

## PETER HANDLEY

Head of the Energy-Intensive Industries and Raw Materials Unit in the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

**Friedbert Pflüger, Director of the European Cluster for Climate, Energy and Resource Security (EUCERS) at the University of Bonn, Founding Partner of Strategic Minds Company GmbH**

The next speaker is Peter Handley, who is Head of Energy Intensive Industries, Raw Materials and since recently also Hydrogen, in the Directorate-General for Internal Market and Industry. He is basically Mr. Raw Material of the European Union and what Philippe is to the academic world, he is in the world of the EU and its institutions, so we are very happy to have you here. You had some important positions before, including Head of Policy Coordination at the Energy Union, you also did a lot of work in the British government and you are one of the few Brits I know who speak French, who has been studying at ENA in France. I am sure you are looking forward with great excitement to tonight's football match between France and Great Britain. However, before that you have a duty to tell us in 10 minutes what the EU's policy is concerning the problems that have just been described.

### **Peter Handley**

Thank you very much. May I first say how much I appreciate being invited back and also the wonderful, very challenging introduction from Professor Chalmin, which I think has set us up for a good panel debate.

Everything has changed since I was here a year ago, notably Russia's invasion of Ukraine has created a whole new global paradigm, which has had its impacts on supply chains. It has also been one of the drivers for actions by countries and regions around the world, the EU amongst them. Look at what has been happening. The Americans have been rolling out their Inflation Reduction Act, their Infrastructure Act and their defense procurement and stockpiling. The Japanese have been updating their Economic Security Act and reinforcing the powers of JOGMEC. The Canadian's have just rolled out a draft Critical Minerals Strategy and just a few weeks ago decided to eject Chinese investors from three critical raw material projects inside Canada. On the international front, my team and I have been participating in the new initiatives set up by the International Energy Agency in its Critical Minerals working party. We are taking an active part in the Minerals Security Partnership established by the US State Department and also in the new Paris Peace Forum call for action on critical minerals.



Turning to our own plans in the European Union, shortly after Russia's invasion, the European Council had a reflection at Versailles and the declaration came out saying that the European Union –

### **Friedbert Pflüger**

Since Peter is not available right now, I think we should come back to the panel here so that we can make use of the time. [...]

I will use this to go back to Peter, who was interrupted by the Internet and, of course, we do not want to ask you new questions before you have finished your remarks. Perhaps you can also take in what Ingvil has just said. Norway is not a member of the EU, is it nevertheless considered a European country that could be part of the support and legislative approaches of the European Union, as it definitely helps us to become less dependent on Chinese and Russian resources, as we just heard?

### **Peter Handley**

Just to answer that question, Norway is indeed a very close and trusted partner of the European Union, and it is a member of the European Economic Area. I am not sure whether I had reached the point in my opening remarks to say that we are currently finalizing our negotiations on a strategic partnership with Norway covering critical raw materials and the batteries value chain. On top of that, of course, we are working very closely with Norway on the supply of gas, and I see this continuing. We are also about to conclude an EU-Norway Green Alliance covering a much broader range of climate and energy issues.

Going back to where I think I lost my connection, the key thing is that the European Union has woken up to the imminent danger it faces of not being able to achieve its energy and climate goals as well as its defense, aerospace and digital goals. That is unless it really gets to grips with eliminating its strategic dependencies on far too few foreign suppliers for many of these critical minerals at different stages of the value chain.

As previous speakers have said, it is sometimes a challenge at the mining level but much more often it is a challenge at the processing and refining stage. We have received a mandate from the European Council to take much more ambitious action to secure our supply and to clean up the whole value chain. In September, Commission President Ursula von der Leyen announced that we are going to prepare a European Critical Raw Materials act and that is the reason I am not with you in Abu Dhabi today, because every day counts. We are due to produce this legislation in March next year, so it gets through during the current mandates of the European Parliament and European Commission. The purpose is to identify what we are most concerned about and taking the necessary action. We will focus on the raw materials that are particularly strategic for the technologies the EU has decided it needs to develop fast for the energy transition, digitalization, and security. We want to encourage EU Member States to do much more systematic exploration. We want mining to be sustainable, with high ESG standards. We want to reinforce the refining and metallurgical stages of the value chain and to recover critical raw materials from mining waste. We are working on the investment tools and how to streamline permitting without any weakening of environmental and social protections. We aim to set European standards and want to set ambitious recycling and circularity targets.



That is just on the domestic side because, as the Commission President says, a lot of this is about building our own capacities in order to reduce strategic dependencies. We are also diversifying our external supply. In 2021, we negotiated two strategic partnerships. One with Canada has already generated a large number of major investments and another with Ukraine, which we will use to help rebuild the country's economy. At COP27 this year, President von der Leyen signed strategic partnerships on critical raw materials with both Kazakhstan and Namibia. Apart from the one with Norway that is about to be finalized, we have just started talks with Greenland and there will be other strategic partnerships in the course of 2023. We are also working with international partners in the Minerals Security Partnership to co-invest in sustainable projects along the value chain, especially in Africa and Latin America. Finally, we are involved in the new IEA critical minerals work around supply chain disruption market transparency and strategic stockpiling. Thank you very much.

### **Friedbert Pflüger**

Thank you, Peter, that sounds very encouraging and the picture I get from everything you say is that there is now awareness, and strong actions will be taking by the European Union.