

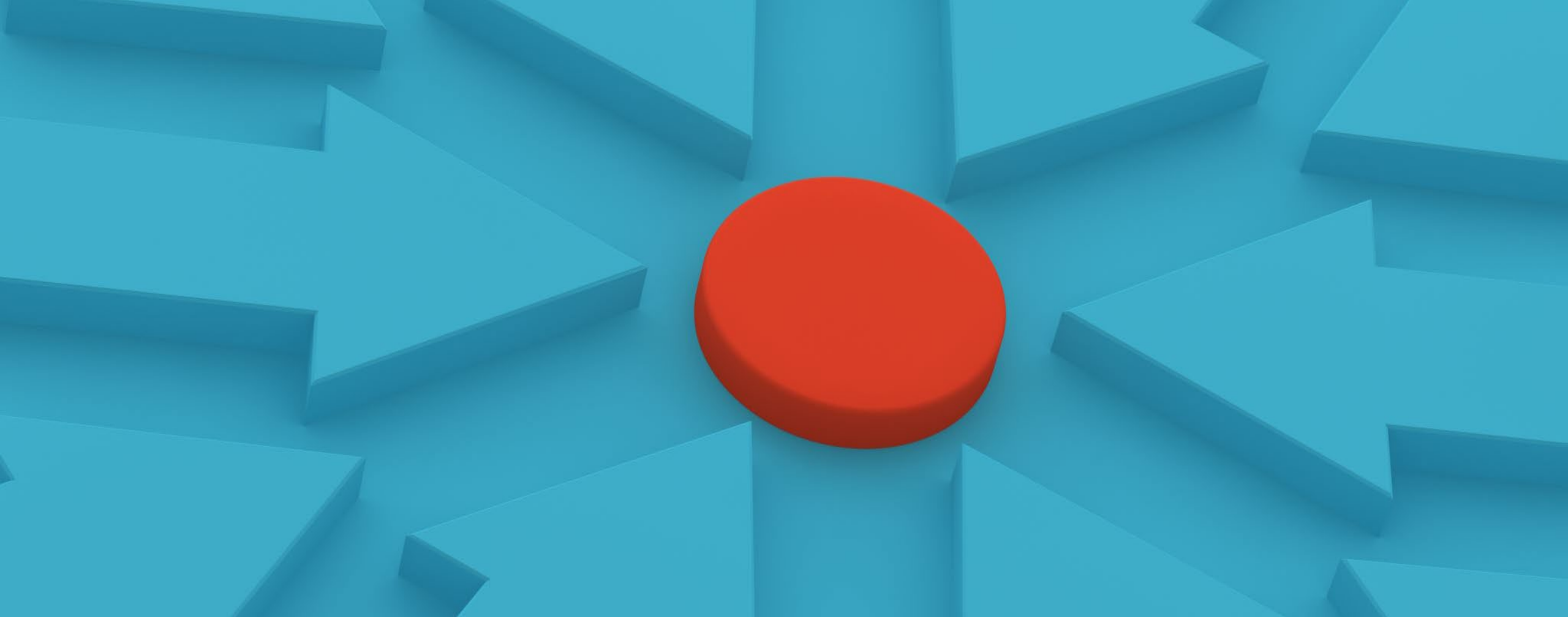
United Nations Trade and Development (UNCTAD)

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**Redefining Domestic Value Addition: UN's Innovative Frameworks for Sustainable and Circular Growth**

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



# **Redefining Domestic Value Addition: UN's Innovative Frameworks for Sustainable and Circular Growth**

**Dario Liguti**

Director, Sustainable Energy



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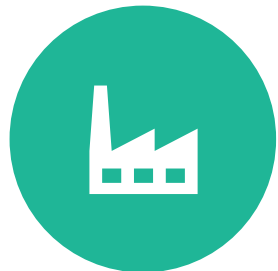
# The Potential of Domestic Value Addition



**Drives resilience and economic growth:** Countries with value-added sectors have shown more robust economic resilience



**Increases export value:** Processed exports, like cobalt from the DRC, raised revenue from \$167 million to \$6 billion



**Creates local jobs:** Processing domestically can double job opportunities compared to raw material exports



**Meets rising demand in critical sectors:** Demand for minerals like lithium is expected to rise by 1500 % by 2050, underscoring the need for local processing

