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Shaping an impactful RESourceEU: Turning Critical Raw Materials Risk into a Strategic Strength

Recommendations from EIT RawMaterials, the world's leading raw materials knowledge and innovation community

1. Introduction:

On 3 December, the European Commission will present **RESourceEU**, its flagship initiative to secure Critical Raw Materials (CRMs) for Europe's green, digital and defence transitions. These recommendations are published ahead of that announcement, as a constructive contribution to the debate. Our proposal is reinforced by our Strategic Impact Group Network on **Rare Earths & Magnet Action Plan**. It is also reinforced by a recent [recommendation paper](#) published by the European Initiative for Energy Security (EIES) which advocates for the immediate mobilisation of financial resources for EU and allied raw materials projects.

Europe's industrial base is critically dependent on imports of CRMs, especially from China. Nowhere is this more acute than in **rare earths and permanent magnets**, which underpin electric vehicles, wind turbines, industrial automation and high-end defence systems. China controls around 65% of global rare-earth mining, 100% of heavy rare earth processing and nearly 95% of permanent magnet production. Recent export licensing restrictions imposed by China in response to US measures have already led to **longer lead times, sporadic export denials and rising compliance risk** for international OEMs.

Allies are reacting quickly, for example the United States is backing projects like MP Materials with multi-billion-dollar contracts, price floors and equity stakes and Japan, through JOGMEC and METI, is co-investing in non-China supply chains and advanced magnet technologies.

If Europe does not move with similar speed and decisiveness, **our companies will continue to optimise for the most predictable and supported markets, which increasingly are outside Europe.**

Our objective is, therefore, simple: **establish a bespoke investment infrastructure capable of deploying equity and quasi-equity into CRMA-designated strategic projects.**

The European Commission's RESourceEU plan offers Europe a once-in-a-generation opportunity to **turn a significant vulnerability into a strategic strength**, and EIT RawMaterials with its partners offers a practical way to deliver on this potential.

If the EU can rapidly align **financial firepower, industrial commitments and defence demand**, it will send a clear message to both markets and allies: ***Europe is no longer reacting defensively to others' move; it is decisively shaping its own future competitiveness and sovereignty.***

2. Key recommendations:

- Immediately unlock substantial EU funding in the form of equity, quasi-equity, grants, and guarantees for strategic projects that can come online before 2030. This can be achieved in-part through repurposing unspent EU funds
- Boost ticket sizes from the €0.5–2.5 million range, currently available through the EIT RawMaterials ERMA Booster investment mechanism for seed and early scale-up, to an upsized and fit-for-purpose ticket band of €10–20 million for CRMA-designated strategic projects in EU and partnership countries
- Rapidly inject funding using the blueprint of the Commission’s new Scale-up Europe Fund: privately managed, combining funding from the Commission, the EIB and other institutional investors, private investors and ideally member states
- Establish an equity process for projects already selected as EU CRMA strategic projects, based on EIT RawMaterials and/or ERMA’s proven evaluation processes
- Couple with targeted sectors of EU strategic importance, such as those contributing to the green and digital transition, defence and aerospace
- Adopt a value chain approach structuring investments to connect upstream assets with midstream tier 1 and tier 2 suppliers and OEMs, through coordinated offtake, tolling, and certification pathways
- Align this investment and make it coherent with other enabling policies. These include guaranteed floor prices, tax breaks, CBAM-driven demand, warehousing, trading, hedging and joint purchasing via the unified European platform
- Focus on the rare earths & magnet value chain as a concrete, near-term focus for integrated RESourceEU action

We believe the establishment of a dedicated, EIT RawMaterials-implemented investment facility capable of deploying €10–20 million equity tickets into CRMA strategic projects can unleash immediate impact and attract other actors to partner with the EU CRM value chain with confidence. This should be extended across the rare-earth and magnet value chains and beyond.

These measures will help boost EU competitiveness in the face of intensifying global competition, acting decisively to level the playing field for both EU, and global industry seeking to contribute to the European market.

About EIT RawMaterials:

EIT RawMaterials is the largest and most active raw materials knowledge and innovation network globally, comprising over 300 partner organisations across the entire raw materials value chain. Supported by the European Institute of Innovation and Technology (EIT), a body of the European Union, EIT RawMaterials was established in 2015 to advance Europe's transition to a sustainable economy. Its mission is to secure a sustainable supply of raw materials for Europe, close material loops, and design innovative product solutions, with the goal to position raw materials as a strategic strength for Europe through innovation, education, and entrepreneurship.

EIT RawMaterials demonstrates its dedication to advancing and supporting a circular economy in Europe by fostering innovation, collaboration, and sustainable practices. Since its founding, EIT RawMaterials has deployed over €700 million in direct strategic funding to support more than 800 projects and start-ups, leveraging approximately €8.3 billion in additional investment into critical raw materials projects and technologies across Europe and beyond.

Mandated by the European Commission, EIT RawMaterials leads the European Raw Materials Alliance (ERMA), which includes over 850 members representing an investment potential of more than €25 billion. In doing so, it has helped make Europe more economically resilient by diversifying its supply chains, creating jobs, attracting investments to the raw materials value chain and fostering innovation. Crucially, it has also cultivated young talent and contributed to the creation of an enabling framework for raw materials and the Circular Economy, worldwide. Through ERMA, EIT RawMaterials has already established a significant portfolio of small-scale equity investments in CRM projects.

In 2025 alone, EIT RawMaterials signed around €10M of equity positions with 18 companies, with an additional €13.8M under negotiation. These include €4.9M worth of equity invested into 4 EU Strategic Projects, with an additional €2.5M under negotiation. In addition, through its KAVA grants, EIT RawMaterials has supported 19 EU Strategic Projects for a total €35M. EIT RawMaterials is uniquely placed at the juncture of EU policy, research, education, and industry – covering the entire raw and advanced materials value chain. Its expertise, network and investment track record will enable it to rapidly scale-up activities and to maximise impact and delivery against CRMA targets.

EIT RawMaterials currently receives EU funding from the EIT and through other Horizon Europe mechanisms and European Commission mandates. Its responsibilities include leading the CRM Facility under the Global Gateway, the EU-funded facility to enhance global raw materials partnerships and access to Critical Raw Materials projects. These aim to support global partnerships between European industry and projects in partner countries to secure essential materials.