

Joint Statement

High-Level Industrial Meeting of the European Battery Alliance

23 March 2022

The European Battery Alliance (EBA) High Level Industrial Meeting held in Brussels on 23rd of March, brought together key stakeholders along a battery value chain to take stock of the achievements of the EBA since its launch five years ago. The high-level representatives of the EBA confirmed their commitment to build a resilient, sustainable and competitive battery value chain in Europe and the need for an accelerated action plan to fill in remaining gaps until 2030.

1. What has been achieved so far, and guidance for 2030

Some unambiguous achievements

- Today the European Battery Alliance is a thriving cooperative ecosystem that brings together more than **750 organisations in its industrial workstream** (EBA250).
- In total, more than **180 industrial battery projects** are being developed in the EU, with **47 in the battery cells segment**. The EU is set to meet 69% and 89% of its increasing demand for batteries by 2025 and 2030 respectively and will be capable of producing batteries for up to 11 million cars per year.
- The total level of **investment** along the battery value chain, including the applications segment, amounted to **€127 billion by 2021**. Additional investment of some **€382 billion is expected to create a self-sufficient battery industry by 2030**.
- In 2021, the Commission approved the second battery-related Important Project of Common European Interest (IPCEI), jointly notified by 12 Member States, with a total value of €12 billion. It complements the first battery-related IPCEI with a total value of €8.2 billion, which was adopted in 2019.
- The successful first round of calls for proposal for battery research projects of €160 million was organised under the Horizon Europe research programme in 2021. It resulted in 61 projects proposals being submitted. In total, some **€925 million will be allocated to battery research from the EU budget up to 2027**.
- **2.3 million electric vehicles (eVs) were sold in 2021**. This represents a **record-high market share of 21%** for last year, indicating that the market growth is one year ahead of the most optimistic forecasts. The EU is hence well on track to meet the target of 30 million eVs on its roads by 2030. It has retained its position among the global leaders in e-mobility, next to China (14.3% national market share) and the U.S. (4% national market share).

Both the Covid pandemic and war in Ukraine have highlighted the fundamental need for resilient industrial value chains, including batteries, for the EU's economic growth and decarbonisation as well as for its strategic autonomy.

Still gaps to address:

As reaffirmed in the sixth EBA Ministerial meeting on 23 February 2022, while significant progress has been achieved in building the sustainable and vertically integrated battery value chain in the EU, notably in the **battery cells and application segments**, there are **still gaps to fill in**, which pose a challenge for the deployment of a **resilient end-to-end battery industry**.

- The **upstream segment**: mining of domestic raw materials; processing and refining; and production of active battery grade materials.
- The **downstream segment**: recycling of EOL (End Of Life) or scrap from production facilities, for an introduction of high-quality recycled metals back in the EU supply chain.
- The **skills** needed, both at white and blue collar level, for designing and operating the numerous industrial projects mentioned above.

2. High-level industrial meeting conclusions and requests for action:

The participants agreed upon the **following priority actions** to support the continuous growth of the EU battery value chain:

- 2.1 **A rapid adoption and implementation of the EU battery regulation** which will set the standard for sustainable, traceable, and circular batteries in Europe, **leading the world** in competitiveness based on such attributes, and not on cost as the Asian competitors will try. Stringent and ambitious provisions are needed on the so called “*battery passport*”, especially on the battery carbon footprint – including from sourcing of raw materials to recycling-, and on the thresholds of recycled material in the batteries sold in the EU. The signal to industry, investors and other potential competitors has to be unambiguous.
- 2.2 **A swift adoption of relevant legislative provisions in the “fit-for-55” package boosting the demand for batteries/storage to (1) continue decarbonising the transport system, and (2) accelerate towards a 100% RES energy system**: measures supporting battery based light and last-mile mobility, the roll out of charging infrastructure, emissions performance standards for cars and vans, facilitation of system integration (V2G) and stationary storage at grid level and behind the meter. Storage (and batteries) have the potential to deliver a 100% renewable energy system.
- 2.3 **The implementation of an upgraded toolbox to support and de-risk investments in raw and processed battery materials, including a set of measures for projects of strategic importance for Europe, notably:**
 - Adapted **permitting** processes in the Member States, building on best practices globally (i.e. Australia, Canada), to reduce time and risks (parallel processes rather than sequential, harmonised rules for public consultation and environmental impact assessment)
 - **Enhanced support** to private investments through:
 - Clarified status of mining and processing in the **EU sustainable finance taxonomy**, qualifying all battery related activities as **DNSH** (Do Not Significant Harm),
 - **Strong involvement** of EU and national public investors such as the EBRD, EIB or national promotional banks,
 - **Upgraded access to public grant to reduce the cost of capital in the early phases.**

- An upgraded effort to bridge the skills gap (800.000 workers to be trained, upskilled and reskilled by 2025), with :
 - o Earmarking of 2% of the European Social Fund budget to finance training programmes related to batteries for years 2023-24 and 25,
 - o Implementation of the EBA Academy, with 15 Member States participating before 2025.

