



## Commission and EBRD launch joint facility mobilising up to €100 million for critical raw materials investments

Brussels, 31 July 2024

The European Union (EU) and the European Bank for Reconstruction and Development (EBRD) signed today, under the InvestEU umbrella, an agreement on a new facility providing equity investments for the exploration for critical and strategic raw materials, aiming to mobilise around €100 million in investments. These raw materials are essential for the EU's digital and green transitions.

The EU supports developing sustainable projects for critical raw materials (CRM) to reduce the risk of potential supply chain disruptions. This helps to ensure that industrial sectors have the necessary resources while maintaining EU environmental and social standards. The new joint facility will support the objectives of the EU's Critical Raw Materials Act and the REPowerEU Plan.

The EU contribution amounts to €25 million from the Horizon Europe Programme. Another €25 million are provided by the EBRD, and the joint facility aims to leverage a further €50 million.

The facility will leverage the EBRD's extensive experience in financing mining projects, facilitating early-stage equity investments in operations in EU Member States where the Bank operates (Bulgaria, Croatia, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, Slovenia and Czechia) as well as in the EBRD countries outside of the EU covered by the Horizon Europe programme (Albania, Armenia, Bosnia and Herzegovina, Georgia, Kosovo, Moldova, Montenegro, North Macedonia, Serbia, Tunisia, Türkiye, Ukraine).

As mining exploration activities do not yet generate revenues, the most suitable support instrument is equity. The EBRD expects to invest into 5-10 junior mining companies (small and medium-sized enterprises MEs or small mid-caps) that undertake CRM exploration in eligible countries.

The facility will also contribute towards one of the key priorities of the [EBRD's Mining Sector Strategy](#) to support the exploration and production of metals and minerals required for the green energy transition and digitalisation.

The facility will be used to fund responsible exploration activities delivered under high climate, governance, environmental and social standards. The EBRD's rigorous Paris Agreement Alignment, and Environmental and Social Policy screening will be applied to all projects.

The facility is part of the EBRD's recently approved [Junior Mining Framework worth €150 million](#) for equity and quasi-equity investments in early-stage mining companies which will benefit from the joint EBRD-EU facility for critical raw material.

### Background information

**CRM Act:** CRM Act: Critical Raw Materials (CRMs) are indispensable for the EU economy. They are used in a wide set of technologies for strategic sectors such as renewable energy, digital, space and defence. The Critical Raw Materials Act (CRM Act) ensures EU access to a secure and sustainable supply of CRMs to meet the EU's climate objectives and support its strategic autonomy. Increasing demand, limited substitution possibilities and high levels of supply concentration (in countries outside the EU), create significant vulnerabilities as regards CRMs. These are being addressed through the different pillars of the CRM Act.

The [InvestEU programme](#) provides the European Union with crucial long-term funding by leveraging substantial private and public funds in support of a sustainable recovery and growth. It also helps mobilise private investments for the European Union's policy priorities, such as the European Green Deal and the digital transition. The InvestEU programme brings together under one roof the multitude of EU financial instruments currently available to support investment in the European Union, making funding for investment projects in Europe simpler, more efficient and more flexible. The programme consists of three components: the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal. The InvestEU Fund is implemented through financial partners that will invest in projects using the EU budget guarantee of €26.2 billion. The entire budget guarantee will back the investment projects of the implementing partners, increase their risk-bearing capacity and

thus mobilise at least €372 billion in additional investment.

The **EBRD** is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 36 economies, including some EU countries. The Bank is owned by 73 countries as well as the EU and the EIB. The EBRD's mandate focuses on fostering the transition towards open market-oriented economies and its investments are aimed at making the economies in its countries of operation competitive, inclusive, well-governed, green, resilient, and integrated.

The EBRD became InvestEU implementing partner in December 2022.

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Quotes:

*"Critical raw materials are fundamental for our competitiveness. They are crucial to our goal to be leaders in the green industries of the future. Scaling our production of critical raw materials requires investment which, with this agreement and the help of the EBRD, InvestEU is delivering"*

Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People - 31/07/2024

*"Today's agreement is an excellent example of how InvestEU is channelling investment into our common priorities. Securing the critical raw materials needed to deliver the green and digital transitions while creating the jobs of the future requires massive investments. The InvestEU programme is playing its part in making this a reality."*

Paolo Gentiloni, Commissioner for Economy - 31/07/2024

*"We are delivering on the objectives of the Critical Raw Materials Act. As we engage EU resources to support the exploration of strategic and critical raw materials that are used in key climate and digital technologies, we are strengthening the competitiveness of the European industry, and increasing the resilience of our strategic value chains."*

Thierry Breton, Commissioner for Internal Market - 31/07/2024

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