Walking the Talk
European Funding for Minerals

Closed-door roundtable
Thursday 20 November 2025
Summary

On the sidelines of EU Raw Materials Week, finance actors, mineral sector leaders, policy shapers and leading civil society organisations discussed how funding should feature in an updated European mineral framework. Taking stock of current and alternative approaches, participants considered proposals to bolster European financing for responsible mineral production and their systemic impacts, identifying actionable recommendations[i].

Preliminary recommendations include:

- **Streamline European strategic priorities**, integrating relating mineral stakes to more coherent and efficient policy frameworks with clear institutional ownership
- **Combine financing and demand-side measures** to foster diversification and responsibility in mineral value chains
- **Foster industry cooperation and vertical integration**, within the Internal Market to shape reliable mineral demand and with trusted allies to design standards-based markets in line with European strategic priorities
- **Reallocate existing resources**, at EU and Member State levels, which are not aligned with European strategic priorities, towards a single, dedicated mineral funding mechanism

Context

> "*Europe's independence will depend on its ability to compete in today's turbulent times. We have everything it takes to thrive here in Europe – from our Single Market to our social market economy. But we know the economic and geopolitical headwinds are strong. And we have seen how dependencies can be used against us*" (2025 State of the Union Address, 10 September 2025)

Minerals are essential to Europe's priorities of economic and regional security, climate action and industrial competitiveness. To achieve a greener, more peaceful and democratic Europe, responsible minerals must be a central pillar of the EU's vision, policy and action.

The authoritative Draghi Report spotlighted these linkages and threats, putting mineral strategies at the heart of economic redesign: "*Unlike other competitors, like China, the mining and trading of commodities in the EU is largely left to private actors and the market. While China has promoted vertical integration to better control and manage the supply chain, and the United States is dedicating relevant government and diplomatic support (on top of public funding), the EU mainly relies on market conditions for each step of the value chain in a turbulent geopolitical context. The EU is suffering the effects of fragmented financial support and a lack of dedicated funding for critical raw materials.*"

Expanding the highly specialised financing pool available to responsibly mine and process minerals is a priority for the sector as well as European (and like-minded) policy shapers. Though the ultimate goal would be to unlock private capital, allocating public funding is a mandatory first step to derisk mineral value chains.

EU and Member State funding for minerals should thus both serve clear European priorities to justify allocation of resources, and work to market dynamics, to foster trust from private sector actors including European private capital and the global minerals sector.

However, recent efforts in the context of the CRM Act and other competitiveness initiatives have produced very little resilience outcomes, and the European Parliament "*regrets the fact that the CRMA was not accompanied by a dedicated EU budget, despite the lack of funding being the main bottleneck* [and] *urges the Commission to dedicate further EU-level support to the diversification of the* [CRM] *supply*." At a global level, years of policy discourse on mineral value chain resilience and diversification have failed to deliver improved reliability or responsibility of supply, heightening the urgency of a global and European reset.

Urgency of a Reset

One year after his landmark report, a stark warning from Mr Draghi could have been tailored for the interlinking issues of mineral funding, security of supply and responsibility: "*the past year has shown clearly that we are operating in a different world. The line between economy and security is increasingly blurred. States are using every tool at their disposal to advance their interests. So far, Europe's response has fallen into two traps: uncoordinated national efforts, or blind faith that market forces will build new sectors. The first can never deliver scale. The second is impossible when others distort markets and tilt the playing field.*"

Beyond uncertain first steps over the last year, a paradigm shift in European policy is opening a space for more risk-informed, market-aligned and proactive mineral strategies. In line with the Commission's Political Guidelines 2024-2029, the Competitiveness Compass outlines a framework for action until 2030 to promote innovation, decarbonisation and reduce dependencies. Resulting initiatives, such as the Clean Industrial Deal, the Steel and Metals Action Plan and the REArm Europe Plan, are all based on increased internal coordination, more decisive global positioning and more effective use of European policy instruments.

Yet in this dynamic context funding for minerals essential to European ambitions remains an afterthought, stuck within the complexity of existing funding lines and future plans, including the Competitiveness Fund; and announcements from the European Investment Bank (EIB) of a new CRM strategic initiative with EUR 2 billion allocation, and from Member State funds in Germany, France, the Netherlands or Italy, have yet to result in tangible outcomes.

