

EUROPEAN INNOVATION PARTNERSHIP ON RAW MATERIALS (EIP)

HIGH LEVEL STEERING GROUP (HLSG)

POSITION PAPER ON FUTURE ORIENTATIONS

20 December 2017

(Preamble) We the High Level Steering Group of the EIP on Raw Materials recognise the changes in the society and challenges faced by the whole EU economy and remain strongly convinced that non-energy non-agricultural raw materials will play a key role in the EU's competitiveness and societal well-being. We present this position paper to express our opinion about the future of the EIP.

EIP ACHIEVEMENTS

The European Innovation Partnership (EIP) on Raw Materials was created in 2012 with the mission to provide high-level guidance to the European Commission, Member States and private actors on innovative approaches to challenges relating to raw materials. Its membership was renewed in 2017 and as a result the EIP now represents a broader spread of stakeholders throughout the value chain. The EIP has already delivered significant results in contributing to the implementation of the EU's raw materials policy¹.

The EIP has mobilised 980 organisations covering raw materials and industrial value chains from the EU and many non-EU countries through around 105² voluntary Raw Materials Commitments that implement the Strategic Implementation Plan for raw materials.

The raw materials part of Horizon 2020 - Societal Challenge 5 with a budget of around €600 million over the period 2014-2020 - was programmed in line with EIP objectives. Raw materials projects have attracted a higher than average share of private-for-profit organisations receiving 45% of funding, including 23% for SMEs.

The financial support of €11 million is also being leveraged by Member States' funding agencies through the Horizon 2020 network "ERA-MIN2 - ERA-NET on Raw Materials" in support of the EIP.

The EIP has catalysed the creation of the EIT RawMaterials, which has the ambition to be the strongest consortium on knowledge and innovation in the world in the raw materials field. It comprises 125 private, academic and research partners from 23 European countries and the EU contribution of around €400 million over the period 2015-2021. The EIT brings solutions to global societal challenges to the market by integrating education and skills, business and innovation-driven research and development³.

Many of the EIP actions feed into the Circular Economy Action Plan⁴, such as the revision of EU directives on waste, monitoring of the circular economy, or the preparation of the 'report on critical raw materials and the circular economy'.

¹ See: https://ec.europa.eu/growth/sectors/raw-materials/policy-strategy_en

² Excluding 13 commitments that finished in 2016. See <https://ec.europa.eu/growth/tools-databases/eip-raw-materials/en/call-commitments>

³ The EU will contribute approximately €400 million to the EIT Raw materials budget of €1.600 million over the period 2015-2022. Its goals are to support and develop incubated ideas (40 by 2018), to create start-ups (16 by 2018), to create an EIT label for Master and PhD students (1000 graduates by 2018) and to commercialise patents (70 by 2022).

⁴ COM(2015) 614

The EU Raw Materials Information System (RMIS)⁵ has been developed to provide relevant knowledge and information on raw material value chains and sources, countries, sectors and products to policy makers, industry, professionals and society at large.

KEEPING UP WITH A CHANGED POLICY CONTEXT

Even though the EU's raw materials policy dates from 2008, it remains relevant and contributes to many of the priorities of the Juncker Commission, notably Jobs, Growth and Investment; the Digital Single Market; the Energy Union, trade policy and the EU as a global actor.

In September 2017, the Commission adopted a renewed EU industrial policy strategy⁶. In order to remain competitive while making the transition to a low-carbon and circular economy, Europe's industry needs to master three main challenges: digitalisation, sustainability and innovation, all of which are disruptive to the status quo. The importance of raw materials, particularly critical raw materials, for the competitiveness of all industrial value chains, within both the EU and the global economy, will grow even more as the demand for sustainable products and circular consumption is expected to increase strongly.

Open and rules-based trade is an essential part of our efforts to harness globalisation. The EU is using its weight to promote a global level-playing field. EU free trade negotiations create economic opportunities for Europeans and jobs and play a key role in access to raw materials. But open trade must be sustainable and fair, profitable, respecting social, environmental and safety criteria. Strengthened trade defence instruments and a new enabling framework to screen foreign direct investments that may pose a threat to security or public order will help ensure that Europe operates on a level playing field.