## Challenges in Traditional Value Addition Models



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**Dependence on raw exports:** Over 100 countries are reliant on raw commodity exports, which limits economic diversification

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**High export tariffs limit local gains:** Export tariffs often reduce profitability, discouraging local processing

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**Skill and technology shortages:** Limited access to technology and skills hinders value-added industries in developing countries

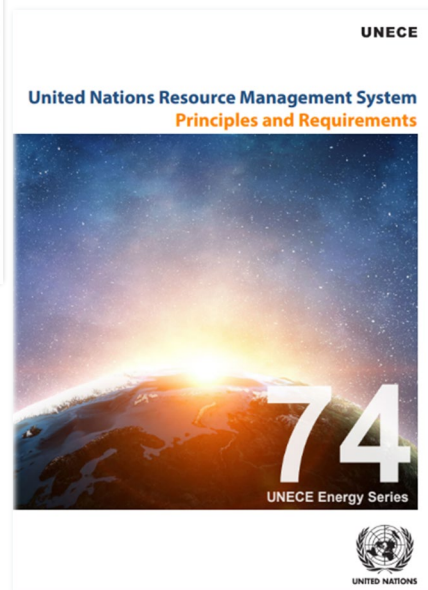
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**Many rely on single commodity exports:** This dependency makes economies vulnerable to market fluctuations

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**Infrastructure gaps raise costs:** Developing countries often face higher costs for processing due to inadequate infrastructure

# UN Frameworks: A Fresh Perspective on Value Addition



**UNFC and UNRMS for sustainable resource classification:** These frameworks standardize resource reporting, enhancing transparency



**Supports circular economy transitions:** UNRMS integrates recycling and reuse, reducing environmental impact and adding value



**Enhances investment via clarity:** UNFC's clear classification criteria attract sustainable investment by lowering risk



**Facilitates alignment with global goals:** UNECE frameworks support national policies that align with global sustainability standards



**Drives resilience through data transparency:** Real-time data provided by UNFC aids countries in making informed decisions

# Policy Levers for Sustainable Value Chains in Europe



**UNFC is mandated in the EU Critical Raw Materials Act:** This enables a standardized approach to resource management within the EU



**40% in-EU mineral processing target:** EU policy aims to strengthen domestic processing capabilities by 2030



**Promotes circularity through UNFC:** UNFC supports EU goals for recycling and secondary resource markets

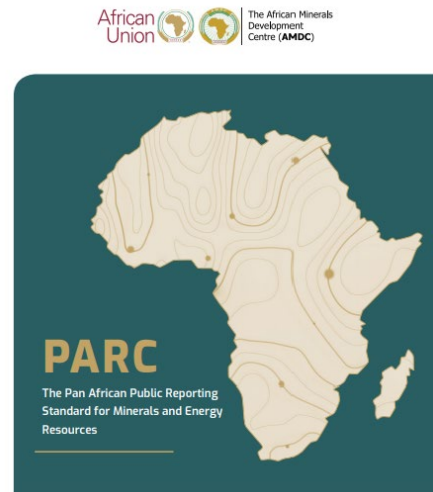


**Builds investor confidence:** By ensuring resource transparency, UNFC enhances EU's attractiveness to sustainable investors



**Aligns with Green Deal goals:** Embedding UNFC and UNRMS helps the EU meet its climate and sustainability commitments

# Global Standards for Resource Management in Africa



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**Aligns with the Africa Mining Vision :** UN frameworks support sustainable management that aligns with the AMV

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**AMREC-PARC standardizes reporting:** Ensures transparency in resource data across Africa

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**Supports ESG principles:** AMREC-PARC encourages environmentally and socially responsible resource use

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**Boosts local economies through transparency:** Clear reporting standards increase investor confidence and encourage local processing

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**Fosters circular practices:** UNRMS principles are embedded in AMREC-PARC, advancing recycling and waste reduction in Africa

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## Advancing Circular Economy with ICE- SRMs



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**Global expertise for sustainable practices:** ICE-SRMs promote best practices in resource management worldwide

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**Enhance regional circularity:** ICE-SRMs focus on resource recovery, reducing waste and supporting circular economies

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**Strengthen ESG compliance:** Centres of Excellence help countries adopt ESG frameworks, building sustainable industries

