Harnessing Critical Energy Transition Minerals for Sustainable Development

A UN Interagency effort on Critical Minerals

María José Baptista
Interagency and Intergovernmental Affairs, UNEP

EMG Nexus Dialogue on the Environmental Aspects of Minerals and Metals Management
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This Presentation

1. The Secretary-General’s Working Group on Extractives
2. The Secretary General’s Initiative ‘Harnessing Critical Energy Transition Minerals for Sustainable Development in Least Developed and Land-Locked Developing Countries: Just Transitions in Low Carbon Technologies’
Priority Areas of the UN SG on Extractives

1. Financing for Development
   - Scale up concessional finance
   - Increase spending for projects aimed at a green and inclusive recovery
   - More progressive and transparent fiscal regimes

2. Governance and resources management
   - Harmonize national standards for company oversight
   - Formulate country-specific regulatory frameworks to upscale resource efficiency
   - Strengthen governance of investment in public infrastructure

3. Green Economy
   - Increase green and climate investments by development and international banks
   - Mandatory climate risk disclosures
   - Shift fossil fuel subsidies to renewable energy and energy access,
   - Apply tax for resource use and waste

4. A just transition towards Sustainable Systems
   - Policies to target most vulnerable groups
   - Redistribution of revenue from extractive industries to invest in green jobs, retraining and reskilling programs, social protection
   - Industrial policies to develop new capacities, and scaleup global supply chains

5. Technology and Innovation and the Circular Economy
   - Formulate Circular Economy policies to assess impacts of clean energy technologies, and promote circular design
   - Align with sustainable resource management framework
   - Develop governance strategies to capture a greater share of value

6. Regional and global collaboration
   - Regional frameworks help align extractive industries with the SDGs, environmental conventions and human rights principles
   - Support implementation of existing regional or global frameworks;
   - Develop a framework for the traceability and transparency of global value chains

UN SECRETARY-GENERAL’S WORKING GROUP ON TRANSFORMING THE EXtractive INDUSTRIES FOR SUSTAINABLE DEVELOPMENT
Objectives of the UN SG Working Group on Extractives

1. Develop a **common narrative and framework**
2. Develop **policy recommendations**, tailored to national governments, non-state actors.
3. **Foster collaboration** to respond better to existing and emerging needs for state and non-state actors.
4. Frame an implementation initiative to **deploy recommendations**
5. Provide a central hub of **information and knowledge exchange** on global policy actions, global standards, tools and best practices.
6. **Align efforts with ongoing processes and events** relevant to extractive industries.
Developing countries have an important share of critical energy transition minerals

Source: UNCTAD (2022), The Least Developed Countries Report 2022

Share of global mineral production and reserves held by developing countries (2017)

Source: IRENA (2023), Geopolitics of the Energy Transition: Critical Materials

Mapping of strategic minerals for the low-carbon transition and respective main producers

