

EUROPEAN ECONOMIC AREA

STANDING COMMITTEE OF THE EFTA STATES

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SUBCOMMITTEE IV ON FLANKING AND HORIZONTAL POLICIES

EEA EFTA Comment

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) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/102

1. EXECUTIVE SUMMARY

- *The EEA Agreement extends the Single Market to the EEA EFTA States (Iceland, Liechtenstein, and Norway).*
- *The EEA EFTA States welcome the Commission's proposal for a Critical Raw Materials Act (CRMA), and support the overall objective of the proposal, which is to ensure the EU's access to a secure, diversified, affordable and sustainable supply of critical raw materials.*
- *The EEA EFTA States acknowledge the need to accelerate permitting processes. However, they advise the European Parliament and Council to balance this need with the obligation to comply with requirements of environmental, social, and safety legislation as well as local consultation processes.*
- *The EEA EFTA States urge the EU to include aluminium and synthetic graphite – not only natural graphite – on the list of strategic and/or critical raw materials.*

2. GENERAL REMARKS ON THE PROPOSAL

1. The EEA Agreement extends the Single Market to the EEA EFTA States (Iceland, Liechtenstein, and Norway). The EEA EFTA States face the same challenges as the European Union (EU) with regard to potential disruptions in supply chains in light of increasing demand for critical raw materials (CRMs), as well as excessive reliance on

single suppliers. Some of the EEA EFTA States are also significant suppliers to the Internal Market of raw materials needed for the green and digital transition.¹

2. The EEA EFTA States agree that Europe should boost diversification of supply of raw materials. Moreover, they should make better use of our reserves of raw materials as well as their extraction, processing, and recycling activities to boost industrial capacities.
3. The EEA EFTA States, therefore, welcome the Commission's proposal for a CRMA and support the overall objective of strengthening European green and digital industrial transformation, all the while supporting a stable and rules-based global trade system, as well as reducing the administrative burden on companies.
4. The EEA EFTA States strongly support the provisions for developing circularity and lowering the environmental footprint of critical raw materials. They underline the importance of fully integrating considerations related to human rights, labour rights and environmental protection into the important work of ensuring a secure and sustainable supply of critical raw materials.
5. These comments are given without prejudice to further comments from the EEA EFTA States and the assessment of the final act, which will be carried out by the EEA EFTA States once adopted by the EU.

3. REMARKS ON SPECIFIC PROVISIONS IN THE PROPOSAL

6. The EEA EFTA States welcome efforts to reduce the administrative burden for businesses through more efficient **permit-granting processes**.
7. The EEA EFTA States support, in principle, the intention of streamlining permitting processes for raw materials projects. However, it is crucial that the **facilitating and coordinating authorities (one stop shops)** pursuant to Article 8 do not interfere with current national structures of responsibility and delegation of powers. Although the coordinating authorities should be considered the main/reference contact point of the project, this should not exclude other relevant contact points. Therefore, the EEA EFTA States welcome the clarification in the amendment to Article 8 proposed by the [General Approach](#) of the Council on 30 June 2023.
8. The EEA EFTA States **support the criteria for prioritising third-country strategic partnerships** set out in chapter 6, 1c (i-iv), and would encourage the EU to intensify efforts to strengthen cooperation with potential strategic partnership governments to ensure the proper functioning of public administration and the rule of law. As part of these efforts, the EEA EFTA States would encourage the EU to include measures to prevent and combat corruption, tax evasion and illicit financial flows, and to strengthen transparency, accountability, and integrity.
9. As regards the proposed **time limits**, the EEA EFTA States acknowledge the need to accelerate permitting processes. However, this must be balanced with the obligation to

¹ Further details on the raw materials in Norway: [Norway mineral strategy - regjeringen.no](https://www.regjeringen.no)

comply with requirements of environmental, social and safety legislation as well as local consultation processes.