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**Encourage recycling and secondary markets:** ICE-SRMs enable regions to develop secondary resource markets, adding value locally

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**Build local capacity and innovation:** ICE-SRMs provide training and knowledge-sharing to enhance local expertise

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# UNRMS in Action: Cornwall's Path to Sustainability



Focuses on sustainable critical mineral use: Cornwall, UK, applies UNRMS to manage critical minerals sustainably



Supports low-carbon mining methods: UNRMS enables Cornwall to adopt environmentally friendly techniques



Boosts circular economy through recycling: Cornwall leverages UNRMS for recycling mine waste

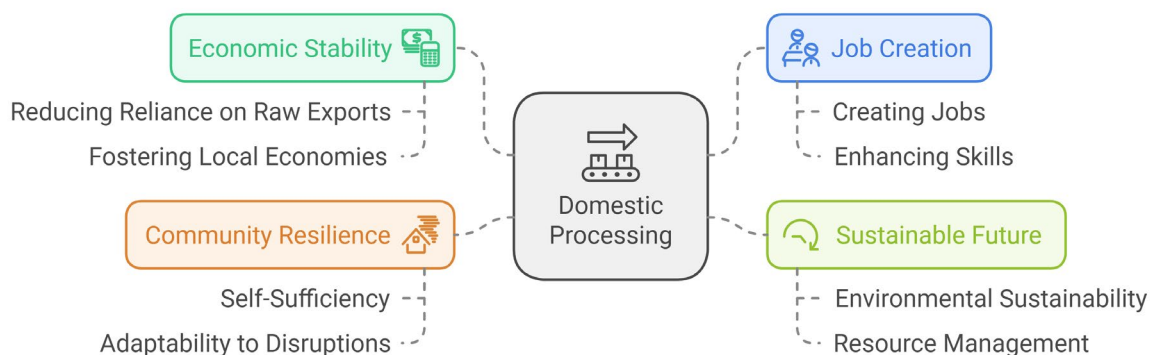


Encourages stakeholder collaboration: UNRMS facilitates cooperation among government, businesses, and communities



Contributes to net-zero goals: Cornwall aligns its resource management with the UK's climate targets

# Redefining Success in Domestic Value Addition



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**Moves away from linear models:** UNFC and UNRMS promote circular approaches that reduce waste and enhance efficiency

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**Promotes resilience and self-sufficiency:** Domestic processing reduces reliance on raw exports and fosters local economies

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**Integrates sustainability in value addition:** Frameworks embed environmental goals into resource management, ensuring long-term viability

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**Supports recycling and secondary industries:** Circular practices create new value streams from waste, enhancing local industries

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**Global examples of success:** Case studies from Europe, Africa, and Asia demonstrate the efficacy of these frameworks

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# Innovative Solutions for Sustainable Value Addition

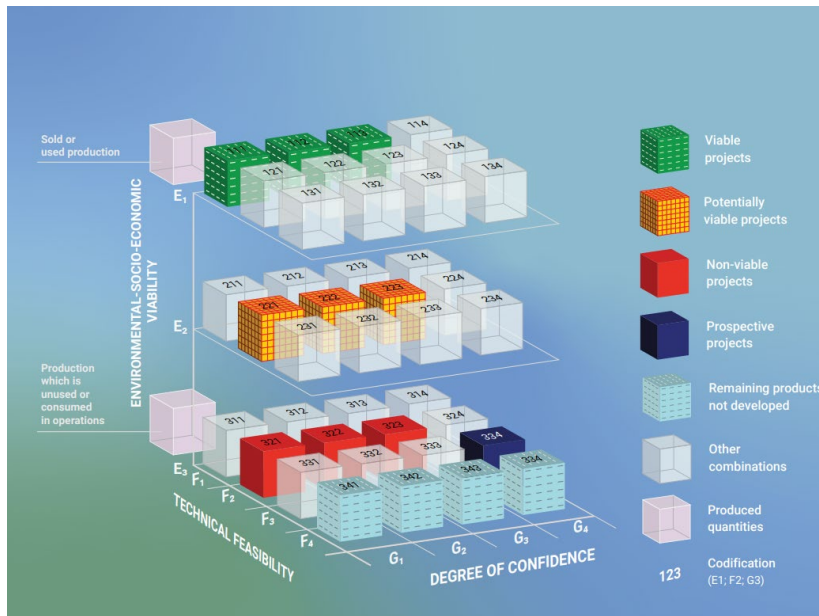
**Resource servitization:** UNRMS encourages models where services replace ownership, reducing environmental impact

