongside new investments.

Particular attention could be devoted to reducing administrative complexity and improving the predictability of financing mechanisms. Simplified procedures, together with financial instruments that help mitigate commercial risks, would contribute to improving investment conditions and mobilising private capital alongside public resources.

3. Strengthening market intelligence through (existing) European expertise

Europe already benefits from extensive expertise and a broad range of public data relating to geological resources, industrial capacities and market developments. Building upon these existing assets may prove more effective than establishing additional reporting requirements for companies.

A strengthened market intelligence function could therefore focus on integrating existing data sources, analytical capabilities and industrial expertise**. Cooperation with relevant European bodies**, including the Joint Research Centre, together with regular exchanges involving industry experts and Member States, **could enhance the quality of strategic assessments while limiting additional administrative burdens.**

Such an approach would improve the European Union's capacity to anticipate supply risks, identify emerging vulnerabilities and support evidence-based policy-making, while **maintaining an appropriate balance between transparency and competitiveness.**

4. Supporting market resilience but preserving competitive markets

Competitive and well-functioning markets remain fundamental to attracting investments and ensuring efficient resource allocation. At the same time, exceptional market circumstances may justify targeted public action where significant disruptions threaten Europe's strategic objectives.

In this context, it may be appropriate for any market-related measures to remain proportionate, transparent and limited to clearly defined situations of market failure. **Mechanisms such as joint purchasing could therefore be considered as preparedness instruments for exceptional crisis situations**, with the CRMC developing the necessary governance, framework and procedures in advance. Their activation should remain limited to clearly defined cases of severe supply disruption or market failure, where demonstrable European added value exists.

Rather than seeking to influence commodity prices directly, **greater emphasis could be placed on instruments that improve investment certainty while preserving market dynamics.** Risk-sharing mechanisms, such as Contracts for Difference, floor-price arrangements, public guarantees and offtake support, may offer effective means of reducing investment risk without altering normal market price formation.

5. Enhancing supply security through strategic preparedness

Strategic stockpiling may constitute one element of a broader resilience strategy for a limited number of particularly critical materials. Such reserves should primarily be conceived as an emergency preparedness instrument, activated only under transparent and predefined crisis criteria rather than as a permanent market-management mechanism.

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This approach would benefit from being based on transparent risk assessments and focused on those materials for which supply disruptions could have the greatest economic or strategic consequences.

In designing such mechanisms, close cooperation with industry would remain essential. **Voluntary participation**, accompanied by appropriate incentives where necessary, **could provide greater flexibility and it would avoid disproportionate cost burdens for economic operators**. A coordinated European approach could strengthen preparedness and resilience. It will help to maintain the efficient functioning of markets.

6. Promoting effective governance & international cooperation

The effectiveness of any future CRMC will ultimately depend upon governance arrangements that inspire confidence among all stakeholders. **Transparent decision-making,** meaningful participation by Member States and structured dialogue with industry, **could contribute significantly to the Centre's credibility and effectiveness.**

Similarly, decisions relating to the Centre's location and organisational structure would benefit from objective and transparent criteria that reflect both operational effectiveness and European added value.

Beyond the European Union, **the CRMC could also contribute to strengthening Europe's international partnerships with resource-rich countries and trusted strategic partners.** Enhanced cooperation through EU Delegations, joint project development and technical engagement could further reinforce secure and sustainable supply chains. It would allow to remain fully aligned with the Union's external policies and governance structures.

7. Fostering integrated & competitive European value chains

Strengthening Europe's resilience in critical raw materials will ultimately depend upon the development of integrated industrial ecosystems rather than isolated investments. A value-chain approach that connects exploration, extraction, processing, refining, metallurgy, recycling and downstream manufacturing can create stronger industrial synergies and improve long-term competitiveness.

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In this context, **consideration could be given to supporting strategic industrial clusters** where complementary activities are concentrated and where existing industrial capabilities can be further strengthened.

Such approach would not only enhance resilience but also maximise the impact of public and private investments by encouraging cooperation across the entire value chain.

Supporting complete industrial ecosystems may therefore represent one of the most effective means of reinforcing European strategic autonomy and contributing to sustainable economic growth and industrial innovation.

Conclusion

The continued implementation of the Critical Raw Materials Act offers an important opportunity to strengthen Europe's resilience and competitiveness. Should additional institutional support prove beneficial over time, the so-called Critical Raw Materials Centre could provide valuable assistance by facilitating coordination, mobilising investments and strengthening strategic cooperation across the European critical raw materials ecosystem.

Its added value would likely derive not from creating new regulatory structures, but **from reinforcing implementation, improving access to finance, supporting high-quality market intelligence, encouraging international cooperation and fostering integrated value chains.** By remaining closely aligned with the principles of proportionality, subsidiarity and market openness, such a Centre could make a meaningful contribution to achieving the objectives of the Critical Raw Materials Act and supporting Europe's broader industrial, economic and strategic ambitions. At the same time, recognising carefully designed emergency instruments, as measures of last resort would further strengthen Europe's preparedness without undermining the primacy of competitive markets and private investments.

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