

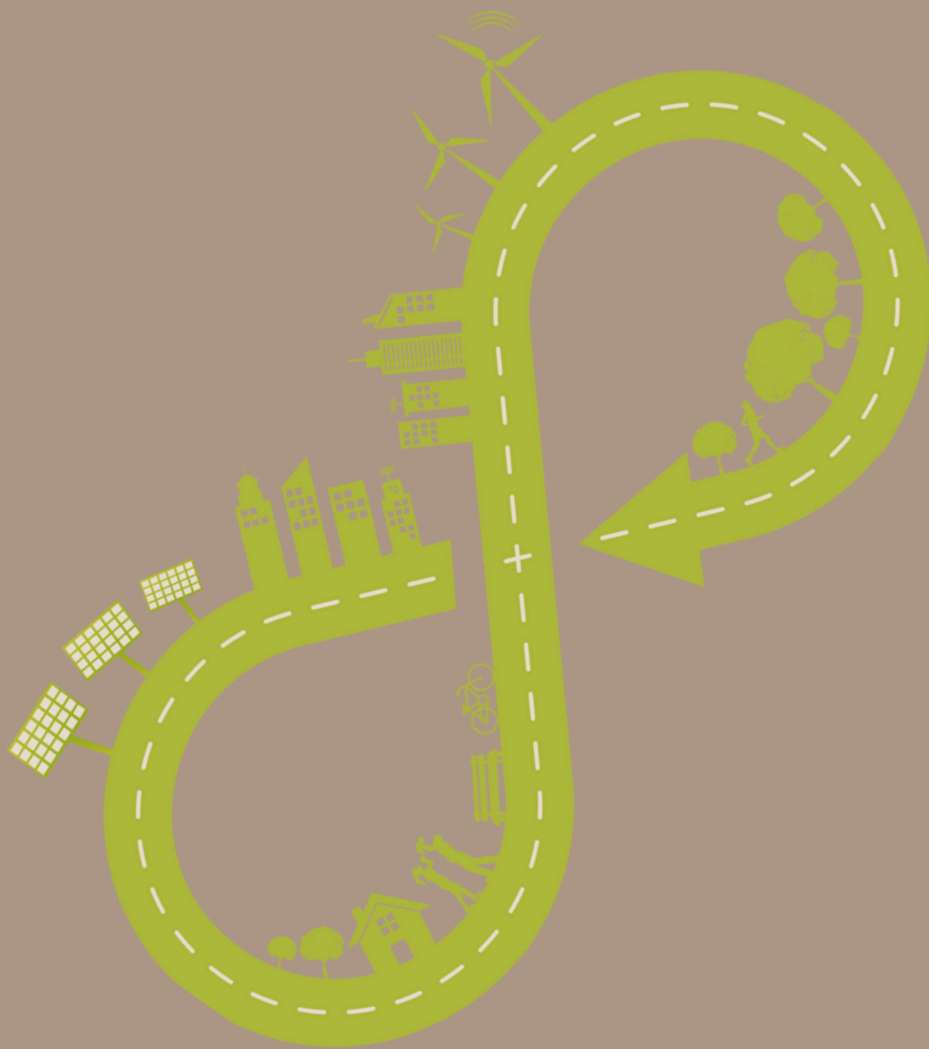


# The EU's Critical Raw Materials Act



What does it mean for Uganda and DRC citizens?





## BACKGROUND

In March 2023, the European Union (EU) unveiled its Critical Raw Materials Act (CRMA) in a bid to secure the resources needed for technologies such as renewable energy and battery power. The Act aims to make the EU more self-reliant in mining, processing and recycling, to shield the region from the impact of increasing international competition for these resources.

According to the Act, at least 10% of the EU's annual consumption of mined strategic minerals must be sourced domestically. Further, 40% of processed strategic materials and 25% of its recycled strategic materials must also be domestically produced.

In addition, the EU aims to diversify its global supply of minerals so that no more than 65% of its annual consumption of each strategic raw material at any stage of processing is coming from a single third country.

## Why the EU put the CRM Act in place

- Metals and minerals have political spotlight in the EU because of their importance to the "green" and digital transitions.
- The EU makes up 6% of the world's population and consumes 25% to 30% of metals and metallic minerals produced globally.
- The (necessary) shift to wind and solar, electricity systems, and batteries for electric vehicles and energy storage, is considerably materials-intensive, necessitating access to critical raw minerals.

## Uganda and the DRC's critical raw material potential

- Africa hosts 30% of the global critical raw minerals reserves.
- Both Uganda and the DRC host reserves of critical raw minerals with the DRC being a leading producer of cobalt, and one of the leading producers of copper.
- Uganda has lithium, graphite, and rare earth minerals.
- Historically, Uganda, the DRC and other countries have been exploited by developed nations for their resources, often leaving their populations with limited to no access.



## What does the CRM Act mean for Uganda and DRC?

- Mining for critical raw materials presents risks to people and the environment in Africa.
- Mining presents challenges such as forced displacements, environmental destruction, water depletion, pollution, biodiversity loss, child labour, conflicts or increased militarisation, and other impacts.
- It is worth noting that the EU's CRM Act defines a list of 17 strategic elements, such as cobalt and copper, and an expanded list of 34 critical materials. This means mining will increase for elements or minerals such as Bismuth, boron (metallurgy grade), gallium, germanium, lithium (battery grade), magnesium metal, manganese (battery grade), natural graphite (battery grade), nickel (battery grade), Platinum Group Metals, Rare Earth Elements for magnets, silicon metal, titanium metal, tungsten and others.
- For lithium, EU demand is expected to increase twelve-fold by 2030 and twenty-one-fold by 2050 . Today, Europe relies heavily on imports, often from a single third country (China), and recent crises have underlined EU strategic dependencies.
- In seeking to reduce its dependencies by diversifying its source of raw materials, countries such as Uganda and the DRC could be viewed as alternatives. Indeed, already, the EU tried to sign a deal with Rwanda to enable the region to access critical raw minerals . These are expected to be gotten from the DRC .



## What should Ugandan and Congolese governments as well as citizens do?

To protect themselves from the negative impacts of mining for critical raw materials and ensure that citizens are not exploited and left behind in the just energy transition, the Ugandan and Congolese governments as well as citizens should do the following:

- **Assert people's right to energy in Uganda and the DRC: the Just Transition & no energy poverty needs to be safeguarded.**
- **Hold industry to account: The countries need strong laws on mining and due diligence. The Right to Say No to harmful projects by communities should be enshrined in the laws.**
- **Demand for reforms in trade and investment rules as well as the global financial architecture that disadvantage countries such as Uganda and the DRC to support a just and equal transition.**

