

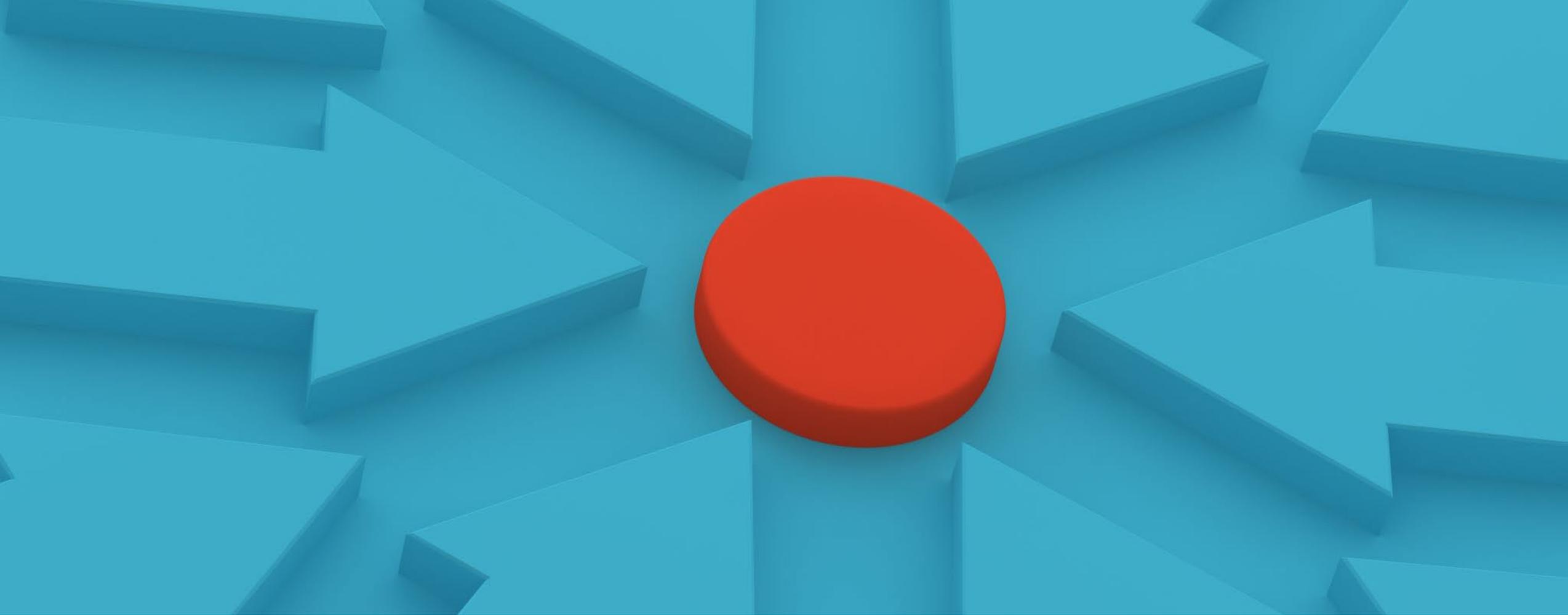
United Nations Trade and Development (UNCTAD)

**15th Multi-Year Expert Meeting on Commodities and Development
14-16 October 2024, Geneva**

**Redefining Domestic Value Addition: UN's Innovative Frameworks for Sustainable and Circular
Growth**

**Dario Liguti
Director, Sustainable Energy
UNECE**

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



Redefining Domestic Value Addition: UN's Innovative Frameworks for Sustainable and Circular Growth

Dario Liguti

Director, Sustainable Energy



UNECE

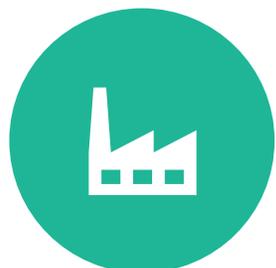
The Potential of Domestic Value Addition



Drives resilience and economic growth: Countries with value-added sectors have shown more robust economic resilience



Increases export value: Processed exports, like cobalt from the DRC, raised revenue from \$167 million to \$6 billion



Creates local jobs: Processing domestically can double job opportunities compared to raw material exports



Meets rising demand in critical sectors: Demand for minerals like lithium is expected to rise by 1500 % by 2050, underscoring the need for local processing

Challenges in Traditional Value Addition Models



Dependence on raw exports: Over 100 countries are reliant on raw commodity exports, which limits economic diversification

