**MEMORANDUM OF UNDERSTANDING BETWEEN**

**THE EUROPEAN UNION AND THE KINGDOM OF NORWAY**

**ON A STRATEGIC PARTNERSHIP ON SUSTAINABLE LAND-BASED RAW MATERIALS AND BATTERY VALUE CHAINS**

**I. Introduction / Political context**

1. Objectives

The European Union and Norway enjoy a deep and long-standing relationship as European neighbours and partners, sharing common political objectives and fundamental values, while being part of the Single Market through the European Economic Area (EEA).

Securing sustainable supply of raw materials, especially critical raw materials (“CRMs”[[1]](#footnote-1)), is an essential prerequisite for delivering on the objectives of the green[[2]](#footnote-2) and digital transition[[3]](#footnote-3) and to decarbonise energy production and mobility ecosystems with a view to achieve the Paris Agreement’s temperature goal to limit global warming to well below 2, preferably to 1.5 degrees Celsius. Raw materials, both primary and processed, are in increasing demand in the majority of key industrial ecosystems. Mitigating possible disruptions in their supply is crucial in order to preserve global competitiveness and develop resilience of our industries and the strengthening of the Single Market[[4]](#footnote-4).

Both the European Green Deal and the Norwegian Green Industrial Initiative identify batteries as a key breakthrough technology for the transition to renewable energy. Sustainably produced batteries will be key to decarbonise the transport and energy sectors, reduce CO2 emissions and create good-quality jobs. Global demand for batteries is moreover predicted to grow 10-20 fold in the coming decade due to higher electric vehicle (EV) penetration, stationary energy storage and industrial - and maritime applications. The predicted high volumes call for new market offerings by a range of actors globally and in Europe.

On 24 April 2023, Ursula von der Leyen, Commission President and Jonas Gahr Støre, Prime Minister of Norway signed the EU-Norway Green Alliance to enhance mutual dialogue and cooperation on a just climate, environment, energy and industrial transformation.[[5]](#footnote-5)

As one of the building blocks of the Alliance, the EU and Norway (hereinafter "the Sides") announced the development of a strategic partnership on sustainable raw materials and batteries value chains (hereinafter “the Partnership”) in the field of CRMs and batteries.

The cooperation should be instrumental given the urgent need to tackle jointly climate change and secure supplies of sustainable energy, materials and technologies that are indispensable for decarbonisation, and ensuring the competitiveness of our economies, while increasing resilience of strategic ecosystems.

The partnership should be aligned with the objectives of the EU Critical Raw Materials Act and its respective provisions on strategic partnerships with third countries. [[6]](#footnote-6)

The Partnership should constitute a comprehensive framework for future-oriented and long-term cooperation between the EU and Norway, which should further strengthen our political relations and economic ties. The development of integrated sustainable value chains for minerals, metals and batteries will create green long-term growth and high-quality jobs. Furthermore, closer integration of raw materials and batteries supply chains, supported by geographical vicinity, is also a way to minimise adverse consequences of unpredictable future disruptions[[7]](#footnote-7), as demonstrated by the global COVID-19 pandemic and the Russian invasion of Ukraine. The Partnership should include an open dialogue and cooperation on relevant developments and issues, including in relations with third countries, such as European partners where both the EU and Norway have established preferential trade relations. This should contribute to ensuring the integrity of common value chains and strengthening the resilience of the Single Market.

The high potential of CRM reserves in Norway and the EU and the existence of advanced mining, processing and battery industry with high social and environmental standards and advancement in research and innovation (R&I) solutions in the European market provide a solid basis for this Partnership, which aims at bringing together industrial partners and strengthening existing frameworks such as the European Battery Alliance, the European Raw Materials Alliance and the Horizon Europe R&I framework programme.

The Sides foresee in particular:

Closer economic and industrial integration of Norway and the EU in the strategic value chains of raw materials, primary and secondary, and batteries, in particular through mapping resources, identifying projects throughout the respective value chains, facilitating business opportunities and linkages and attracting private investment, as well as ensuring the well-functioning and resilience of these critical supply chains.

Closer bilateral cooperation on research and innovation.

The application of guidelines and best practices on high environmental, social and governance (ESG) standards including as regards for human rights and rights of indigenous people, throughout the raw material value chains.

Identification and deployment of financial and investment de-risking instruments.

Development of the necessary skills for high-quality jobs in these clean technology sectors.

The Sides also express their intention of maintaining a regular dialogue, enabling in particular an early consultation process on key policy developments, such as political strategies and policy initiatives (both regulatory and non-binding) that are relevant for the Partnership.

