

A future-ready region: critical minerals for growth (D1469)

Description:

This project will identify the most effective actions, tools and frameworks that governments in LAC can adopt to foster the development of regional supply chains in the critical minerals sector, and to overcome existing obstacles to achieve such goal. To do so, it will (i) evaluate the factors limiting LAC's development of critical minerals upstream and downstream value chains; (ii) provide applied knowledge on aspects that hinder and/or facilitate the implementation of relevant reforms; and (iii) establish a roadmap for developing critical minerals and their supply chains through multidisciplinary analytical frameworks. This will help raise awareness of opportunities that are being missed, manifesting the link between mining and sustainable development indicators such as employment, environment, innovation, multidimensional poverty, among others. Moreover, this understanding is vital to position LAC, given its rich natural resource endowment, as a reliable source of a set of critical minerals for the energy transition and as an attractive investment destination with transformational impact on the region's economies.

Submitted by:

Natascha Nunes da Cunha

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Status:

Under Evaluation

Category:

Client Support

Tags:

#criticalminerals #energytransition # #responsibleming

Team Leader Name

Natascha Nunes da Cunha

Has the proposal been discussed and authorized by the responsible sector or country department/division, as applicable?

Yes

Team Leader Responsible Department

INE

Are there specific countries that will directly benefit from your proposal?

Yes

Mark the specific countries that will be directly benefited from your proposal?

Argentina

Brazil

Chile

Ecuador

Mexico

Panama

Peru

Where applicable, describe how the proposal aligns with the respective country strategy (for each country selected)

For all countries, as there is a fundamental need to increase critical minerals production to meet growing demand and facilitate the synergies between the mining and renewable energy sector, this project will contribute to the strategies of productivity, competitiveness, innovation, human capital and the adoption of low-carbon solutions that help countries meet climate targets. Additionally, it will support robust institutional frameworks to facilitate the energy transition by strengthening the links between local critical mineral production and the deployment of low-carbon technologies.

AR: The project will contribute to the second strategic focus for the implementation of the 2021-2023 strategy, as it will identify on means to support the development of competitive and sustainable business clusters around critical minerals, while also supporting regional integration initiatives that facilitate nearshoring, strengthening investment attraction arrangements, and supporting/strengthening SMEs in the critical minerals value chains.

BR: This project will focus on an important economic sector for Brazil, mining, but as it pertains to energy and the promotion of policies and investments to diversify the matrix and increase the role of renewable energy sources, encouraging the use of innovative solutions, and promoting the creation and integration into regional value chains.

CH: As Chile is a country with one of the most important endowments of critical minerals (namely copper and lithium), this project can contribute to the key strategic focus of boosting investment and competitiveness in the mining sector and its value

chains, also supporting the areas of innovation and human capital.

EC: This project can support the priority area of reducing the country's dependence on hydrocarbons by boosting the mining industry, which has an enormous potential of contributing to economic growth also through the development of value chains that help strengthen SMEs, foster innovation and create jobs.

MX: Activities in this project can support more buoyant investments, accelerating the development, for instance, of Mexico's potential lithium industry and leveraging the country's potentially strategic position as an EV hub. This can enhance productivity and also boost regional integration with South American countries.

PN: Given the importance mining has acquired in Panama, this project will provide technical support to the authorities geared toward strengthening the sector's institutional framework and leveraging its potential as a key contributor to the region's energy transition.

PE: As mining is a fundamental contributor to Peru's economic health, this project contributes to two priority areas of the strategy, namely (1) productive development, with an emphasis on the job market and higher education, integration into value chains, business environment, and infrastructure; and (2) environmental sustainability and climate change.

Does the proposal align to one or more sector frameworks?

Yes, the proposal aligns with at least one sector framework

Identify and describe how the proposal aligns to the sector framework(s)

Marco Sectorial de Industrias Extractivas (GN-3028-2), Lineas 2-3

Select the regional challenges and cross-cutting issues to which the proposal aligns to

Productivity and Innovation

Economic Integration

Climate Change and Environmental Sustainability

Institutional Capacity and Rule of Law

Justify the alignment to each selection above

Productivity and Innovation, as it promotes the development of regional value chains related to critical minerals like copper, lithium, nickel and others; Economic Integration, as it promotes collaboration between beneficiary countries; Climate Change and Environmental Sustainability, by contributing to national climate targets as critical minerals support the ramp-up of renewable technologies; and Institutional Capacity and Rule of Law, by providing government players with relevant technical information and policy recommendations needed to accelerate the development of critical minerals value chains.

What is the estimated funding that you need in order to implement this proposal?

250000

Select the expected outputs of this proposal

Reform Deliverables (Legislation/Multi-country Agreements, Governance Models, Regulatory Frameworks, diagnostics, etc.)

Policy Dialogues

Knowledge Products

Please provide a brief description of the output(s) selected above (The number of units planned, and the estimated cost). If you selected others, please specify.

The main deliverables include: (i) a technical analysis of the key obstacles in the development of critical minerals value chains in LAC (75K); (ii) identification of public policy and regulatory reforms requirements (75K); (iii) a policy dialogue with relevant constituents (30k); and (iv) a regional roadmap for the development and strengthening of critical minerals value chains, including key country roadmaps (70k).

Outcomes: If the outputs are delivered successfully, what is the change expected (in capacity, knowledge, behavior, etc.)

Understanding of the opportunities, the key obstacles and the public policy requirements needed for the development of regional value chains that strengthen LAC's position as a key supplier of critical minerals for the energy transition. LAC faces a unique window of opportunity to leverage and strengthen its position as a key supplier of the critical minerals needed for the global energy transition.

(0) Attachments

0 Comments