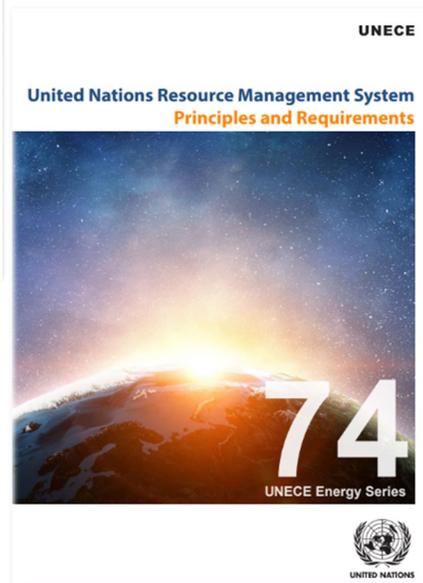
High export tariffs limit local gains: Export tariffs often reduce profitability, discouraging local processing

Skill and technology shortages: Limited access to technology and skills hinders value-added industries in developing countries

Many rely on single commodity exports: This dependency makes economies vulnerable to market fluctuations

Infrastructure gaps raise costs: Developing countries often face higher costs for processing due to inadequate infrastructure

UN Frameworks: A Fresh Perspective on Value Addition



UNFC and UNRMS for sustainable resource classification: These frameworks standardize resource reporting, enhancing transparency



Supports circular economy transitions: UNRMS integrates recycling and reuse, reducing environmental impact and adding value



Enhances investment via clarity: UNFC's clear classification criteria attract sustainable investment by lowering risk



Facilitates alignment with global goals: UNECE frameworks support national policies that align with global sustainability standards



Drives resilience through data transparency: Real-time data provided by UNFC aids countries in making informed decisions

Policy Levers for Sustainable Value Chains in Europe



UNFC is mandated in the EU Critical Raw Materials Act: This enables a standardized approach to resource management within the EU



40% in-EU mineral processing target: EU policy aims to strengthen domestic processing capabilities by 2030



Promotes circularity through UNFC: UNFC supports EU goals for recycling and secondary resource markets

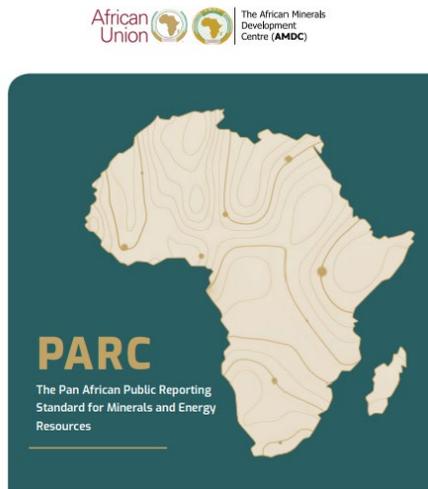


Builds investor confidence: By ensuring resource transparency, UNFC enhances EU's attractiveness to sustainable investors



Aligns with Green Deal goals: Embedding UNFC and UNRMS helps the EU meet its climate and sustainability commitments

Global Standards for Resource Management in Africa



Aligns with the Africa Mining Vision : UN frameworks support sustainable management that aligns with the AMV

AMREC-PARC standardizes reporting: Ensures transparency in resource data across Africa

Supports ESG principles: AMREC-PARC encourages environmentally and socially responsible resource use

Boosts local economies through transparency: Clear reporting standards increase investor confidence and encourage local processing

Fosters circular practices: UNRMS principles are embedded in AMREC-PARC, advancing recycling and waste reduction in Africa

Advancing Circular Economy with ICE- SRMs



Global expertise for sustainable practices: ICE-SRMs promote best practices in resource management worldwide

Enhance regional circularity: ICE-SRMs focus on resource recovery, reducing waste and supporting circular economies

Strengthen ESG compliance: Centres of Excellence help countries adopt ESG frameworks, building sustainable industries

Encourage recycling and secondary markets: ICE-SRMs enable regions to develop secondary resource markets, adding value locally

Build local capacity and innovation: ICE-SRMs provide training and knowledge-sharing to enhance local expertise

UNRMS in Action: Cornwall's Path to Sustainability



Focuses on sustainable critical mineral use: Cornwall, UK, applies UNRMS to manage critical minerals sustainably



Supports low-carbon mining methods: UNRMS enables Cornwall to adopt environmentally friendly techniques



Boosts circular economy through recycling: Cornwall leverages UNRMS for recycling mine waste



Encourages stakeholder collaboration: UNRMS facilitates cooperation among government, businesses, and communities