The EEA Agreement is the cornerstone of relations between Norway and the EU, bringing together Norwegian and EU individuals and economic operators in the internal market governed by the same basic rules. In addition to the EEA Agreement, a number of significant developments have taken place in the last few years that have been taken into account in drawing up this Partnership, inter alia:

Launch of the European Battery Alliance (2017)

Strategic Action Plan for Batteries (2019)

The climate agreement between Norway and the EU (2019)

The Commission’s new circular economy action plan (CEAP) (2020)

The Commission’s Action Plan on Critical Raw Materials (2020) with a dedicated commitment (Action 9) on developing strategic partnerships with resource-rich countries such as Norway.

The launch of the European Raw Materials Alliance (2020).

The launch of two Important Projects of Common European Interest (IPCEI) within the battery value chain (2019 and 2021)

The “Fit for 55” package (2021) with a view to implement the EU’s enhanced nationally determined contribution to reduce GHG emissions by at least 55% by 2030 compared to the 1990 level and to achieve net zero emissions by 2050.

The Commission’s Updated Industrial Strategy (2021) provides a list of strategic dependencies, including in the area of raw materials and batteries.

The Commission’s REPower Communication (2022) on diversifying energy supply chains and boosting clean energy production.

Norwegian Green Industrial Initiative (2022)

Norwegian Battery Strategy (2022)

Norwegian Mineral Strategy (2023)

Norwegian Green Industrial Initative 2.0 (2023)

The new EU Battery Regulation (2023)

EU Critical Raw Materials Act

Net Zero Industry Act

2. Scope of the Partnership

The Sides envisage that the Partnership will include activities along the entire value chain of primary and secondary raw materials and batteries, also including suppliers of components, production technology and associated services.

The Sides intend to promote active participation and meaningful engagement of their respective stakeholders, including in the European industrial alliances as platforms for collaboration and development of investment projects.

The Sides acknowledge that as a priority the Partnership should include the CRMs as defined in the Critical Raw Materials Act[[8]](#footnote-8). The scope of materials should automatically be updated to reflect any revisions of the CRM list. The scope may also be modified by mutual consent of the Sides during the Partnership annual meetings.

3. Principles

The Partnership will be conducted fully in concordance with the EEA Agreement.

This arrangement is without prejudice to any policy-shaping rights and cooperation framework as provided or created under the EEA agreement.

The Partnership should be open, transparent and inclusive and provide for a strong public-private multi-level partnership engaging the representatives of EU institutes and bodies, industrial actors, business associations, social partners and representatives of civil society from both Sides, European Union relevant ministries of interested Member States and Norway (economy, trade and finance, mining and geology, environment, foreign affairs) and public organisations, interested, financial institutions, and investors.

**II. Key work streams under the Partnership**

In view of the above, the Sides intend to cooperate closely in the work streams defined under this Section of the Memorandum.

**Value chains integration**

Preparing a pipeline of projects throughout the raw materials value chain, including mining, processing and recycling.

Facilitating mutual cooperation between the EU and Norwegian industrial actors and stakeholders and encouraging the development of projects under this Partnership through joint ventures, consortia, special purpose vehicles and other forms of cooperation by industrial actors.

Exchanging knowledge on resources, reserves and industrial initiatives supported by the use of transparent digital solutions in view of the identification of projects under this Partnership.

Advancing best practices for resource classification and mapping, including mapping mineral potential from waste sources and deploying digital solutions that enable to verify the sourcing, processing and resource use of raw materials.

Ensuring the well-functioning and resilience of supply chains, including by enhancing the transparency and dissemination of information on measures, including those applied to and by third countries, related to investment, operations and export and import, and discussing at an early stage any concerns about disruption of supply chains and possible mitigation measures to be taken by the Parties.

**Research and innovation**

With a view to further develop the already existing cooperation on R&I in the raw materials and battery fields the Sides will focus on:

Mapping the existing cooperation areas under EU Horizon Europe R&I framework programme and other schemes.

Facilitating industrial uptake of the most promising green and digital innovations developed by EU–Norwegian consortia in Horizon Europe and other R&I development schemes.

**Application of high environmental, social and governance standards and practices**

The Sides follow high standards in raw materials and batteries and the cooperation aims at facilitating exchange and alignment of best practices in this area. Moreover, the sides see an opportunity to further strengthen the sustainability agenda, including through promoting circularity of critical raw materials value chains, for the battery value chain where ambitions for sustainable mining and challenges related to environmental, economic and social justice are comprehensively addressed across the battery value chain.

Specifically, the Sides intend to work on:

The application of guidelines and best practices on environmental, social end governance standards, including the EU principles on sustainable raw materials and relevant international standards[[9]](#footnote-9) .

