

What Makes Minerals and Metals 'Critical'?

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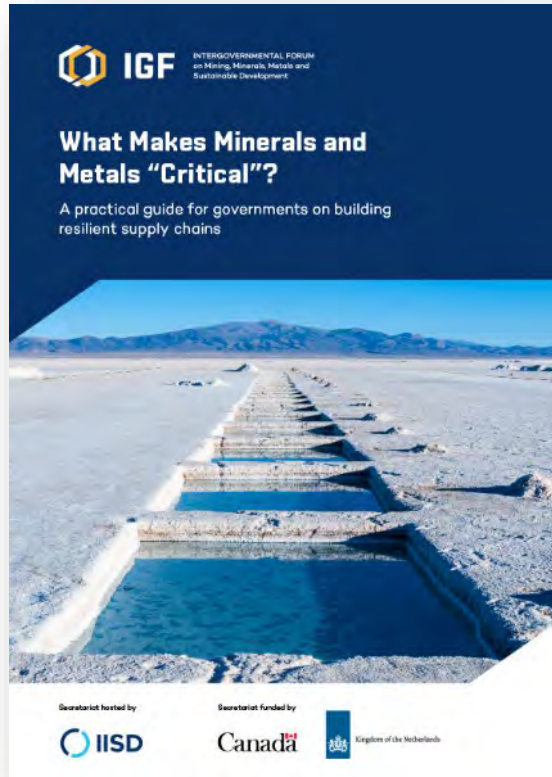


Kingdom of the Netherlands

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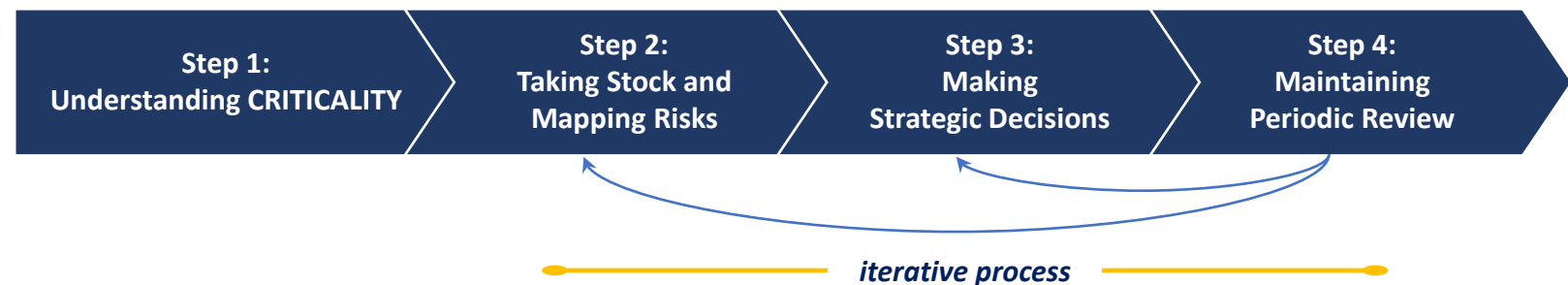


A practical guide for governments on strategic policies for resilient minerals and metals supply chains



Context and Rationale

- Accelerated pace of **energy and digital transitions driving the demand** for minerals and metals
- Pace of growth in **demand expected to outweigh supply**, with the anticipated gap rising concern over a set of minerals and metals considered ‘critical’
- The twin transitions and supply-demand gap adding **pressure on countries** and the minerals supply chains
- **No consensus on terminology** to designate minerals and metals that are essential for energy and digital transition technologies, and for which there are supply chain challenges
- **Member consultations** to understand concerns, priorities, and opportunities at the national, regional, and global levels – virtual consultations, in-person at AGM 2023, consultation of the draft guide before publication
- Practical guidelines for governments to **define what and how to consider minerals and metals as “strategic” or “critical”** based on a set of **objective criteria** (e.g., mineral endowments, national development priorities, industrial development pathways, etc.)