THE WAY FORWARD

To keep up with fast-moving, disruptive change towards a circular, low-carbon and digital economy the EIP HLSG recommends to:

- **Adopt a value chain approach:**

- Promote integrated global and European value chains for primary and secondary raw materials, with a focus on security of supply for a resilient, low carbon and circular EU economy;
- Shorten value chains by connecting EU producers and end-users, capturing value for the EU economy and adding high value and jobs in the EU;
- Encourage public-private investments for strategic value chains in line with the EU's renewed industrial policy strategy;

Facilitate European strategic raw materials cooperation along the lines of the European Battery Alliance;

- **Engage SMEs:**

- Attract SMEs that are agile, disruptive and digitally ready;
- Promote start-ups;
- Allocate more resources to SMEs.

⁵ <http://rmis.jrc.ec.europa.eu/>

⁶ COM(2017) 479 final

- **Secure production and market in the EU**
 - Secure sustainable domestic production of raw materials, including critical raw materials, taking into account the scale and duration of investment;
 - Exploit and implement circular economy model(s) in all Member States;
 - Move re-use and recycling to the next level: focused investments; harmonization; simplification; customer-oriented design for sustainability, reuse, recycling and minimal life-cycle impact, quality of secondary raw materials; and an effective sustainable and profitable internal downstream market for secondary raw materials;
 - Further elaborate the linkages between products and raw materials to enhance the efficiency in the use of resources, improve design and quality of products and develop substitution alternatives.
- **Promote research and innovation:**
 - Embrace digitalisation (big data, Internet of Things, robotics, automation) and other key enabling technologies;
 - Promote clean energy production;
 - Promote open innovation ecosystems;
 - Secure world class research capacity and infrastructure;
 - Shift R&D focus from individual processes and materials to smart, innovative and sustainable solutions throughout the value chain;
 - Move R&D closer to production and the market phase – higher Technology Readiness Levels;
 - Highlight the contribution of R&I in raw materials supply and circular economy to Sustainable Development Goals;
 - Ensure long term strategic investment in step-change technologies and business models to achieve clearly defined and measurable results;
 - Improve resource use and further develop products, process, services and business models that are designed to maintain the value and utility of materials and resources in the economy for as long as possible.
- **Raise societal awareness of raw materials and close skills gaps:**
 - Reach out to citizens – consumers, the young generation;
 - Boost benefits for local communities where primary and secondary raw materials are produced while being transparent on how social and environmental impacts and risks are addressed;
 - Improve skills required to adapt to the changes in the EU’s economy and fit for the digital age (the Skills Blueprints; EIT Raw Materials);
 - Strive to make the raw materials sector an “attractive workplace”.

- **Improve framework conditions:**
 - Strengthen partnerships between the EU, Member States and regions to improve the framework for jobs, growth, innovation and sustainable development;
 - Ensure transparency and stability of regulatory frameworks, to enable primary and secondary raw materials industry to be profitable and sustainable;
 - Address the improvement of framework conditions and permitting through dialogue and exchange of best practices at Member State level;
 - Improve the investment environment and encourage financial actors engaging in financing of sustainable raw materials supply projects.
- **Develop EU knowledge base:**
 - Further develop the Raw Materials Information System - as a core of the EU Raw Materials Knowledge Base - to support priority knowledge needs of policy and the community, including for monitoring via the Raw Materials Scoreboard and Circular Economy Indicators;
 - Improve knowledge of demand and supply regarding primary and secondary raw materials, market disruptions and resource efficiency potentials needed for a clean global and European economy;
 - Integrate raw materials data inventories, monitoring tools and analytical capacity to map the value chains;
 - Increase knowledge on the sustainable supply of primary and secondary raw materials building from value chain models.
- **Foster sustainable and responsible sourcing:**
 - Ensure that raw materials policy and actions contribute to the UN Sustainable Development Goals and the Paris Agreement on climate change;
 - Promote responsible sourcing, including through open and rules-based trade, investment and industrial cooperation;
 - Promote discovery and sustainable exploitation of new mineral deposits within the EU in full compliance with existing environmental legislation, and making use of best available techniques;
 - Export "clean policies" and leading technologies.

The High Level Steering Group

- confirms its objective to ensure fair, long term, secure, sustainable and affordable access to both primary and secondary raw materials for a more resilient EU economy;
- recognises the EIP achievements and the value of the existing EIP community covering the raw materials and industrial value chains; and
- expresses its readiness to transform the EIP in the future to ensure implementation of the above recommendations.