

# SECURITY

Empowering Sustainable Resource Management: Updates, Transformations, and Potentials

# Securing Minerals for the Energy Transition

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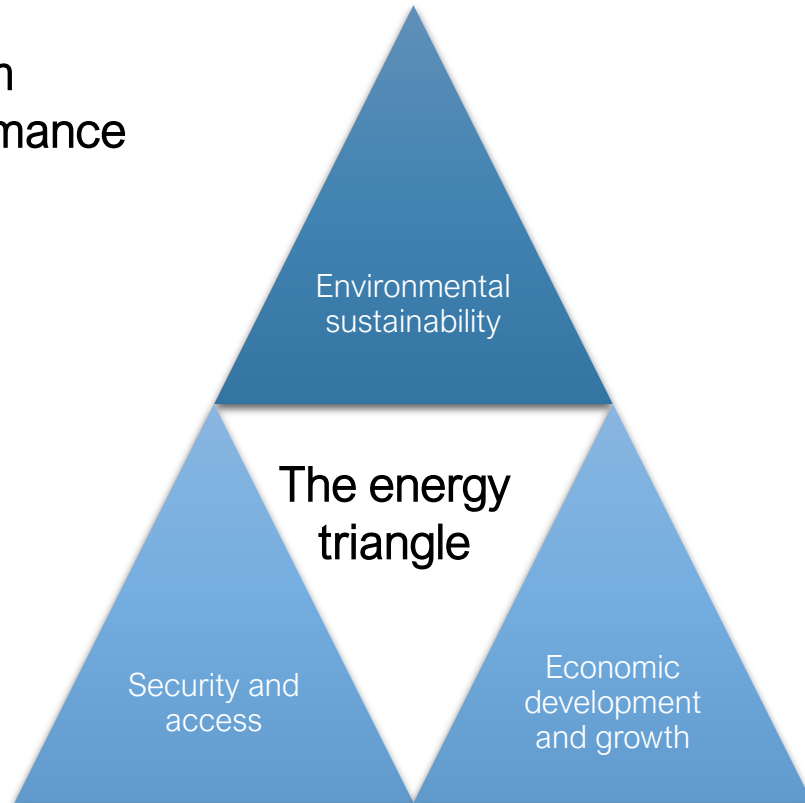
UNECE Resource Management Week  
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# Yes, we need minerals for the Energy Transition

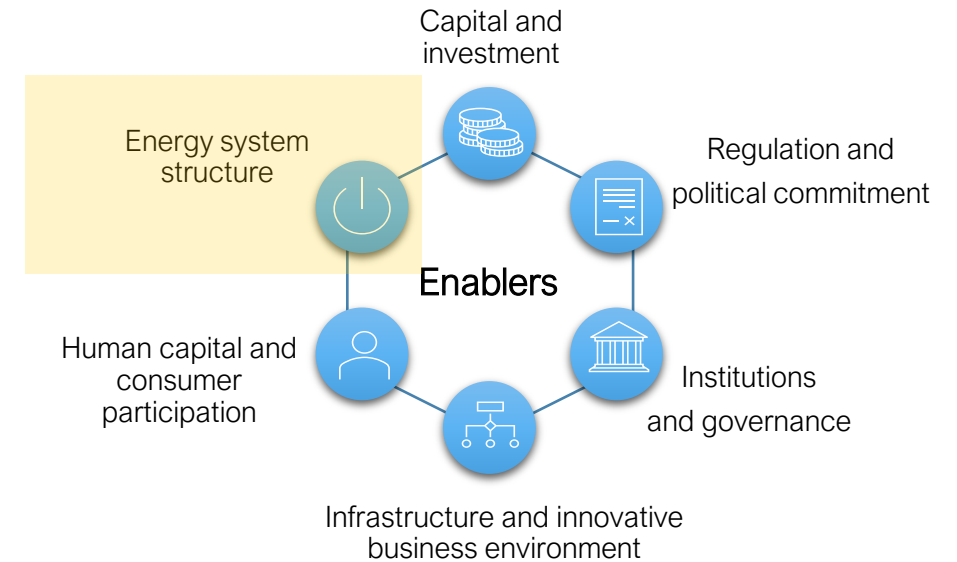


# What do we mean by Energy Transition

System  
Performance



“a timely transition towards a more inclusive, sustainable, affordable, and secure energy system that provides solutions to global energy-related challenges, while creating value for business and society”



**What if the needed resources to  
ensure the transition are not  
available?**



# We see that the gap has been established

Now, an opportunity to:

- Consolidate and prioritize
- Give attention to implications (so what?)
- Raise multistakeholder awareness
- Focus on the risks
- Shift to collaborative risk management
- Galvanize cross-sectoral collaboration
- Seed a unique entity



# Securing Minerals for the Energy Transition - SMET

## We have two objectives

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Identify and characterize the risks derived from the increasing supply-demand gap in minerals for the energy transition and propose **strategies for their collective management.**

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Design and assemble a global multistakeholder platform for monitoring, informing, managing risks and coordinating action.