Effective action is urgently needed:

- To advance Strategic Projects, many of which face adverse market conditions at odds with their relevance to European priorities;
- More generally to support European economic security and competitiveness, as delivery on the Commission's commitments is both slow and unconvincing; and
- To ensure responsible mineral producers can navigate the uncertainty weakening investment momentum in critical mineral development globally.

A new RESourceEU plan is under discussion, aiming to *"secure access to alternative sources of critical raw materials in the short, medium and long term for our European industry*." China's export control measures on rare earths, announced in April and expanded in October 2025, are once again raising alarm on European dependency and the bloc's limited agency in global minerals dynamics: the measures announced in October, with wider restrictions on export of materials and technologies including items produced overseas using Chinese source materials and technologies, were suspended in November for one year – after a trade agreement was reached between China and the US.

Complex Landscape

The CRM Act envisages EU funding and de-risking primarily for Strategic Projects, and even then only in terms of advice from the CRM Board and access to existing EU funds if conditions of relevant programmes are met.

Funds potentially available to CRM projects inside the EU include cohesion policy funds such as the European Regional Development fund and Just Transition Fund, in line with the STEP Regulation; stimulus instruments such as the Recovery and Resilience Facility, RePowerEU and InvestEU; and the Innovation Fund. Projects in third countries may access the Neighbourhood, Development and International Cooperation Instrument and the European Fund for Sustainable Development Plus (EFSD+), in line with the Global Gateway strategy.

None of these instruments were designed with minerals in mind. Feedback from Strategic Project promoters converges on the difficulty of mapping, accessing and meeting the requirements of these instruments; even Innovation Fund calls ostensibly integrating mineral value chains for strategic technologies (e.g. IF24 Battery) excluded up- and midstream projects and require levels of financial maturity out of reach for many pre-development applicants.

The rise of dedicated **funding for defence industrialisation**, along with security and resilience concerns for defence industry sourcing, could be leveraged to herald a more strategic outlook than the short-termism of other European industry actors. However, initiatives to support defence industrialisation are exclusively geared to applications, requiring mineral operators and project promoters to demonstrate strong downstream linkages to qualify. In a context where midstream is the most common missing link in the EU, and defence applications often require highly specific but small volumes of mineral product, this is akin to searching for a needle in dozens of haystacks.

> "*DG GROW thinks in elements – 17 of which are deemed strategic, but that can be feed into myriad value chains; on the other end of these value chains, innovation, defence, industrial funds think only in applications; the 'missing middle' are the mineral products that actually make up mineral flows, where we need to focus European understanding and intervention*"

Specific Risks

Strategic Projects are highly exposed to **market risk**, particularly price volatility (and manipulation) putting their financial viability in jeopardy. Unreliable demand signals from European industry exacerbate this pressure, particularly in low-price environments reducing the perceived urgency of supply risk: opportunistic sourcing from systemic rivals by strategic European sectors contributes to policy incoherence and affects the credibility of EU minerals initiatives.

> "*Because of complacency driven by low prices, mineral supply is a procurement concern responding exclusively to pricing, rather than a strategic, Board-level matter integrating resilience and responsibility. This must change urgently – through mandates, incentives or a combination thereof*"

> "*In this context, should security – including of supply – be deemed a public good warranting public intervention, whether in the form of direct funding or guarantees countering market risks? Risk appetite must evolve, allowing for individual failure while providing security across a wide portfolio*"

In the global competition for minerals, industrialisation and security, well-coordinated, targeted and timely financing should allow Europeans to achieve results similar to the vertical and horizontal integration driving systemic rivals' success, by better controlling **value chain 'choke points'**. This should be guided by private sector needs but also integrated, whole-of-the-economy approaches: political leadership will be key to changing mindsets, including where European industry lags in aligning with strategic priorities and allies are already progressing fast. Although industrial policy was previously outside the EU's mandate, it is now at this level that impactful solutions must emerge.

Streamlined and coordinated European mineral funding tools must therefore recognise minerals' specific funding needs as well as their foundational enabler role for all other sectors critical to European competitiveness – beyond national considerations. These tools must be shaped with a much stronger understanding of value chain dynamics and **clearer prioritisation**: defining which mobility, energy, security and other strategic applications will really shape European positions is essential – and long overdue. This will also inform allocation of project execution capacity, at risk globally across mineral value chains.