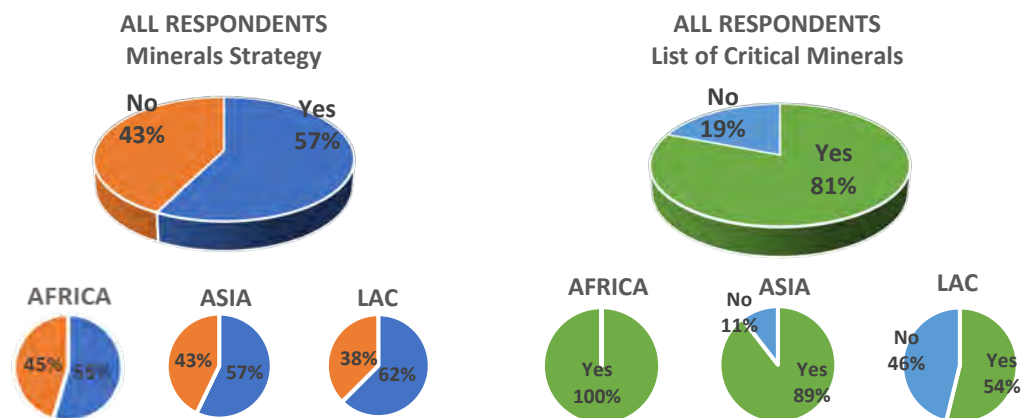


Member Consultations

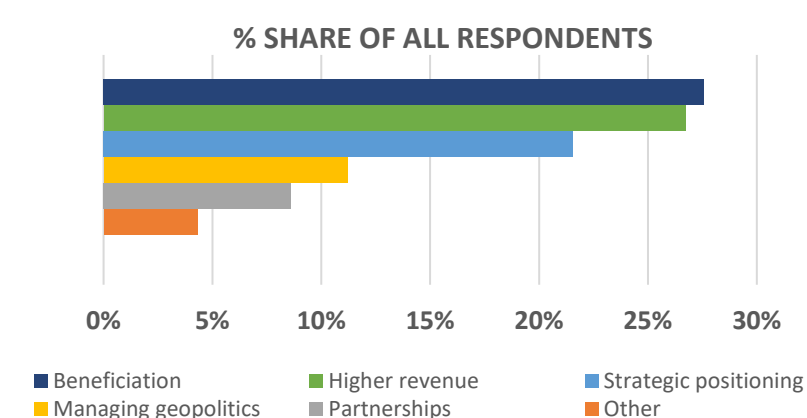


Rigorous and comprehensive consultation to inform practical guide for governments

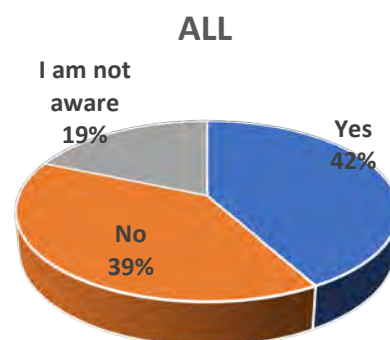
“Do you have Minerals Strategy and List of Critical and Strategic Minerals?”



“What is driving your strategy?”



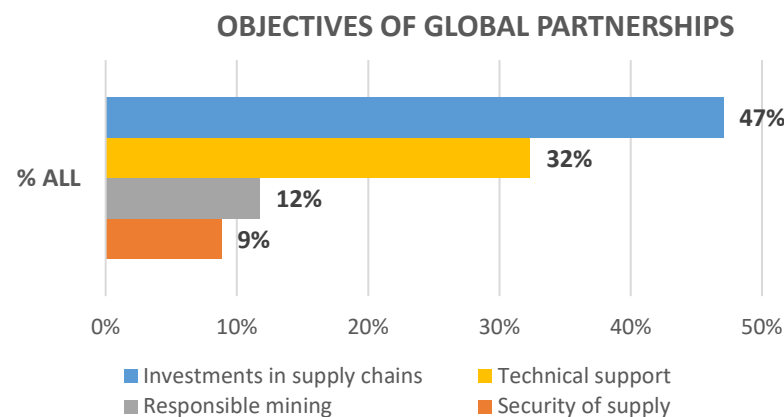
“Are you aware of any regional initiatives and/or priorities?”