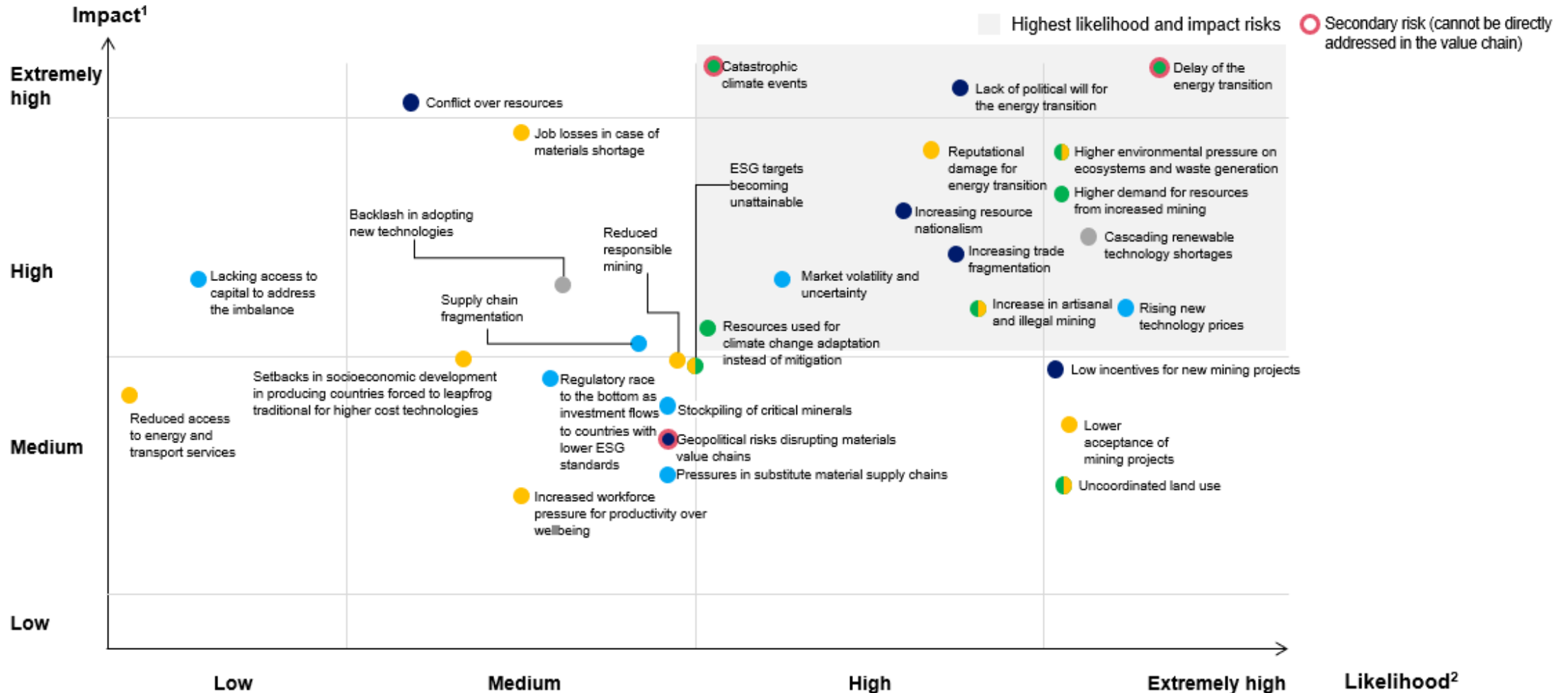
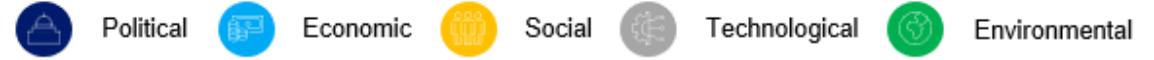
# We've secured support for this year



# Supply-demand imbalance risk matrix



Ecosystem risk assessment



1: Impact on the ecosystem: 'Low' represents minor impact and 'Extremely high' represents catastrophic impact on human lives, societies, and the planet

2: Likelihood to happen: 'Low' represents a risk that is not likely to happen and 'Extremely high' a risk that is very likely to occur

Source: Risk identification based on insights from Risk characterization workshop 'Securing Minerals for the Energy Transition' and McKinsey analysis; Assessment structure from WEF Global Risks Report 2017. The risks identified in the workshop are renamed and placed in the matrix based on the assessment.