> "*A 'fear of over-funding' also explains European reticence in the mineral space. This mindset is no longer suited to today's existential stakes, nor to the urgency of mobilising an entire ecosystem towards shared mineral priorities: Europeans must accept that strict market logic no longer applies*"

> "*To build a robust portfolio for diversification and resilience, Europeans must better recognise which operations to support, focusing on those that remain within global cost curves. Resilience does not come at market price, but unreasonable projects must not be supported at any cost*"

Notable Opportunities

Within the Internal Market, competition regulation is a central pillar of the integration project and also now a key tool in European industrial policy: shifting gears from its classic purpose of addressing market failures, competition policy must refocus on market design and resilience, including for minerals. Ongoing consultation on how competition law reform can foster **industry cooperation** to procure, recycle and re-use CRM could be leveraged to overcome key hurdles in aggregating European demand, including the difficulty of sharing highly sensitive procurement information.

At Member State level, the EU's 8th Environment Action Programme calls for fossil fuel subsidies to be phased out without delay. Subsidies were stable at between EUR 57-62 billion (2023 prices) from 2015-2021, more than doubled in 2022 due to high energy prices post-COVID and Russia's invasion of Ukraine, subsequently falling to EUR 111 billion in 2023. The EU is likely not on track to make notable progress in phasing out fossil fuels by 2030, as most Member States lack concrete plans to phase out the significant fossil fuel subsidies that remain: in a context of fiscal tensions, **reallocation of fossil fuel subsidies** to strategic priorities should be a key consideration.

The EU has also demonstrated its capacity to adopt **new funding models for emerging priorities**: in October, the Commission and top-tier private investors from across Europe jointly expressed their intention to establish the Scaleup Europe Fund, a new, multi-billion fund to invest in the most promising European companies in strategic deep tech areas and a key deliverable under the EU Startup and Scaleup Strategy. The Scaleup Europe Fund responds to the urgent need for Europe to boost investment and close the gap with global leaders; it will operate as a market-based, privately managed and privately co-financed growth fund investing in major European-led investment rounds.

Delegating allocation decision-making, with immediate effect, for tranches of the funds listed by the CRM Act to a **dedicated minerals finance mechanism** would be a similarly bold move, requiring commitment from European leaders at both EU and Member State levels, and support from the European Parliament – where mobilisation around mineral stakes remains limited. This would carve out valuable capacity from vehicles which struggle to adapt to new priorities and transfer decision-making to specialists with deep industry knowledge, in anticipation of a new European CRM fund: delaying intervention to the next MFF in 2028 would likely cause irreparable harm to the EU's mineral agenda and the strategic priorities it supports.

> "*Institutional inertia around non-performing instruments must be overcome: the Innovation Fund in particular has proven highly ineffective and could be partially re-allocated to mineral priorities"*

> "*Lack of coordination of Member State CRM funds adds to the fragmentation; the fact that these funds are not raising significant private capital is also an indication that another model is needed: working with like-minded partners, Europeans would not need to re-invent the wheel*"

Engagement with international partners must complement European investment, focusing on Canada, Australia, the UK, Brazil and other global mineral investment and operations heavyweights, to access both their domestic production capacity and their global footprint. The G7 Critical Minerals Action Plan adopted under the Canadian presidency and endorsed by Australia, India and Korea, including the Roadmap to Promote Standards-based Markets for Critical Minerals and operationalisation of the Critical Minerals Production Alliance (CMPA), are significant steps in that direction.

Coordination should integrate key players in Latin America, including Brazil, Peru, Chile and Argentina. Further outreach can expand to major producing and high-potential countries: notably, the issue of mineral value chains remains absent from EU-African Union discussions, raising questions about the credibility of European positions on minerals in Africa.

