The citizens of Serbia have succeeded in stopping Rio Tinto's lithium project, but there are still fears it will be reactivated.

The concerns stem from the expected rise in demand for lithium, together with rare earths, a group of materials necessary for the **energy transition**.

But there are also fears in European countries that protests similar to the ones in Serbia could be launched there due to the negative impact of mines on people and the environment.

The world's biggest economies – the European Union, United States, China and others, all want to secure the supply of lithium and rare earths like scandium, lanthanum and yttrium in a way that they don't depend on other major powers. The EU is currently preparing its **Critical Raw Materials Act**.

Julia Poliscanova, clean vehicles director at Transport & Environment, analyzed the challenges that the European car industry is facing and published recommendations including how to avoid the eruption of protests such as the ones that occurred in Serbia.

Lithium and rare metals will soon be more important than oil and gas

The ultimate goal, she said, is to achieve responsible and sustainable global supply chains. Poliscanova recalled a recent statement by Ursula von der Leyen, the president of the European Commission, that lithium and rare metals would soon be more important than oil and gas, and that the EU's two priorities – green and digital transformation, rely on metals such as copper and lithium, not on fossil fuels.

China produces 85% of rare earths

Europe is lagging behind because China started securing critical metals in the 1980s, and today it produces 85% of rare earths, which are found in electric vehicles (EVs) and wind turbines, and 65% of lithium for batteries.

The US has adopted the Inflation Reduction Act, which introduces major changes: tax credits are approved only for the electric cars that include batteries and raw materials procured in North America or friendly countries.

Europeans and the civil sector have no sympathy for mining

The EU's response is the Critical Raw Materials Act, which will introduce a list of strategic projects for processing, mining and recycling on European territory that are eligible for simpler permitting procedures and extra financing.

Poliscanova warns that Europeans and the civil sector have no sympathy for mining, arguing that they are worried about the impact on water, land and people's livelihoods.

Protests like those that stopped the Rio Tinto project in Serbia show the challenges of domestic mining, so unless something changes, they can be expected throughout Europe, stressed Poliscanova.

She expressed belief that the new law must also address such issues and defined three pillars on which the EU approach must be based:

1. Apply only the best practices for waste, water and pollution control

European projects for mines, recycling or processing plants must consistently meet the formally high standards, she wrote. But the EU's extractive industry has been in decline for decades, and some standards are outdated.

Waste, for example, is one of the key challenges related to mining, but **European requirements** are weaker than those of Brazil, Ecuador and China.

It means that easing environmental requirements in order to speed up permitting for strategic projects, as the renewables legislation has done, is not possible and that it will cause even more protests, said Poliscanova.

A project can be declared strategic only if the best practices for waste, water and pollution control are applied and if the local communitiy supports it.

2. Insist on sustainability for non-EU suppliers

Although domestic production is the goal, imports will be inevitable. It means transparent and diverse markets, supported by strong sustainability standards such as the Initiative for Responsible Mining Assurance (IRMA), are key to guaranteeing responsible supply, said Poliscanova.

The EU will soon require "battery passports" with information on where and under what conditions the minerals for batteries were produced. The initiative should be expanded in cooperation with Japan, South Korea and the US to the largest EV markets.

The Critical Raw Materials Act could also require suppliers to measure and report their CO2 emissions, to support those investing in better technology and recyclers.

3. Establish a special agency

Poliscanova asserted it is necessary that someone monitors the activities in the critical raw materials sector. Just as the EURATOM agency was established in 1957, a similar agency is now needed to coordinate the efforts of 27 EU governments, ensure high standards are met and oversee joint purchasing or storage.

Poliscanova is convinced that the law on critical raw materials, if prepared properly, can ensure a resilient and sustainable supply for the green transition, Balkan Green Energy News writes.