# The 5 categories of risks that we have defined

○ Indirect risk (cannot be directly addressed in the value chain)



## Political

- Conflict over resources
- Geopolitical risks disrupting materials value chains
- Increasing resource nationalism
- Increasing trade fragmentation
- Lack of political will for the energy transition
- Low incentives for new mining projects



## Economic

- Market volatility and uncertainty
- Pressures in substitute material supply chains
- Regulatory race to the bottom as investment flows to countries with lower ESG standards
- Rising new technology prices
- Stockpiling of critical minerals
- Supply chain fragmentation
- Lacking access to capital to address the imbalance



## Social

- ESG targets becoming unattainable
- Increased workforce pressure for productivity over wellbeing
- Job losses in case of materials shortage
- Lower acceptance of mining projects
- Reduced access to energy and transport services
- Reduced responsible mining
- Reputational damage for energy transition
- Setbacks in socioeconomic development in producing countries forced to leapfrog traditional for higher cost technologies



## Technological

- Backlash in adopting new technologies
- Cascading renewable technology shortages



## Environmental

- Catastrophic climate events
- Delay of the energy transition
- Higher demand for resources from increased mining
- Higher environmental pressure on ecosystems and waste generation
- Increase in artisanal and illegal mining
- Resources used for climate change adaptation instead of mitigation
- Uncoordinated land use

# Are these risks foreseen? Are they being addressed already?

## Industrial policy is back, but Europe needs new thinking to secure minerals

DISCLAIMER: All opinions in this column reflect the views of the author(s), not of EURACTIV Media network.

By Julia Poliscanova | Transport & Environment | 5:55

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### The Inflation Reduction Act Is the Start of Reclaiming Critical Mineral Chains

Green technologies depend on the supply of a few key resources.

By **Morgan D. Bazilian**, the director of the Payne Institute and a professor of public policy at the Colorado School of Mines, and **Gregory Brew**, a postdoctoral fellow at the Jackson Institute for Global Affairs at Yale University.



An excavator transfers imported iron ore at a port in Rizhao, China, on May 15, 2019. STR/AFP VIA GETTY IMAGES

Features | January 19, 2023

### Zimbabwe joins the wave of resource nationalism

Zimbabwe banned the exports of raw lithium ores in 2022, and then banned the exports of all raw mineral ores this year. Isabeau Van Halm explores the latest example of a wave of critical mineral resource nationalism.

Isabeau van Halm



Miners in Zimbabwe will see more of their produce processed in the country, but may not see the benefits of this wave of resource nationalism. Credit: Tafadzwa Ufumeli/Stringer/Getty Images

## EU acts to secure access to critical raw materials

### Mineral-rich countries want to form an OPEC for battery minerals

Indonesia is considering a cartel for nickel and cobalt, while Argentina, Bolivia, and Chile are in "advanced talks" about a "lithium OPEC"



Photo: Ivan Alvarado (Reuters)

# Why are we doing this?

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Our purpose is to bring together stakeholders from all sectors of society to shape a better future and generate great impact through purpose-driven communities and platforms.

Five decades as a trusted platform for high-level, multistakeholder cooperation.

**Our approach:** no single entity can improve the state of the world on its own.



**Our mission is to improve the state of the world.**



# What's next?





# A Global Collaboration Approach

- **Call to action:** engaging the Public and Private sectors and Civil Society to manage the identified risks
- **Joint efforts:** different actors provide different capabilities and expertise
- A sustained **Global Collaboration Platform** to secure sustainable and affordable critical minerals for the Energy Transition

There are many go to places, what if we try to have just one **GO TO PLACE?**







# Thank you

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A blue graphic element consisting of a thick, curved line that starts on the left side, curves upwards and around the text, and then curves downwards and around the text, ending on the right side. It resembles a stylized 'C' or a partial circle.