Contributes to net-zero goals: Cornwall aligns its resource management with the UK's climate targets

Redefining Success in Domestic Value Addition

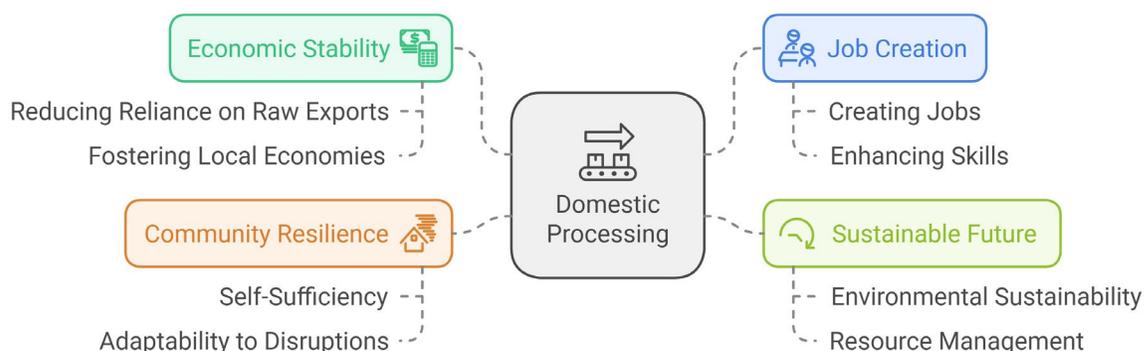
Moves away from linear models: UNFC and UNRMS promote circular approaches that reduce waste and enhance efficiency

Promotes resilience and self-sufficiency: Domestic processing reduces reliance on raw exports and fosters local economies

Integrates sustainability in value addition: Frameworks embed environmental goals into resource management, ensuring long-term viability

Supports recycling and secondary industries: Circular practices create new value streams from waste, enhancing local industries

Global examples of success: Case studies from Europe, Africa, and Asia demonstrate the efficacy of these frameworks



Innovative Solutions for Sustainable Value Addition

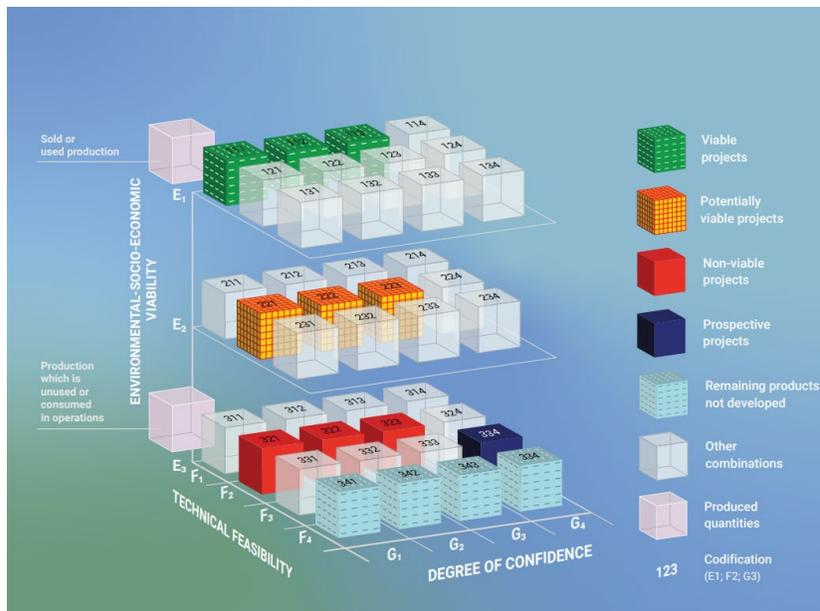
Resource servitization: UNRMS encourages models where services replace ownership, reducing environmental impact

Integrates sustainability across resource life cycles: UNFC covers all stages from extraction to disposal, ensuring alignment with sustainability goals

