

 Early Warning System

ADB-59373-001

Responsible Critical Minerals Value Chains for a Clean Energy Future



## Quick Facts

<b>Countries</b>	Laos, Papua New Guinea, Sri Lanka
<b>Financial Institutions</b>	Asian Development Bank (ADB)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	U
<b>Borrower</b>	Government of Laos; Government of Sri Lanka; Government of Papua New Guinea
<b>Sectors</b>	Energy, Industry and Trade, Mining, Technical Cooperation
<b>Investment Type(s)</b>	Advisory Services
<b>Investment Amount (USD)</b>	\$ 1.00 million



### Project Description

As stated by the ADB, the proposed technical assistance (TA) aims to strengthen governance, regulatory frameworks, and enabling environment for private sector development in critical minerals to clean energy technology (CM2CET) value chains and support investment-ready CM2CET projects in concessional assistance countries. The TA will deliver capacity building, policy advice, and knowledge support to enhance public sector management, attract private sector investment, implement strong environment, & social (E&S;) and governance standards and promote regional cooperation and integration. Specific activities will include country-based regulatory and private sector development assessments, regional policy dialogues, capacity building workshops and a regional study to map value chain opportunities and gaps. Across activities, the TA will also support inclusive stakeholder engagement, environmental and social (E&S;) protections and requirements, and knowledge dissemination to align national strategies with regional efforts and catalyze responsible, sustainable, and inclusive CM2CET development. The TA aligns with the strategic focus areas of ADB's Board Direction on Critical Minerals-to-Manufacturing Value Chains for Powering Progress, 2025-2029 and Operational Approach to Diverse, Responsible, and Sustainable Critical Minerals-to-Clean Energy Technology Value Chains, 2025-2029, ADB's Climate Change Action Plan 2023-2030 and Strategy 2030 Midterm Review Strategic Focus Areas (i) climate action, (ii) private sector development, (iii) regional cooperation and public goods, (iv) digital transformation, and (v) resilience and empowerment.

In the face of rapid digital transformation and the transition to net zero, the supply of critical minerals is of strategic importance. Global demand for critical minerals is surging, driven by the need to rapidly deploy clean energy technologies (CET) such as solar panels, wind turbines, electric vehicles (EVs) and transmission and distribution infrastructure. Concessional assistance countries of Asia and the Pacific are a major source of critical minerals such as copper, graphite, manganese, nickel, and rare earth elements. For the countries to catalyze the resource for sustainable and inclusive growth, it will be important to ensure appropriate investment frameworks and robust environmental, social and governance systems.

This boom is reshaping global value chains and creating new opportunities for developing Asia and the Pacific to participate in the CM2CET value chains not just as raw material suppliers, but as contributors to value-added activities. While some of ADB's larger developing member countries (DMCs) have begun to leverage these emerging value chains to drive green industrialization, several of ADB's concessional assistance countries, including Lao Peoples Democratic Republic (PDR), Papua New Guinea (PNG), and Sri Lanka, have yet to translate their mineral endowments into bankable projects and attract foreign direct investment, support domestic value addition and uphold high ESG standards despite having ambitious energy sector targets.

The enabling environment for private sector participation and foreign direct investment as well as governance for managing revenue resources of mineral resources remains weak. Particularly in selected concessional assistance countries, incomplete, fragmented regulatory frameworks, limited infrastructure and public service capacity and coordination to manage mineral resources, and engage and meaningfully consult with stakeholders including the affected communities, and inconsistent application and implementation of ESG standards including transparency, environmental protection (pollution prevention, management of hazardous chemicals and waste, and conservation of biodiversity, ecological functions and habitats) occupational safety and health (OSH), weak labor and working conditions, and absence of grievance mechanisms and protection against reprisal risks undermine both investor and stakeholder confidence and delay projects.vi Additionally, to benefit from opportunities, the workforce needs to be developed through targeted skilling and upskilling programs. These challenges reduce the bankability of CM2CET value chain projects, which often stall in early conceptual stages due to gaps in project preparation, unclear technical and financial viability, poor integration with downstream manufacturing opportunities, and insufficient stakeholder engagement. At the same time, while developing domestic CM2CET value chains can generate substantial economic benefits, there are risks of social disruption and the resource curse if not managed responsibly.



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## Investment Description

- Asian Development Bank (ADB)



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## Contact Information

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### ACCESS TO INFORMATION

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### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



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## Campaign Documents

- [Forum Network Letter – Concerns on ADB CM2CET Value Chains Approach](#)

## Media

- [Building the future: ADB’s new approach to supporting critical minerals-to-manufacturing value chain](#)