

Critical minerals for a 'just' energy transition: Role of services

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Using critical minerals to promote a 'just' energy transition

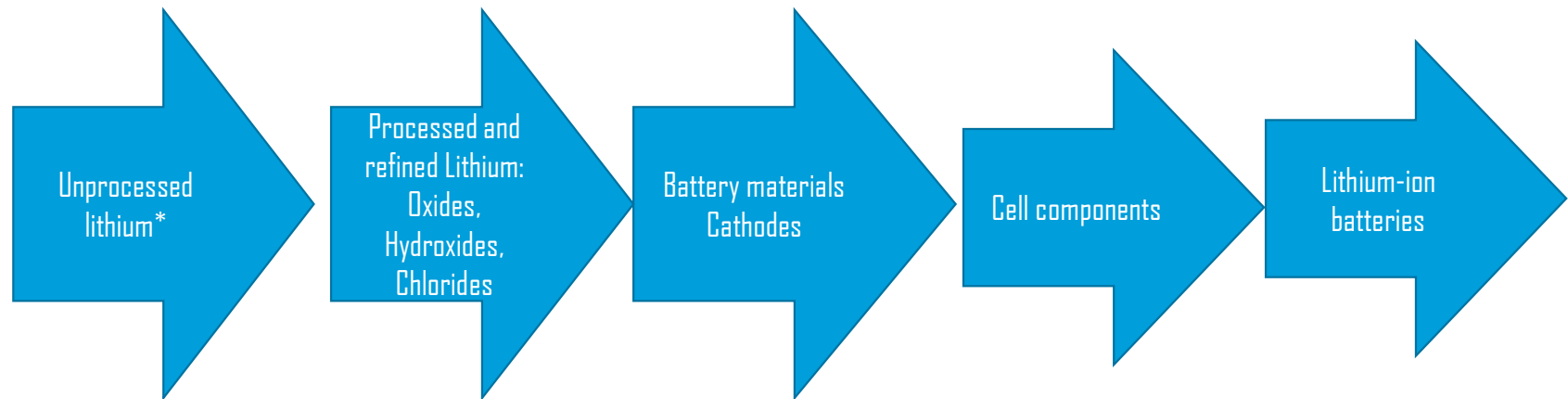
- What is a 'just' energy transition? Definitions may vary according to sources but...
- Latest IPCC Global Assessment Report identifies key elements of what 'just' transition typically entails; I highlight some:
 - Investing in low-emission and labour-intensive technologies and sectors;
 - Assessing social and employment impacts of climate policies;
 - Creating decent jobs, active labour markets policies, and rights at work;
 - Diversifying the economy based on low-carbon investments;
 - Fostering international cooperation and coordinated multilateral actions;
 - Redressing past harms and perceived injustices

'On-site' value addition to critical minerals

- On-site value addition meets many elements of just energy transition concept given distribution of critical minerals in many developing countries
 - Generate high-value employment opportunities in countries where most needed;
 - Help in economic diversification, especially in CDDCs;
 - Foster innovation & technological development with positive spillover effects
 - Increases revenue and its stability (low volatility)
 - Contribute to redressing past injustices where host countries have least benefited from their natural resources ('issue of commodity curse')
 - Need to bring international community to embrace this agenda as their own, considering overall shared objective of climate change mitigation

Example: Lithium value chain in LIBs

*HS Code does not exclusively cover lithium minerals



Export value (2022)/ World share,%

Country	HS 253090	HS 282520, 283691,282739, 282690, 282619	HS 284290, 284169, 382499, 284290	HS 850790	HS 850760
Australia	8.4bn / 86.4	1.6m / Approx 0	43m / 0.1	3.8m / 0.1	46m / 0.1
Chile	0.9m / Approx 0	8.3bn / 51.7	49.3m / 0.1	0.2m / Approx 0	1.2m / Approx 0
China	180.6m / 1.9	5.4bn / 33.6	12.2bn / 25.2	1.7bn / 35	50.9bn / 56.7
World	9.7bn	15.9bn	48.5bn	4.9bn	89.8bn

Services for 'on-site' value addition to critical minerals

- A number of services will be required to make 'on-site' value addition viable in CDDCs
 - **Training**: enable CDDCs to adopt best processes in extraction, mining technologies, refining, assembling battery cells, building EV batteries, etc.
 - **Infrastructure**: transport, logistics, chemical processing and material sciences, manufacturing into battery components, etc.
 - **Research & development**, engineering, battery chemistry, repair, and end-of-life battery management services such as battery repurposing, recycling, and disposal
 - **Financial services**: investment & access to technology, insurance, financing activities along value chain, etc.
 - **Other services**: legal, human resource management, market analysis, etc.
- Global community to work hand in hand to fulfil shared goal of climate change mitigation

Thank you!

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