Top 3 Regional Priorities

1. R&D and knowledge sharing
2. Develop (regional) supply chains
3. Fiscal regime harmonization

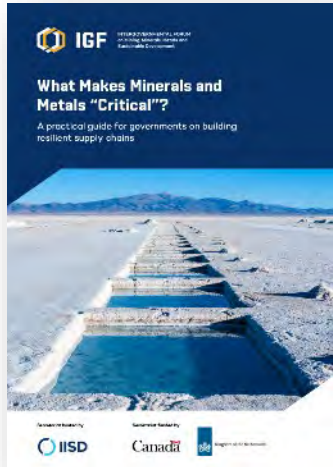
“What are the objectives for engaging in global partnerships?”



Practical Guide: 4-Step Criticality Assessment



Criticality Assessment is relevant for ALL Stakeholders!



- **Criticality** (and 'strategicality') is a risk assessment
- **Assessing risks** to identify bottlenecks in mineral value chains
- Understanding how risks affect my country

➔ **Dynamic 4- step approach:**

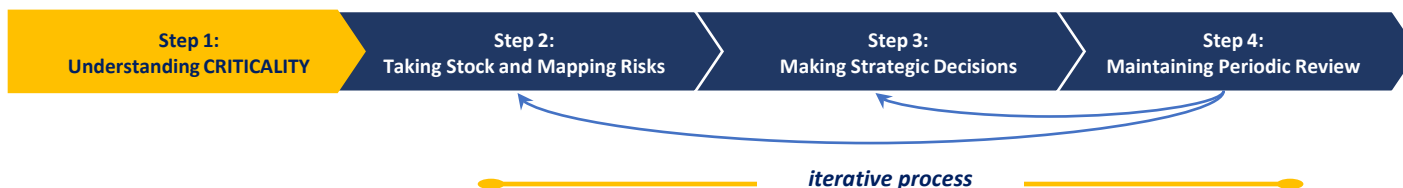


- Data gaps or limitations are unavoidable ➔ Should not prevent countries from doing stock-taking and risk assessment
- ➔ Opportunity to do a gap assessment on data availability and accessibility



Step 1: Understanding CRITICALITY

There is no “WORLD” definition of critical or strategic; it is a commonly used term



- **No universally agreed definition** of “critical” or “strategic” (UN Critical Energy Transition Minerals; EU Critical Raw Materials)
- **CRITICALITY** is a risk assessment, it is context- and country-specific, and also time-bound
- Relevant for **ALL** stakeholders in both producing and destination countries
- **Holistic understanding of criticality** from the technical, economic, and geopolitical perspectives
- **Key characteristics:**
 1. Demand and Supply Risks
 2. Production Volume
 3. Uses and Applications
 4. Time Factor
 5. Supply Chain Position (upstream, midstream, downstream)

Step 2: Risk Factors, Stock Taking, and Risk Mapping



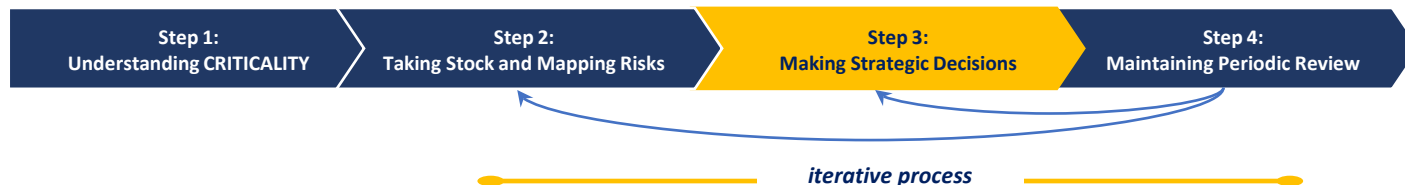
Identifying risks and opportunities for strategic vision and mining benefits





Step 3: Strategic Considerations

Policies, tools, and instruments most suitable for attaining objectives and priorities



- **National Priorities**

1. Beneficiation and value addition
2. Development of domestic and regional minerals supply chains
3. Strategic positioning as suppliers and/or investor of choice

- **Regional Initiatives**

1. Prioritization regional value and supply chains
2. Coordination and knowledge sharing
3. Shared regional mechanisms, policy instruments, and infrastructures

