# Input paper - summary

# RESourceEU

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# RESourceEU – Making It a Real Game-Changer

**Europe is entering a critical phase**. Our industrial resilience is now directly constrained by access to strategic raw materials — and the policy tools developed so far, including the Critical Raw Materials Act (CRMA), were designed for a different geopolitical moment. We are no longer operating in a world where price and cost curves dictate market outcomes; instead, we are facing strategically controlled chokepoints, concentration of processing power, and increasingly weaponised supply dependencies. China's appointed London Metal Exchange (LME) Commodity Pricing and Analysis Limited (CPAL) based in Dubai is just one clear sign of this shift. **RESourceEU** must propose a coordinated industrial strategy to secure, scale, and anchor raw material value chains in Europe along four key pillars:

- **Access to Finance**
- **Value Chain Integration**
- **Market Infrastructure and Liquidity**
- **Permitting**

Only by treating these four elements as interlocking components — implemented in lockstep rather than selectively — can Europe overcome vulnerabilities.

## Access to Finance

The biggest missing piece in the CRMA is financing. Today, even projects classified as "strategic" face extreme difficulty securing capital. Mining finance is inherently high-risk, capital-intensive, and requires sustained backing long before revenues begin — yet Europe offers no dedicated and scalable mechanism to de-risk early investment stages. **The result is a paradox: Europe calls for sovereignty in raw materials but provides no viable financing route to realise it.**

Public intervention is necessary to crowd in private investment, this needs:

- A dedicated EU Raw Materials Financing Facility under the next MFF
- Guarantee schemes to reduce cost of capital for strategic projects
- Targeted price-support mechanisms for opaque markets (e.g. REEs)
- Stockpiling premium for low-volume, strategic minerals to stimulate investment
- A Raw Materials General Block Exemption Regulation (GBER), allowing Member States to deploy state aid without years of legal complexity
- A stronger EIB mandate to provide equity and guarantees to upstream and midstream projects

**This financing strategy must not only support new projects but also maintain existing production**, which is at risk of closure due to market manipulation and under-pricing by dominant suppliers. Furthermore, a coordinated EU investment network — analogous to JOGMEC — is needed to align national funds, guide strategic project selection, and prevent fragmentation.

## Value Chain Integration

Europe’s raw materials challenge is not just about extraction — it is about the entire chain from resource to component to finished industrial output. **Having resources “in the ground” is not enough; without processing, refining, and downstream capacity built around specifications demanded by manufacturers, all we achieve is inventory — not resilience.**

We must reverse the logic that starts with the raw material and asks where it can be sold. Instead, we start from the strategic industries we need to anchor in Europe (batteries, magnets, renewables, defence, semiconductors) and design the raw material chains backward. In other words, stop putting the cart before the horse.

To enable this, several reforms are essential:

- Competition policy must allow cooperative models, including offtakers taking equity stakes in upstream projects.
- State aid must support price stability, especially for minerals with low volumes and volatile markets (e.g., through Contracts for Difference and buyer-of-last-resort guarantees).
- Measures to privilege a European value chain approach (e.g. European content)
- Risk-absorbing mechanisms must bridge the most capital-intensive phase — the Pre-to-Definitive-Feasibility Stage — where projects are most likely to die.

Clustering must ensure that extraction, processing, and downstream demand collocate and grow together. For instance, Europe currently has no Precursor Cathode Active Material (pCAM) production, because the policy focus has been on cathode-active materials instead of the precursor stage. Without pCAM, there is no battery value chain to anchor. Similarly in rare earths, we have no processing and no mining with little recycling. Europe's industrial minerals sector suffers from disconnects between extraction sites, processing hubs, and manufacturers. **A cross-border cluster model overcoming the white spots — supported by state aid and coordinated industrial planning — is required.**

## Market Infrastructure and Liquidity

Even with financing and integration, Europe cannot build resilient value chains without market infrastructure that supports transparent pricing, liquidity, and risk mitigation. Raw material markets are not like electricity or gas — each commodity has unique market depth, pricing dynamics, and technological demand cycles. Both the heterogeneity of demand and supply need to match together, and this cannot be achieved by using the same tools than in REPowerEU. What is needed:

- A JOGMEC-style agency or network able to stabilize prices and inject liquidity
- A market-maker structure capable of supporting transparent long-term price visibility
- An alternative exchange platform for strategic raw materials, developed with public support
- State aid possibilities conditional on technology transfer and local manufacturing commitments
- Floor price or two-sided Contract for Difference for low-volume material (REEs)
- A Raw Materials Bank for high-volume commodities like nickel

The goal is not to artificially inflate prices, nor to mandate premium-pricing (which would just drive offtakers back to cheaper suppliers). **The goal is stability, liquidity, and confidence — ensuring that producers and buyers can invest without exposure to predatory price manipulation.**

## Permitting

Finally, even the best financing and market architecture will face difficulties in achieving their goals, if the duration for granting a permit is too long or even impossible. **Today, permitting delays in the EU not only are environmental protection measures — but also structural barriers created by overlapping legislation, inconsistent enforcement, and procedural duplication**.

We need a Permitting Omnibus, modelled after REPowerEU's simplification mechanism that:

- Streamlines and unifies environmental assessments
- Reduces contradictions across Natura 2000, WaterFD, IndustrialEmissionD, etc.
- Provides flexibility where trade-offs are necessary for strategic industrial interests
- Equipes permitting authorities with expertise and resources
- Ensures clarity and legal certainty to reduce litigation risk

**Without adequate permitting there will be no strategic autonomy.**