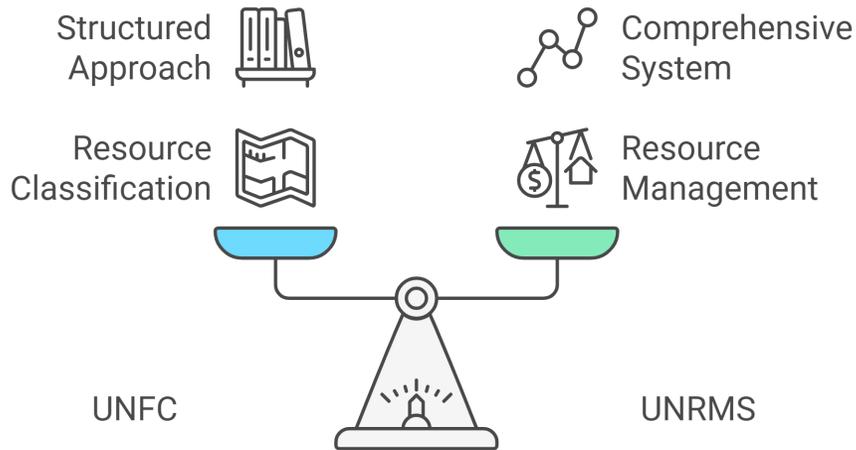
Facilitates flexible, adaptive business models: Servitization and adaptive frameworks enable resilience in shifting markets

Expands circular economy opportunities: UNRMS promotes resource reuse, which strengthens domestic value chains and reduces imports

Encourages local innovation and competitiveness: Frameworks support local businesses in adapting to sustainable practices that boost competitiveness



UN Frameworks for a Sustainable Future



Comparing UNFC and UNRMS in sustainable resource management.



Empowers countries for sustainable growth: UNFC and UNRMS enable countries to achieve resilience and economic stability through sustainable practices



Circular economy is essential for efficiency: Recycling and reuse enhance resource efficiency, creating new value streams and reducing environmental impact



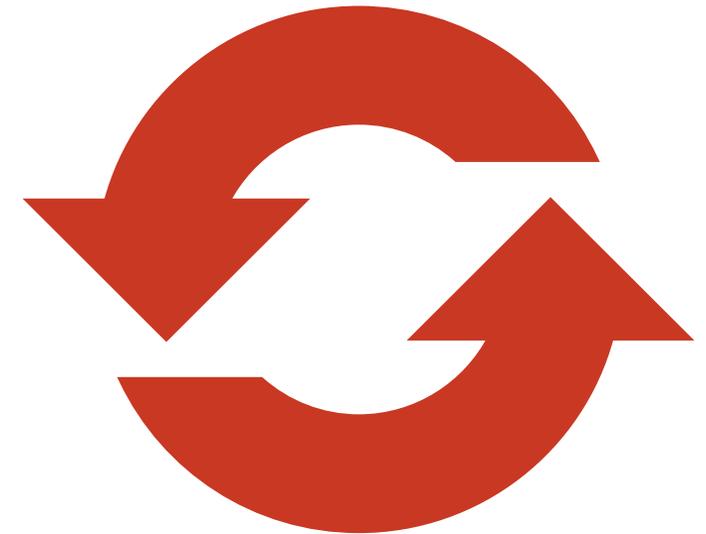
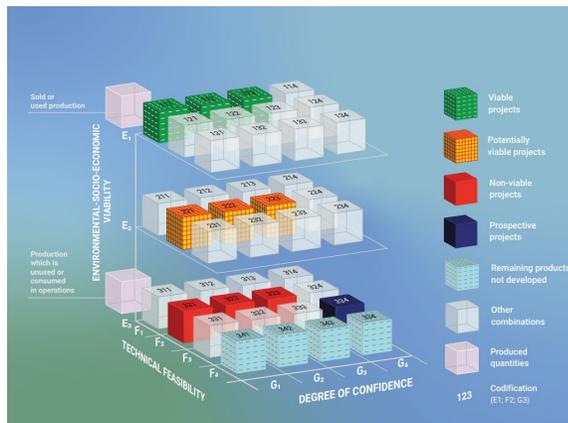
Innovative models foster adaptability: UN frameworks support business models that evolve with market needs, ensuring long-term competitiveness



UN frameworks provide global applicability: Applied successfully in diverse contexts, UNFC and UNRMS are proven tools for achieving sustainable resource management

UN Frameworks for a Sustainable Future

- UN driving the transformation: UN frameworks offer reliable, adaptable solutions for countries aiming to redefine value addition sustainably





More about UNFC and UNRMS:

reserves.energy@un.org

<https://unece.org/sustainable-energy/sustainable-resource-management>

UNECE Resource Management Week 2025

Palais des Nations, Geneva, 24-28 March

<https://unece.org/info/Sustainable-Energy/events/395469>

Thank you!

Dario Liguti
Director, Sustainable Energy

UNECE

Date 15 | 10 | 2024, Geneva



Sustainable Resource Governance



UNECE