

**UNECE RESOURCE MANAGEMENT WEEK 2023**  
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## Collaboration for Critical Raw Materials: Activities of the Working Group on Transforming the Extractive Industries for Sustainable Development



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# Renewable energy and hydrogen growth in the Arab region

## Renewable energy

- Most Arab countries benefit from solar insolation levels that are among the highest in the world (as high as 6.5 kWh/m<sup>2</sup> per day).
- Utility-scale solar photovoltaics (PV) projects with record low prices for power are being developed, led by GCC countries.
- The rise in RE investment in the region could see capacity increase by 33 GW between 2022 and 2026 (26 GW from solar).
- RE generation in the region set to grow by around 120x between now and 2050, more than any other region. (IEA, SD scenario)

## Sustainable hydrogen

- The Arab region is well-placed to dominate sustainable hydrogen (green and blue) exports by 2050, supplying up to 20% of global markets, due to the low cost of renewable power and experience with oil and gas exports.



1.17GW Nour Abu Dhabi Solar PV plant



NEOM Saudi Arabia (planned)

# Energy transition requires vast amounts of critical raw materials

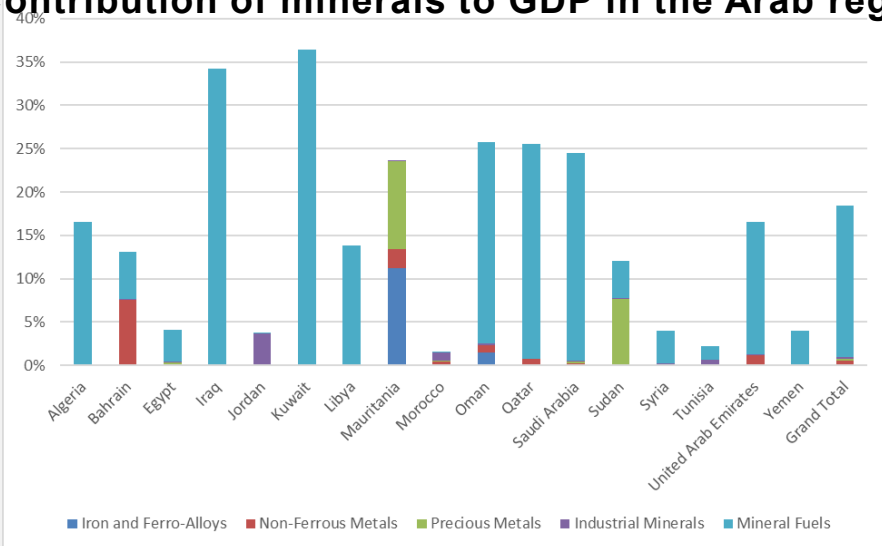
- Rapid increase in wind turbines and solar PV significantly increases the demand for minerals, raw materials, and metals.
- This provides opportunities for resource-rich countries in the Arab region, including **economic diversification, higher revenue generation and an increase in employment**
- **Challenges:** reducing overdependence on revenues from extractive industries, lack of long-term planning, sub-optimal management of natural resources and transparency.
- There is growing recognition that the mining sector can play a positive role in promoting sustainable development and structural economic transformation in the Arab region.