**Integrates sustainability across resource life cycles:** UNFC covers all stages from extraction to disposal, ensuring alignment with sustainability goals

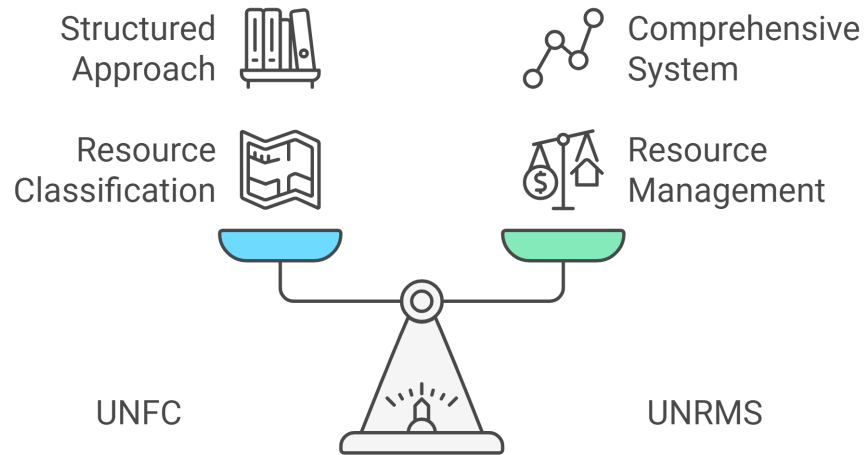
**Facilitates flexible, adaptive business models:** Servitization and adaptive frameworks enable resilience in shifting markets

**Expands circular economy opportunities:** UNRMS promotes resource reuse, which strengthens domestic value chains and reduces imports

**Encourages local innovation and competitiveness:** Frameworks support local businesses in adapting to sustainable practices that boost competitiveness



# UN Frameworks for a Sustainable Future



Comparing UNFC and UNRMS in sustainable resource management.



Empowers countries for sustainable growth: UNFC and UNRMS enable countries to achieve resilience and economic stability through sustainable practices



Circular economy is essential for efficiency: Recycling and reuse enhance resource efficiency, creating new value streams and reducing environmental impact



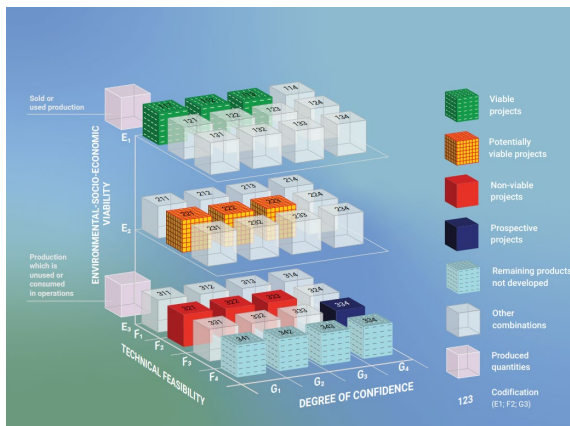
Innovative models foster adaptability: UN frameworks support business models that evolve with market needs, ensuring long-term competitiveness



UN frameworks provide global applicability: Applied successfully in diverse contexts, UNFC and UNRMS are proven tools for achieving sustainable resource management

# UN Frameworks for a Sustainable Future

- UN driving the transformation: UN frameworks offer reliable, adaptable solutions for countries aiming to redefine value addition sustainably





**More about UNFC and UNRMS:**

[reserves.energy@un.org](mailto:reserves.energy@un.org)

<https://unece.org/sustainable-energy/sustainable-resource-management>

## UNECE Resource Management Week 2025

Palais des Nations, Geneva, 24-28 March

<https://unece.org/info/Sustainable-Energy/events/395469>

# Thank you!

Dario Liguti

Director, Sustainable Energy

**UNECE**

Date 15 | 10 | 2024, Geneva



## Sustainable Resource Governance



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