3. An update of the 2018 European Strategic Action Plan on Batteries

Being ahead of the plan that we set ourselves in 2017 for 2025 (€250 billion of new annual GDP, and 400 GWh of cell manufacturing capacity committed), we consider it necessary to update the 2018 European Strategic Action Plan on Batteries.

We therefore request the collaboration of the European Commission to **update the strategic action plan** with a view to achieve equally ambitious objectives for 2030:

	Current Strategic Action Plan 2025	Updated action plan 2030
Annual demand in EU (mobility, ESS, last mile)	400 GWh	1.000 GWh
Annual GDP/added value created in EU	250 B€	625 B€
Domestic cell manufacturing coverage of EU needs	100% (committed)	90%
Domestic raw materials/processing coverage of EU needs	tbd	60%
Domestic active materials coverage of EU needs	tbd	40%
Domestic recycling coverage of EU ambitions	tbd	100%

EBA250 estimates that the above ambitions will require an additional €380 billion of fresh investments besides the cash flows generated by the on-going and committed operations.

The updated action plan will, for example, include acceleration actions to meet the following objectives:

1. **Ensure the EU's resilience and strategic autonomy in all parts of the battery value chain**
 - Identify and prioritise projects of strategic relevance for the EU with adapted solutions, including the EBA Sustainable Battery Material Fund and public financial institutions such as the EIB or other funding opportunities like the National Recovery Plans or dedicated Important Projects of Common European Interest (IPCEI),
 - Set targets for critical battery materials to be met from European sources,
 - Form strategic alliances / partnerships with EU third countries to foster responsible sourcing of raw materials,
 - Accelerate the development of battery recycling projects and ensure that recycled materials will stay in EU to enable their integration back in the EU supply chain,
 - Strengthen the European capability to produce battery cells with domestic equipment and machinery for all battery components.

2. Continue to accelerate demand pull for sustainable batteries produced in Europe

- Best-in-class performance categorisation of batteries, complying with the respective maximum life cycle carbon footprint thresholds, should be accompanied by incentives for frontrunners and first movers at EU and MS level,
- Actions to increase public charging possibilities for all segments from light mobility solutions to heavy duty transports,
- Increase efforts to stimulate system integration solutions with battery storage to boost stationary storage segment,
- Stimulate uptake of electrified solutions in urban infrastructure for last mile transport of goods and people,
- Ensure availability of low carbon energy at competitive cost level.

3. Accelerate regulation and permitting

- Accelerate the adoption and implementation of the EU battery regulation with highest sustainability requirements to set global standards for battery industry,
- Enable Europe to compete on sustainability and not on exclusively cost,
- Permitting fast tracks for mining and industrial sites needed for the green transition,
- Safeguard that valuable recycling resources (i.e. end-of-life batteries, battery waste, scrap material, black mass) stay in Europe and are made available for the European recycling and battery materials industry.

4. Ensure the availability of a skilled workforce for the EU battery industry.

- Accelerate the implementation of the EBA Academy by EIT InnoEnergy,
- Support the European industry's attractiveness for global talent.

5. Maintain Europe's technology sovereignty through continued access to finance from research to deployment

- Manifest Europe's leadership in battery research and innovation with "fit for purpose" instruments,
- Organise a global battery technology benchmarking initiative supporting the innovation actions to prepare the EU battery industry for new battery technologies (e.g. semi-solid to solid state designs) and alternative chemistries such as LFP and Sodium-Ion batteries.

6. Build strategic alliances with non-EU stakeholders and strengthen external partnerships to enhance the resilience and competitiveness of the EU battery industry

- Foster R&D and industrial partnerships with the non-EU based battery industry, such as the USA and Japan building on existing partnership agreements like the EBA-Li-Bridge cooperation and EU-Japan Strategic Partnership & Climate Alliance,
- Build strategic alliances and industrial partnerships with resource rich countries such as Canada, Greenland, Norway and Western Balkans,
- Support the development of the battery value chain in the EU neighbouring countries, such as Serbia, Norway and the UK.