10. The EEA EFTA States welcome the **addition of Article 10 (2a)** proposed by Council.² Certain assessments or procedures related to environmental impact assessments are time consuming due to inter alia seasonal climate variations. Without the proposed amendment, the time limits for strategic projects in the proposal could turn out to be unrealistic. Furthermore, the EEA EFTA States welcome that the word “plan” has been removed from the listings in Article 2 (19) of what is included in the permit granting process. However, a reference in the text which explicitly exempts planning from the time limits should be included in the text, similar to the addition of Article 10 (2a) proposed by the Council regarding environmental impact assessments.
11. The EEA EFTA States argue that Article 10 (4) on **tacit approval of permit applications** should be deleted since it could potentially lead to a new project starting without the relevant and necessary conditions set by the competent authority. Furthermore, this would probably not be in accordance with requirements that follow from the Industry Emissions Directive (IED) and the Water Framework Directive. This view is also in line with the General Approach of the Council.
12. Moreover, to ensure consistency and legal certainty in the EU framework, the EEA EFTA States support the Council deletion of the reference to **grid connection permits** in Articles 38 (4) and 2 (19).
13. The EEA EFTA States have concerns regarding their ability to carry out **substantial consultations**, involving all relevant stakeholders, within the proposed time limits for the permit-granting processes. Furthermore, as regards Norway, the rights of indigenous people must be guaranteed.³
14. The EEA EFTA States agree to the need for **increasing the circularity of critical raw materials** through national measures as proposed in Articles 25-28. However, it should be acknowledged when implementing the CRMA that there is a lack of expertise in public administration and among private actors when it comes to the actual content of the materials in relevant products and the potential for reuse and recycling. It is important to prioritise increasing such expertise for all stakeholders through close cooperation at European level.
15. The EEA EFTA States also favour the **extended use of environmental criteria in public procurement**, to increase the use of secondary critical raw materials in manufacturing by taking recycled content into account in award criteria related to public procurement.

²[2023/0079\(COD\)](#): *Where an environmental impact assessment is required pursuant to Directive 2011/92/EU, the steps of the assessment referred to in Article 1 (2)(g) (i and ii) of that Directive shall not be included in the duration for the permit-granting process referred to in paragraph 1 and 2.*

³ As per [ILO convention, no 169](#) and [ICCPR Article 27 which Norway is a signatory to](#).

16. The EEA EFTA States support the obligation set out in Article 30 on **environmental footprint declarations**. However, they advise the European Parliament and Council to require declarations which include all the highest environmental impacts, not only the ones determined as most important by the Commission. This would ensure a better comparison of the environmental footprint of different materials.
17. The EEA EFTA States agree with the General Approach of the Council and the European Parliament’s position to **include aluminium on the list of strategic raw materials in the final approved Regulation**. Aluminium is an enabling material in the green transition, as well as an important metal in defence technology application. European demand for aluminium in clean energy technologies is [expected](#) to increase from 14 million tons in 2020 to 21 million tons in 2050. As stated in the impact assessment accompanying the proposal, aluminium is likely to face future supply challenges without further measures to strengthen the Union’s capacity at all stages of aluminium’s value chain, from ore extraction through processing to the collection of waste metal and recycling.
18. The proposed annexes to CRMA are limited to “natural graphite - battery grade”, and thus exclude synthetic graphite from the lists. The EEA EFTA States emphasise that synthetic graphite is a processed material using a minor by-product from oil as feedstock and represents a clear industrial synergy. The two materials can be substitutes to each other and should be treated equally. Production in Europe for synthetic graphite anodes based on renewables will significantly reduce the carbon footprint in batteries. Synthetic graphite will, as for natural graphite, contribute to the strategic autonomy of the European battery value chain and contribute to the proposed benchmarks. Therefore, the EEA EFTA States call upon the European Parliament and Council to **replace “natural Graphite” with “Graphite”** on the list of both strategic and critical raw materials in the proposed Articles 3 and 4, and Annexes I and II.
19. The EEA EFTA States encourage the EU to consider challenges faced by countries with vast land areas and small populations when creating obligations such as those outlined in Article 18 of the proposal. In the case of Iceland, apart from being very sparsely populated, the country’s geology is characterised by young volcanic rocks and a known absence of ore deposits, making detailed geological exploration very costly and with high certainty of not finding deposits of critical raw materials or their carrier materials. The EEA EFTA States therefore welcome **the addition of Article 18 (2a)** as suggested in the General Approach of the Council⁴.
20. Given the strategic importance of the proposed CRMA to the EEA EFTA States, and the contribution of this legislation to the future resilience of our common internal market, Iceland, Liechtenstein, and Norway remain dedicated to continuing as constructive partners in the ongoing legislative process.

⁴ [2023/0079\(COD\)](#): *Where a Member State’s geological conditions are such that, with a high degree of certainty, no deposits of critical raw materials or their carrier minerals will be identified through the measures listed in paragraph 2, the national programme referred to in paragraph 1 may consist of scientific evidence to that effect.*