> "*The first round of strategic investments and partnerships under the CMPA demonstrates Canada's focus on risk-sharing to unlock critical minerals projects essential to defence, clean energy and advanced manufacturing, aligning with markets and seeking complementarity with allies"*

> "*Rather than a public good, security – including of supply – should be seen as a shared objective among allies, justifying socialisation of downside as well as upside risk and aligning public and private-sector financing*"

Public funding should provide long-term resources not available from other sources (or at least not on suitable terms); and simultaneously have a **strong catalytic effect** for further funding, reducing the cost of capital for operators. Unlocking private capital is the long-term game-changer: the Competitiveness Compass aims for the mobilisation of EUR 10 trillion of European household savings towards future-oriented growth sectors bolstered by public finance. For mineral priorities mostly excluded by European finance to date, this will require outstanding initiative and leadership from leading institutions.

Longer-Term Perspective

Discussing a topic as specific and technical as mineral funding, it's too easy to lose sight of the horizon: what is at stake is more than mineral operations or even value chains, it's **Europe's vision for its own and the global future**. The Future Mining Scenarios, a forward-looking exploration of global relations and the role of mineral supply in 2050, are specifically designed to equip decision-makers with a nuanced understanding of potential futures and to contextualise discussions such as these.

> *"Think of the plausible futures in scenarios. Where are we now and where are heading? Most of the foundations are there, but... So what? Are we going to act or continue the endless political discussion?"*

The analysis presents four distinct scenarios:

- **Advancement Wave** A technology boom drives substantial productivity gains and societal benefits in well-capitalised countries, transforming transportation, energy systems, and manufacturing whilst boosting climate resilience. Trade blocs work to restrict technology diffusion to rivals to maintain their competitive edge, while uneven access to technology and capital within blocs exacerbates inequality between developed and developing nations.
- **Great Transition** A global catastrophe serves as a catalyst for unprecedented international cooperation, leading to a transformed society focused on sustainability and shared prosperity. This scenario features strong multilateral coordination, harmonised standards, and accelerated technological innovation serving collective interests.
- **Divided Dominions** Fragmented trade blocs distort minerals and metals markets, imperil economic development and weaken both extraction and recycling industries. Limited international cooperation hampers innovation and sustainable development, while diverging standards create inefficiencies.
- **Downward Spiral** Resource nationalism breeds global and domestic instability, leading to economic volatility and environmental degradation. International cooperation collapses as countries pursue self-sufficiency, resulting in inefficient duplication of efforts and increased conflicts.

Five factors emerge as fundamental differentiators between the four scenarios for mining's future. **This roundtable discussions touched on policy, demand and international cooperation factors**; subsequent discussions through consultation or another roundtable will aim to widen the scope as Europeans face major political and societal choices and contribute to shaping the global future.

- First is the extent of **technological innovation adoption** across the mining value chain. Breakthrough technologies, including spill-over advances from other industries, can transform mining operations by improving productivity, reducing operational costs, enhancing supply chain transparency, minimising environmental impact, and helping address persistent workforce challenges through automation and digital solutions.
- Second is improving **societal acceptance of mining** operations through meaningful community engagement, equitable benefit sharing, and demonstrated environmental stewardship. Workers are of course a key stakeholder group in this regard.
- Third is the establishment of stable, **predictable policy frameworks** that provide the certainty needed for long-term investment and strategic planning.

- Fourth is managing **demand volatility** through mechanisms such as long-term contracts, public procurement policies, and market-making instruments that provide greater certainty for investors, producers and consumers (including defence and other industry actors) alike.
- Fifth is the degree of **international cooperation** versus zero-sum competition. While some policymakers may lean towards protectionist strategies and domestic-first policies, the most successful paths forward strengthen national capabilities while also maintaining some level of international cooperation.

Next steps

This dialogue is part of the European Climate Foundation's 'Funding Responsible Minerals for a Shared Future' initiative, in collaboration with Latitude Five, INTRAW (International Raw Materials Observatory) and Values Consulting. It will inform upcoming publications on European funding of mineral priorities and subsequent engagement on wider considerations of market design (responsible sourcing and demand drivers), systemic resilience (security-driven economic design) and societal and geostrategic stakes (dependency threats on sovereignty and democracy).

---

[i] The roundtable was held under the Chatham House Rule: participants are free to use the information received, but neither the identity nor the affiliation of speakers, nor that of any other participant, may be revealed. Except where attributed, quotes in italics are freely adapted from roundtable discussions (not verbatim).