Overview of United Nations Initiative on Extractive Industries
Ana Powell, Executive Office of the Secretary-General
The Effect of the Pandemic on Finance

COVID-19 causes global debt to rise to $281 trillion

Extreme poverty estimated to rise to 750 million by 2021

The Institute of International Finance, Global Debt Monitor 2020

The Guardian, Decades of Progress in Extreme Poverty now in reverse due to COVID-19
Impact on Developing and Commodity-Dependent Countries

Debt service obligations as share of government revenue, 2000-2021

Additional spending and foregone revenue in response to the pandemic

IATF Financing for Development Report 2021

IMF Fiscal Affairs Department, April 2021
COVID-19 Accelerates the Green Transition...

127 countries, equivalent to 63% of global emissions, have made pledges to net-zero.

- **Countries with no net-zero target**: 37%
- **Other countries with similar net-zero announcements**: 16%
- **European Union (EU27) and UK**: 8%
- **China**: 25%
- **United States**: 12%

**Global generation shares from coal and low-carbon sources, 1971-2020**

- **Coal**: Decreasing trend
- **Nuclear**: Stable trend
- **Low-carbon**: Increasing trend (solar, wind, other renewables)

**Climate Action Tracker, Paris Agreement Turning Point, December 2020**

**International Energy Agency, the COVID-19 Crisis and Clean Energy Progress**
...Making Sustainable Investments Increasingly Attractive

Global ESG Quarterly Volumes by Type

Annual Growth in Sustainable Financial Measures

Forbes, ESG Investing Came of Age in 2020, December 2020

Green Finance Platform, 2021
Major Centers of Export Shift from Advanced to Developing and Emerging Economies

Addison and Roe, 2021, Regional Roundtable on Extractive Industries ECE
Targeted Support is Needed to Secure a Just Transition for all Countries, Regardless of their Energy Mix

Where Wind and Solar Could Lead the Renewables Charge

The Financial Times, How the Race for Renewable Energy is Reshaping Geopolitics, 2020
Recommendations to support commodity-dependent countries through the COVID-19 crisis

- Reduce debt burdens for commodity-dependent countries, including through extensive debt standstill and debt relief (DSSI and CF)
- Use innovative financial instruments, such as debt-for-climate/nature swaps, state-contingent instruments, and income-linked bonds
- Increase concessional finance, such as through allocation of $650 bn in SDRs and reallocation of to countries in need
- SDRs and fiscal packages to channel funding into transforming the sector, including investments in renewables and sustainable infrastructure
Six Main Recommendations for the Upcoming Global Roundtable on Extractive Industries

i. Phase out coal production and secure a just transition to renewable energy that supports the most affected, including women, youth, and indigenous communities

ii. Secure and align public and private finance with the SDGs and Paris Agreement, including by building upon efforts to create a sustainable financial taxonomy for extractives

iii. Ensure revenue from extractive industries is invested in local populations and long-term sustainable development

iv. Integrate a circular economy throughout the extractives sector

v. End the local and global socio-environmental damage caused by extractive industries, including by bolstering transparency and traceability of global value chains

vi. Developed countries should facilitate transfers of green and clean technologies, and ensure technologies and data are available for all
Thank you!

Ana Powell
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Executive Office of the Secretary-General
Date 27 I 05 I 2021, Geneva