Quick Takes

U.S., EU and Japan Framework on Cooperation on CRMs
Crunch time (again?)

On 04 February 2026, the EU, US and Japan announced a trilateral CRM framework at the US-led Critical Minerals Ministerial in Washington (54 countries participating, including 13 EU Member States). The initiative marks a clear shift in US policy from coordination to active market engineering, including the use of price floors, tariffs and preferential access measures – forcing the EU to decide whether it intends to co-shape emerging rules or accept US-defined market architecture by default.

The framework aligns with the EU's stated objectives under the CRM Act and RESourceEU Action Plan; but the Commission has not shown that the initiative will bring new supply to the EU market or make projects more attractive for investment beyond what existing EU tools already offer. At the same time, Washington is moving ahead with concrete trade and pricing measures, and the EU risks having to follow rules set by others unless it defines its own approach and acts quickly. This shift materially raises the risk that market rules for critical minerals will be set externally to the EU unless it moves quickly to define its own position.

Summary The current framework is a short document, setting out two implementation tracks.

Track 1 – EU and US committed to conclude a **bilateral Memorandum of Understanding** within 30 days, i.e. by 06 March. Aiming to complement the US-Japan Framework signed in October 2025, this MoU is the primary near-term delivery test: its value will depend on whether it defines clear project eligibility criteria, financing instruments and governance, or remains a political signal without investment impact.

Track 2 – Trilateral Action Plans with Japan will establish a flexible initiative among like-minded partners on trade in critical minerals. These Action Plans are explicitly trade -focused and go beyond coordination, potentially shaping pricing, market access, and eligibility for preferential treatment. The initiative could include border-adjusted price floors, standards-based markets, price gap subsidies or offtake agreements. There is no timeframe for the conclusion of this step.

Three structural weaknesses for the EU

1. As usual with CRM initiatives, implementation lacks a single EU owner. Responsibility is distributed across multiple Commission DGs, the EU Council, the European Parliament and external partners, diluting accountability and slowing delivery.
2. Risk of external rule-setting by the US only increases. The US is moving fast with trade tools that shape prices and market access; the EU has not yet said clearly whether it will accept these tools, push back against them or offer its own alternatives fitting EU rules. If the EU does not act, US rules may start (continue?) to shape EU supply chains by default, creating risks for the Commission and possible legal and political problems inside the EU.

3. The initiative risks repeating earlier cooperation cycles. Trilateral engagement has existed since 2011, yet concentration and dependency risks remain largely unchanged due to weak enforcement and limited investment follow-through.

Next Steps

The next four months will determine whether this framework becomes an EU-shaped delivery instrument or a US-defined market regime.

1. By early March 2026, the Commission must demonstrate that the EU-US MoU delivers operational clarity on project support, financing and governance.
2. In spring 2026, negotiations over the content of the Action Plans will determine whether the EU passively absorbs US market instruments or advances an EU-compatible alternative.
3. Through June 2026, FORGE work (the new international partnership that replaces the Minerals Security Partnership) under the chairmanship of South Korea will likely begin to define the practical meaning of “trusted” supply, requiring the EU to align trade, industrial and external policy positions.

Impact uncertainty

For industry, this framework signals both opportunity and risk.

- Alignment with emerging EU-US-Japan supply chains may improve access to offtake, financing and political support.
- Conversely, projects that fall outside the emerging “trusted” perimeter, or remain exposed to concentrated processing dependencies, may face higher capital costs and reduced market access.

Overall, the credibility of the framework will ultimately depend on whether it delivers bankable projects rather than additional coordination layers.