Cooperation to improve the legal, regulatory and administrative framework stimulating the development of raw materials and battery value chains in line with the EU and Norwegian policies.

Early consultation on new legislative and non-regulatory initiatives proposed within the scope of the Partnership.

Regular exchange of information regarding the application of standards on due diligence and related certification schemes for sustainable production/sourcing of raw materials along the entire value chain including recycling and waste management.

**Financial and investment instruments**

Acknowledging the importance of the goals of the above-mentioned Partnership work streams, the Sides intend to cooperate in mobilising financial and investment instruments of major relevant financing and investment organisations following the EU sustainable financing rules[[10]](#footnote-10) notably for the projects under the Partnership.

The Sides also see the opportunities to support the development of Investment Platforms such as Invest EU as well as under the European Raw Materials Alliance and European Battery Alliance, especially as a tool for:

Matchmaking sustainable and innovative projects across the raw materials and batteries value chain in Norway with private investors, and preparing a pipeline of viable projects;

Preliminary screening of project proposals by community experts;

Increasing transparency and stakeholder involvement.

Facilitating financing for the projects under this Partnership, including debt and equity investments and public funding for their de-risking, as well as offtake agreements.

Organising financing for the valuable research activities along the CRM and battery value chains especially carried out outside the Horizon Europe programme.

The use of the above mentioned financial and investment instrument should follow the Paris Agreement and meet strict (international, EU) standards, good practices relating to not only financial risks and bankability, but also environment protection, sustainability, transparency and governance.

**Development of the necessary skills for high-quality jobs in these clean technology sectors**

Mobilising private and public financing for re- and up-skilling initiatives in the area of the raw materials and battery value chains, including for green and digital skills, including the European Battery Academy.

Norway intends to participate in and contribute to the European Battery Academy.

**III. Implementation, monitoring**

The Sides intend to develop a Strategic partnership activity Roadmap. The Roadmap follows the general joint intentions of the Sides’ described as work streams in Section 2 of this Memorandum.

The Sides intend to organise a regular annual high - level meeting (at ministerial level) to take stock of the Partnership’s progress, discuss possible new strategic collaboration directions and endorse the Partnership Roadmap for the upcoming period 2024-2026.

The Sides furthermore intend to create a dedicated working group consisting of senior officials, experts and respective actors (as specified in the Partnership Roadmap), where any matters of relevance to the Partnership’s implementation will be discussed. The Sides envisage regular meetings (at least twice per year) of the Working Group, which is expected to report on the Partnership and progress during the annual high-level meeting.

The Sides also envisage making use of other existing formats, such as the EU Raw Materials Supply Group, the EU Raw Materials Alliance, the European Battery Alliance including the Battery ministerial meetings, for regular and more frequent exchange of information of relevance to the Partnership.

**IV. Format**

This instrument does not create any rights or obligations under international or domestic law. In particular, nothing in this Memorandum shall represent a commitment of financing on the part of either Side.

Furthermore, this Memorandum does not intend to represent any commitment from either Side to give preferential treatment to the other Side in any matter contemplated herein or otherwise.

Signed in Brussels on the 21 March 2024 in two copies, one in Norwegian and one in English. Both versions shall be equally valid.

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| For the European Union | For the Kingdom of Norway |
| Maroš ŠefčovičExecutive Vice-President | Jan Christian VestreMinister of Trade and Industry |

1. Communication on Critical Raw Materials - COM(2020) 474 [↑](#footnote-ref-1)
2. Communication on the European Green Deal – COM(/2019) 640 final [↑](#footnote-ref-2)
3. EU Digital Strategy - Communication: Shaping Europe’s digital future of 19 February 2020 - https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/shaping-europe-digital-future\_en [↑](#footnote-ref-3)
4. Communication on New Industrial Strategy: Building a stronger Single Market for Europe’s recovery EU Industrial Strategy –

COM(2021) 350 final [↑](#footnote-ref-4)
5. https://ec.europa.eu/commission/presscorner/detail/en/ip\_23\_2391 [↑](#footnote-ref-5)
6. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020 - COM/2023/160 final [↑](#footnote-ref-6)
7. Communication on New Industrial Strategy: Building a stronger Single Market for Europe’s recovery – COM(2021) 350 final [↑](#footnote-ref-7)
8. Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020, COM/2023/160 final [↑](#footnote-ref-8)
9. <https://op.europa.eu/en/publication-detail/-/publication/6d541f66-0f81-11ec-9151-01aa75ed71a1/language-en>

Relevant international standards include the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector [↑](#footnote-ref-9)
10. Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 [↑](#footnote-ref-10)