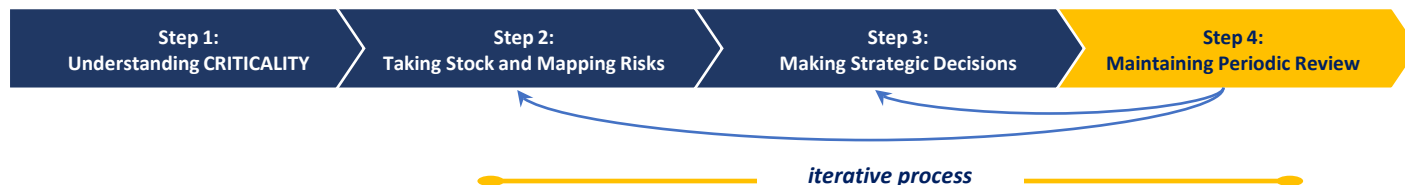
- **Global Partnerships**

1. Bilateral agreements and MoUs
2. Global GHG targets and commitments
3. Global engagements



Step 4: Periodic Review

Ongoing assessment and validation of strategy and assessment over time



- **Clearly defined policy objectives** when designing ‘Critical’ and/or ‘Strategic’ Minerals policy
- **Measurable targets for periodic (yearly) assessment**
- **List of critical and/or strategic minerals and indicators**
- **Dedicated multi-stakeholder committee in place** (e.g., India Inter-Ministerial Committee)
- **Sound review system** – data and process – **for data access and collection**
- **Periodic review (3 to 5 years)** of ‘Critical’ and/or ‘Strategic’ Lists
 - Canada, EU: 3 years
 - USA: “...at least every 3 years, if not more often”
 - Japan: 30 years (1984 – 2014); 7 years (2014 – 2021); 3 years (2021 – 2024, Uranium)

Next Steps



Designing a Critical Minerals Strategy accompanied by a Roadmap and Policy Instruments

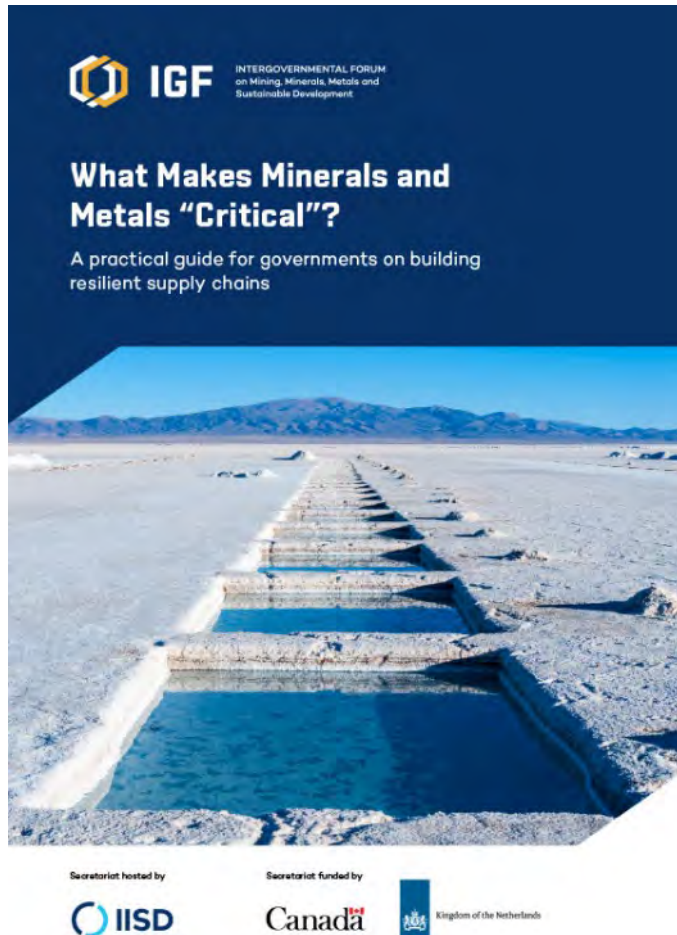


- Clear goals and objectives - SMART
- Identified short-, medium-, and long-term priorities
- Risks and constraints
- Availability of resources
- Geological data transparency
- Flexibility and adaptability
- Implementation and measuring performance
- Regular, periodic review of assessments

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THANK YOU

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