<table>
<thead>
<tr>
<th>Critical raw materials</th>
<th>Main uses</th>
<th>World production (tons), 2021</th>
<th>Main producers (tons), 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rare earths</td>
<td></td>
<td>280 000</td>
<td>Australia, Brazil, Burundi (100), China, India, Madagascar (3 200), Myanmar (25 000), Russian Federation, Thailand, United States, Vietnam, South Africa* and the United Republic of Tanzania*</td>
</tr>
<tr>
<td>Magnesium</td>
<td></td>
<td>950 000</td>
<td>Brazil, China, Israel, Kazakhstan, Russian Federation, Türkiye, Ukraine, United States</td>
</tr>
<tr>
<td>Niobium</td>
<td></td>
<td>67 700</td>
<td>Brazil, Burundi (23), Canada, China, Democratic Republic of the Congo (560), Ethiopia (6.9), Mozambique (9.1), Nigeria, Russian Federation, Rwanda (156), Uganda (8.8)</td>
</tr>
<tr>
<td>Lithium</td>
<td></td>
<td>100 000**</td>
<td>Argentina, Australia, Brazil, China, Portugal, United States, Zambia, Democratic Republic of the Congo*, Mali*</td>
</tr>
<tr>
<td>Borates</td>
<td></td>
<td>5 676 106</td>
<td>Argentina, Bolivia (Plurinational State of), Chile, China, Iran (Islamic Republic of), Kazakhstan, Peru, Russian Federation, Türkiye, United States**, Guinea**, Madagascar**</td>
</tr>
<tr>
<td>Strontium</td>
<td></td>
<td>360 000</td>
<td>Argentina, China, Iran (Islamic Republic of), Mexico, Spain</td>
</tr>
<tr>
<td>Cobalt</td>
<td></td>
<td>170 000**</td>
<td>Australia, Canada, China, Democratic Republic of the Congo (1 200 000), Cuba, Indonesia, Madagascar (2 900), Morocco, Papua New Guinea, Philippines, Russian Federation, United States, Zambia (367)**</td>
</tr>
<tr>
<td>Nickel</td>
<td></td>
<td>2 700 000</td>
<td>Australia, Brazil, Canada, China, Indonesia, France (New Caledonia), Madagascar (9 900)<strong>, Philippines, Russian Federation, United States, Zambia (3 251)</strong></td>
</tr>
<tr>
<td>Copper</td>
<td></td>
<td>21 000 000</td>
<td>Australia, Canada, Chile, China, Democratic Republic of the Congo (1 800 000), Eritrea (21 725)<strong>, Indonesia, Kazakhstan, Mauritania (28 491)</strong>, Mexico, Peru, Poland, Russian Federation, United Republic of Tanzania (12 000)**, United States, Zambia (630 000)</td>
</tr>
</tbody>
</table>

Source: UNCTAD (2022), The Least Developed Countries Report 2022
How can developing countries harness the increasing demand for critical energy transition minerals for Sustainable Development...

Growing demand for energy transition minerals is expected to bring **USD$1.7 trillion** in global mining investment (Wood Mackenzie).

Countries will have a **20/30-year window** to tap into these investment flows.

Source: IEA(2022), The Role of Critical Minerals in Clean Energy Transitions (World Energy Outlook Special Report)
...while creating safeguards for people and planet


FIGURE 3.5 The majority of mining sites face high water risks

Source: IRENA (2023), Geopolitics of the Energy Transition: Critical Materials

Active Mining conflicts in LAC

Source: Observatory of Mining Conflicts in LAC (2023)
Technical and political support based on carefully curated solutions from a diverse range of UN actors to develop safeguards, standards, policy incentives, and strategies for a Sustainable and Just Mineral Development.

Mobilization of actors along the supply chain to build trust, introduce development perspective and enable new market opportunities (Global Compact on Critical Minerals).

Enhanced national capacities to negotiate, attract investment, create partnerships, develop skills for new business model, manage job transition.

Tools to effectively assess and manage social-environmental risks liked to mining.

Stronger governance and safeguards against illicit flows, corruption.
Harnessing Critical Energy Transition Minerals for Sustainable Development in LDCs and LLDCs

Just Transitions in Low Carbon Technologies

Objectives

- Support and accelerate a just energy transition focusing on minerals
- Support LDCs and LLDCs and developing countries with critical energy transition minerals in capitalizing from the green transition to drive economic growth, support sustainable development, and reduce poverty and inequality while minimizing negative environmental and social impacts of minerals development.

Partners

UNEP, UNDP, UN RECs, UNCTAD, UNIDO, UNICEF, UN Women, IRENA, IEA, ILO, OHCHR, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, UN Country Teams, the IFC and the World Bank.


