Harnessing Critical Energy Transition Minerals for Sustainable Development in LDCs and LLDCs

*Just Transitions in Low Carbon Technologies*

A Secretary-General Initiative

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WORKING GROUP
ON TRANSFORMING THE EX extrative INDUSTRIES
FOR SUSTAINABLE DEVELOPMENT

Working Group Objectives

- Develop a common narrative and framework
- Develop policy recommendations, tailored to national governments, non-state actors.
- Foster collaboration to respond better to existing and emerging needs for state and non-state actors.

- Frame an implementation initiative to deploy recommendations
- Provide a central hub of information and knowledge exchange on global policy actions, global standards, tools and best practices.
- Align efforts with ongoing processes and events relevant to extractive industries.
Priority Areas for the Secretary General

1. Financing for Development
   - Concessional finance to build economic diversification
   - Multilateral development banks spend more on green transition
   - More progressive and transparent fiscal regimes

2. Governance and Revenue management
   - Fight against illicit financial flows, corruption, governance deficits, and revenue mismanagement.
   - More integrated resource management policies
   - Harmonized national standards for company oversight
   - Stronger governance of investment in public infrastructure

3. The Green Economy
   Ensuring a successful and inclusive transition to a green economy, aligning funds and objectives with SDGs.
Priority Areas for the Secretary General

4. A Just transition towards sustainable systems
   - Securing a just global energy transition, by making sure that funds and policies target the most vulnerable
   - Programmes of economic diversification
   - Redistribution of revenue to invest in green jobs or for social protection

5. Technology and Innovation and the Circular Economy
   - Technology, Innovation, Circular Economy as driving forces to enhance sustainability and competitiveness in extractive industries.

6. Regional and Global Collaboration
   - Developing regional frameworks to align extractive industries with the SDGs
   - Implementation of regional or global frameworks (e.g. African Mining Vision, Escazú Agreement, Global Industry Standard on Tailings Management in Mining)
What are ‘Critical Energy Transition Minerals’?

According to the IEA: ‘a wide range of minerals and metals that are essential in clean energy technologies and other modern technologies and have supply chains that are vulnerable to disruption’

More on the nuances of the definition can be found [here](#).

Critical Energy Minerals for Sustainable Development in LDCs/LLDCs and beyond

Source: The Role of Critical Minerals in Clean Energy Transitions (World Energy Outlook Special Report)

LDCs and LLDCs: with many sustainable development needs and commodity-dependent

LDCs:
- 14% of the world population,
- 10% of world average GHG emissions per capita
- 69% of global deaths caused by climate-related disasters occurred in LDCs in the last 50 years
- In 2020, of the 1.1 billion people living in LDCs, 244 million were undernourished, 466 million had no access to electricity, 665 million lacked access to drinking water, and 874 million had no access to clean fuels and cooking technologies

Between 2018 and 2020, 78% of LDCs were classified as ‘commodity dependent’. In 2021, most of the exports from LDCs were of ores, metals, and fuels.

Source: The UNCTAD Handbook of Statistics 2022
LDCs and LLDCs have important concentrations of these critical minerals and could harness the energy transition for sustainable development.
**Objectives**

Provide technical guidance to LDCs/LLDCs and developing countries with critical energy transition minerals in identifying and applying measures that can enable structural economic transformation; promote sustainable development, maximize benefits for local communities along the supply chain, while minimizing negative environmental and social impacts. This guidance will be in line with the priorities outlined by the UN Secretary General to Transform the Extractives Sector for Sustainable Development.

Target Countries: LDCs, LLDCs and developing countries with critical energy transition minerals.

Especially:

**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

**Potential Partners**

**UN:** UNCTAD, IRENA, IEA, ILO, OHCHR, UNIDO, UNICEF, UN Women, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, UN Country Teams, Resident Coordinators, DCO;

**International financial institutions:** IFC, World Bank, regional development banks

**Regional groups** like the African Union’s African Minerals Development Centre;

**Producer and consumer countries** and their emerging groups (like the ‘Sustainable Critical Minerals Alliance’)

**Private sector:** WEF ‘Securing Minerals for the Energy Transition Working Group’; ICMM, IGF, the Principles for Responsible Investment
UN Framework on Just Transitions for Critical Energy Transition Minerals

**Module 1: Building trust in the critical minerals supply chain**
Actions that can help build trust along the supply chain between producers and consumers of critical minerals for the energy transition (supply chain stability, security, sustainability, benefit-sharing, transparency, and value-added activities).

In coordination with EOSG Climate Action Team.

**Module 2: Enhancing producer capacities to overcome asymmetries of power**
Best practices to assess resources; boost value added and transformation rate of raw materials by enhancing contractual and negotiation skills; attract investment, financing, and developing effective partnerships.

Enhance jobs opportunities and manage social trade-offs of the transition.

**Module 3: Strengthening trade potential and benefits of traceability**
Understand the nature of trade agreements (e.g., are these beneficial to both parties?);

Increase the transparency of/access to global commodities markets;

Use of technology and innovation (artificial intelligence, big data, enabling blockchain) to enhance transparency, sustainability, and competitiveness.

**Module 4: Protecting people and planet**
Assess and manage nature and social related risks of mining and adequately plan activities and human settlements for mining ensuring the well-being of local communities (e.g. decision-supporting tools that assess exposure to risks at the site/assets level).

Assess and decarbonize mining activities; to mitigate negative environmental and social impacts; enhance circularity in the critical minerals value chain;

Protect community and human rights, particularly vulnerable groups like women and children.

**Module 5: Creating a strong regulatory environment for just critical mineral transitions**
Progressive and transparent fiscal and regulatory measures that can strengthen the governance and management of mineral revenue; diversify economies; re-distribute financial flows for investment in social and economic development needs.

Increase support from MDBs

Strengthen safeguards against illicit financial flows, corruption, governance deficits, and revenue mismanagement.

**A Just Transition towards Sustainable Systems**
A Just Transition towards Sustainable Systems

**Technology and Innovation and the Circular Economy**
Green Economy

**Financing for Development; Governance and Revenue management**

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