Managem Cobalt Mine, Morocco

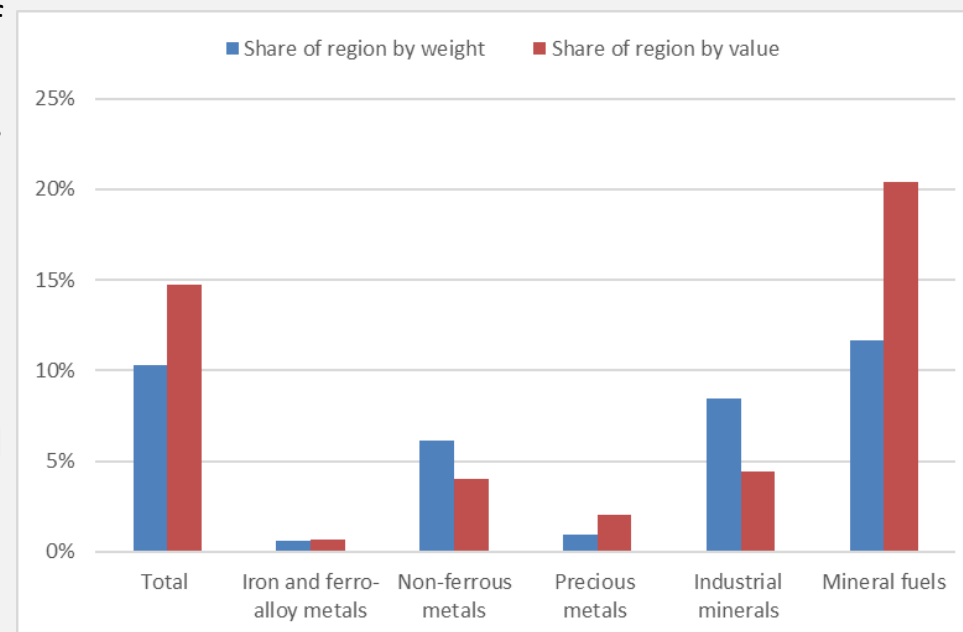
# Contribution of minerals in the economies of Arab countries

## Contribution of minerals to GDP in the Arab region



- Arab countries have significant resources, especially in the form of mineral fuels such as natural gas and petroleum and other minerals.
- The total share of global mineral production in the region is about 10% by weight and 15% by value.
- Mineral fuels contribute to the largest share followed by industrial minerals and non-ferrous metals.
- In 2020, the value of non-fuel minerals in these countries was estimated to be 23 Billion USD.

## Global share of mineral production in the Arab region, 2020 (by weight and value)



# Multifaceted Energy Vulnerability in the Arab Region

- Demand for energy grows rapidly and largely unchecked
- Distortive price mechanisms and effective management of resources
- High dependence on extractive industries (oil and Gas) both as a source of revenues and for domestic demand
- Volatility in the price of commodities
- Energy mix and lack of economic diversification
- Energy efficiency laws and standards are still very much in their infancy
- Impact from climate change: higher than global average temperature rises, water scarcity, land degradation, desertification, biodiversity Loss, domestic carbon footprint and Air pollution are increasing rapidly
- Constraint in financing the energy transition



# ESCWA Initiatives



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- ESCWA established its Regional Working Group, building on its already established group of experts on fossil fuels and ESCWA Committee on Energy, in order to implement the action measures provided in the SG Call for Action at the regional level and support the Global Working Group on Extractives.
- The “Group of Experts on Extractive Industries” was endorsed by members during the 13th session of the Committee on Energy held between 20-21st September 2021.
- The first meeting focused on the Role of Critical Materials for the energy transition in the region and highlighted the large potential of mineral development following principles of circular carbon economy, opportunities for supply chain diversification, the need to undertake resource assessment, streamline investment inflows, mitigation of governance risk and prioritising gender equality in the Arab region.

# Key recommendations for enhancing Collaboration for Critical Raw Materials and Role of the Working Group on Transforming the Extractive Industries for Sustainable Development

- Strengthen multi-stakeholder partnerships among mining companies, governments, and key stakeholders and facilitate social inclusion
- Invest in capacity building and trainings to improve understanding and skills
- Encourage investment and enable private sector participation
- Promote R&D and technology transfer
- Facilitate the adoption of Circular Economy principals for sustainable supply chains
- Foster regional collaboration and knowledge-sharing
- Strengthen global partnerships by enhancing North-South and South-South collaboration.
- Develop a knowledge-sharing network to facilitate “Reverse knowledge” between countries and regions.



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Thank you