Outputs

Phase I (year 1) [target audiences: developing countries with mineral resources]
Building on available material and thinking within the UN and other partners and through stakeholder consultations:
1. UN Knowledge hub on extractives
2. UN Toolkit on critical energy transition minerals
3. UN Framework on Just Transitions for Critical Energy Transition Minerals

Phase II (years 2 and 3);
[target audiences: LDCs and LLDCs with mineral resources]
1. UN Framework on Just Transitions for Critical Energy Transition Minerals tested and customized in 12 LDCs/LLDCs for tools, capacity laws, skill building and leveraging funds (in year 2).
2. Recommendations from UN Framework are implemented to enhance production and trade capacities, plan for investment financing, develop skills, and put in place environmental/social safeguards. These will be implemented in year 3 in 12 selected countries.

Possible Countries identified by the WG*:
Latin America: Bolivia Plurinational State
Africa: Burundi, DRC, Ethiopia, Guinea, Madagascar, Malawi, Mali, Mauritania, Mozambique, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, Zambia, South Sudan, and the Sudan.
Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan.
Southeast and East Asia: Lao People’s Democratic Republic, Mongolia

*Identified based on partner capacities in these countries but need further discussion.
Galvanizing collective action for just transitions in critical energy transition minerals

**Breaking silos**
A framework co-developed by UNDP, UNEP, UN Regional Economic Commissions, UNCTAD, ILO, UNIDO, OHCHR

**Action-Oriented**
A framework that will be guided and applied by UNCTs

**Building on years of knowledge and experience**
A framework that will build on the work and expertise from the UN, IEA, IRENA, IGF, OECD, World Bank, EITI, IRMA, and others.

**Bringing together producers and consumers**
A framework that will be developed through meaningful and broad multistakeholder consultations, offering a space to exchange views and best practices

** Harmonizing effective approaches**
Bringing in voices from several parts of the value chain to harmonize safeguards, create enabling conditions for economic transformation, reliability, resilience and benefit-sharing

**UN Framework on Just Transitions for Critical Energy Transition Minerals**

- Economic transformation, producer empowerment
- Effective environmental and social protection
- Strong regulatory environment
- Trust and transparency

**CONNECTING**
Knowledge and actors along the supply chain

**ENSURING JUST MINERALS TRANSITIONS**

UN Agencies
UN RCs and RCOs
Experts
Countries Regions
Civil society
Private Sector (mining, finance, trade)

UN Secretary-General’s Working Group on Transforming the Extractive Industries for Sustainable Development
Consultations for the UN Framework on Critical Energy Transition Minerals

Outline for background documents:
- 26 Jul 2023: Draft Background documents for Framework Modules
- 30 Sept 2023: Word Café with RCOs
- 31 Oct 2023: Online consultation with RCOs (module 2)
- 6-24 Nov 2023: Online consultation with RCOs (module 3)
- 27 Nov-26 Jan 2024: Online consultation with RCOs (module 4)
- 30 Sept 2023: Online consultation with RCOs (module 5)

Regional consultations:
- Africa (all modules): Regional consultation Africa
- Europe (all modules): Regional consultation Europe
- West Asia (all modules): Regional consultation West Asia
- Asia-Pacific (all modules): Regional consultation Asia-Pacific

Bilateral, consultations at outreach events:
- CAS, IGF, Climate Weeks, COP28

UN Framework on Just Transitions for Critical Energy Transition Minerals
- March 2024: L

Strategic guidance from a Multistakeholder Advisory Group in September 2023, November 2023, and Jan 2024
- Online consultation with experts (module 2)
- Online consultation with experts (module 3)
- Online consultation with experts (module 4)
- Online consultation with experts (module 5)

Consultations with RCOs:
- Consultation with African RCs (all modules)
- Consultation with EU RCs (all modules)
- Consultation with Asian RCs (all modules)
- Consultation with LAC RCs (all modules)

Consultations with stakeholders:
- UNCT
- Governments
- Civil Society
- Experts (UN, Int Org, private sector)
- Framework module leads
- Online consultation with Civil Society groups (all modules)

UN SG Working Group
- Online consultation with Civil Society groups (all modules)
- Consultation with LAC RCs (all modules)
- Consultation with EU RCs (all modules)
- Consultation with African RCs (all modules)
- Consultation with Civil Society groups (all modules)

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