

ESPP input to EU public consultation on Critical Raw Materials policy

25th November 2022

ESPP welcomes the proposal to reinforce EU Critical Raw Materials policy.

We particularly support the two following Roadmap objectives:

1. Define priorities, and
3. Strengthen the EU value chain including recycling.

Phosphate Rock is currently on the EU CRM List and is highly critical for the EU, with 90% import (only one phosphate mine in the EU), so high dependency on imports, and supply and global reserves limited to a few countries. Russia was a significant supplier to Europe. The EU's fertiliser and animal food industries, as well as other industry sectors using phosphorus compounds, are highly reliant on imports of Phosphate Rock and of materials derived from it (e.g. phosphoric acid). Phosphorus is essential for life and so is absolutely non-substitutable in fertiliser, feed and food uses.

The specific form of phosphorus P₄ is also on the EU CRM list. The EU is 100% dependent on imports for P₄ and derivatives, because the last European P₄ furnace closed ten years ago. Only a very small number of countries worldwide have P₄ furnaces and export P₄/derivates, resulting in very high geographical supply risk. P₄/derivates are essential to a wide range of sectors in the EU, including fire safety, lubricants, water cooling, catalysts, production of cobalt (another CRM). See www.phosphorusplatform.eu/Scope136

Potash is also currently under discussion in the EU CRM list update process.

The current fertiliser supply crisis:

- for nitrogen fertilisers, results from energy insecurity (natural gas price and supply crisis);
- for phosphate, results from international trade risks for the CRM Phosphate Rock;
- for potassium, price and supply challenges.

The European Commission Communication “Ensuring availability and affordability of fertilisers”, COM(2022) 590, [9th November 2022](#), recognises the EU's dependency on imports for fertilisers, and the impacts on farmers' costs and on food insecurity.

It is stated in this CRM policy consultation that “**energy raw materials (e.g. coal) and agricultural raw materials (e.g. wheat) do not fall under the scope of this consultation**”. The proposed Roadmap refers to technology and health sectors, but not to food security.

This poses the question of **how to address the links between energy security, food security and CRM policy**. Important relevant EU policies are being developed and the proposed CRM policy should link to these. For example:

- The Integrated Nutrient Management Action Plan, which aims in particular to meet the Green Deal target to reduce nutrient losses by 50%, to reduce nutrient pollution and address eutrophication, and to develop the Nutrient Circular Economy.
- Revision of the Urban Wastewater Treatment Directive: the Commission's legislative proposal of [26th October 2022](#) aims to reduce phosphorus and nitrogen losses and to increase recycling.
- Climate and air quality policies: nitrogen emissions to air (N₂O, NO_x, ammonia) are major greenhouse and air quality challenges (National Emissions Ceilings Directive).
- Commission Communication “Ensuring availability and affordability of fertilisers” (see above)
- CAP FaST (Farm Sustainability for Nutrients) tool
- ...

ESPP underlines the **strong synergy between EU energy, food security and CRM resilience policies and reducing environmental and greenhouse impacts**. Synergy is possible by improving nutrient use efficiency and increasing nutrient recycling.

ESPP suggests, in parallel to defining CRM policy including “Phosphate Rock” (and possibly “Potash”), to consider an **integrated policy to ensure coherence of CRM policy, agri-food policy (Common Agricultural Policy, food security), energy policy, fertiliser policy and Green Deal objectives - INMAP**. This should identify critical interactions and key areas for action to improve EU resilience in sectors which link food security and agriculture, energy and CRMs. In particular, **development of nutrient recycling and of nutrient use efficiency** (recycling of the CRM Phosphate Rock, but also synergies with recycling of nitrogen and of other nutrients) is a win-win policy action towards all of these policy objectives.

We note that the proposed CRM roadmap already underlines the need to **improve resource efficiency and support circularity**, in particular by facilitating regulation and investment in recycling. ESPP suggests that the CRM policy should include these proposals from the Roadmap, and further:

- Set **recycling objectives for the CRM Phosphate Rock**
- **Include recycling of phosphorus and nitrogen into relevant EU policies**, in particular: Urban Waste Water Treatment Directive, Sewage Sludge Directive, Algae Initiative, Industrial Emissions Directive (BAT BREFS), EU Green Investment Taxonomy, Ecolabels, Common Agricultural Policy Strategic Plans
- Address **regulatory barriers to recycling of nutrients derived from wastes and animal by-products, whilst ensuring safety**: in particular, use of Cat.1 ABP ash in fertilisers, clarification of legislation concerning recycling to animal feed, waste status of algae, End-of-Waste for materials recovered from waste waters, integration of recycled nutrients into standardisation. The CEN SABE identification of standards needs to support phosphorus recycling (CRM Phosphate Rock) from wastewater ([2015](#)) should be implemented, and should be extended to recycling of phosphorus and other nutrients from other secondary sources.
- **Facilitate permitting of CRM recycling facilities**, in particular modification of permits of existing factories to allow intake of waste materials (for recycling) and not only intake of virgin materials. Permitting is by national authorities, but EU-level coordination and circulation of information on best practices and examples could facilitate.
- Include **fiscal and market tools to monetarise environmental and social impacts of CRM consumption and support recovery and recycling**, including e.g. via the EU Taxonomy for green investment funding, modulated VAT, ecotaxes, support for recycled CRM products. If imported products containing CRMs are not subject to the same fiscal policy, then this must be compensated by import taxation or border compensation mechanisms.
- The proposed roadmap suggests that “**recycling obligations**” are necessary, applicable both within the EU and to imports, to ensure a level playing field, citing rare earths. ESPP suggests that appropriately defined support measures are also relevant for the CRM Phosphate Rock and possibly other nutrients.
- Develop **CRM flow data collection**, with regular update mechanisms, to support identification of key flows offering potential for improving use efficiency and for recycling, and make available to regulators, stakeholders, industry. **Customs codes and statistics definitions** should be adapted to ensure identification of materials and products containing CRMs in a relevant form.
- Support CRM **recycling demonstration projects** and **first-mover full-scale installations**
- Ensure that contaminants susceptible to inhibit CRM recycling are addressed in EU chemicals and pharmaceuticals policies, in particular by **urgently and effectively restricting problematic industrial and consumer chemicals (e.g. PFAS)**