



The United Nations Secretary-General's Panel on Critical Energy Transition Minerals

Terms of Reference

1. Background

The energy transition and successfully reaching the goal of the Paris Agreement to limit global temperature rise to 1.5 degrees Celsius by the end of the century depends heavily on the sufficient, reliable and affordable supply of critical energy transition minerals. According to the International Energy Agency, the demand for these minerals is set to almost triple over the period to 2030 as the world transitions from fossil fuels towards renewable energy sources.

As extraction accelerates to match the needs of the energy transition, it will be crucial to ensure the countries and local communities endowed with these resources are the ones to benefit most, in line with a just and equitable energy transition and long-term sustainable development. Stakeholders will need to build trust, reliability, sustainability, and benefit sharing in existing and any new energy transition minerals value chains, while maximizing local value addition and minimizing negative environmental and social impacts.

Without proper management, increased demand for these critical energy transition minerals risks exacerbating geopolitical tensions and environmental and social challenges. These include adverse impacts on livelihoods, environment, health, human security and human rights. In response, there has been a proliferation of national, intergovernmental, and industry-led initiatives to address these various supply chain challenges and attempt to reduce risks.

However, there is a growing need to better coordinate, consolidate and strengthen these efforts and policies by providing globally agreed guidance to ensure responsible, fair and just value chains, as well as a reliable and sustainable supply of these minerals for the energy transition.

In response to calls from developing countries for support to develop such guidance, the UN Secretary-General announced at COP28 that he would establish a Panel on Critical Energy Transition Minerals. The Panel was launched in April 2024 and brings together governments, intergovernmental and international organizations, industry and civil society. It was tasked by the Secretary-General to develop a set of global common and voluntary principles to guide countries, extractive industries, the UN and other stakeholders up and down the critical energy transition minerals value chains in the years ahead.

The outcome of this process will overlay and complement the work of the UN Secretary-General's Working Group on Transforming the Extractive Industries for Sustainable Development and its flagship initiative on 'Harnessing Critical Energy Transition Minerals for Sustainable Development.'

2. Tasks

The Panel will develop a set of global and common voluntary principles on issues which are key to building trust between governments, communities and industry, enhancing transparency and investment and ensuring a just and equitable management of sustainable, responsible, and reliable value chains for terrestrial critical energy transition minerals.

The principles should seek to fulfill the following objectives:

- Support global decarbonization by enabling mineral-producing countries to yield sustainable economic and social benefits from their mineral resources and value chains.
- Support a just and equitable transition to renewable energy supply while harnessing critical energy transition minerals for sustainable development.
- Promote research and development, sound infrastructure, and a growing skills base in mineral-producing countries.
- Integrate and strengthen global supply chains of critical energy transition minerals and the support for economic diversification, and green industrialization, while ensuring sustainability of these value chains globally, particularly in developing countries.
- Ensure countries and local communities endowed with these minerals resources fully benefit economically, including through local value addition, while safeguarding human rights, social and environmental protections for affected communities and ecosystems.
- Build and preserve inter-generational equity through sustainable management and effective governance of critical energy transition minerals value chains.
- Strengthen international cooperation including through the transfer of technology and knowledge and the alignment and harmonization of existing norms, standards and initiatives and agree on areas for enhanced multilateral action.
- Promote global resource efficiency and circularity.
- Promote the implementation of the agreed to principles of the multilateral system, including the UNFCCC and its Paris Agreement.

3. Scope

The following non-exhaustive areas could be covered by the principles, building on existing commitments and agreed frameworks:

i. Benefit sharing, local value addition and economic diversification

Ensuring any benefits from the extraction, production and processing of critical energy transition minerals are shared fairly, particularly with local communities and mineral-producing countries, while also contributing to the economic structural transformation of mineral-producing developing countries by introducing new sustainable upstream, side-stream and downstream activities linked to critical energy transition minerals, generating more employment, higher and more stable revenues and intergenerational social economic advancement.

ii. Transparent and fair trade and investments

Enabling trade and investments in critical energy transition minerals through fair, transparent and accountable practice and cooperation, across entire supply chains, supported by innovation, technology sharing and capacity development.

iii. Sustainable, responsible and just value chains

Promoting environmental sustainability, ensuring the protection of human rights including the right to development, securing social justice, encouraging responsible businesses and governments to preserve the integrity of the environment, implementing and upholding the rule of law, contributing to climate action, supporting circular economy principles of reuse, recycle and recovery, and going beyond doing no harm to create net positive benefits, including through value addition and community benefit sharing. Furthermore, ensuring protection and respect of the human rights of Indigenous Peoples, local communities, workers, children and people affected by mineral development.

iv. Mineral value chain stability and resilience

Facilitating the reliable, resilient, secure, sustainable and affordable supply of critical energy transition minerals through cooperation between producers and consumers including the expansion, access, financing, infrastructure and diversification of mineral supply chains, as well as respect for the principle of sovereignty, equal rights, right to development and self-determination of peoples.

4. Mode of Operation

In discharging its tasks, the Panel will build on existing national, intergovernmental and industry-led initiatives and commitments to develop the principles through an inclusive and transparent process that intensifies international cooperation and collaboration in the field.

The Panel will conduct its work in accordance with the following modalities:

- **Panel meetings:** The Panel will meet as often as needed, based on a work plan to be proposed by the Co-Chairs at the first meeting of and agreed by the Panel, to ensure delivery of its tasks. Meetings will generally be virtual, but with in-person meetings as needed.
- **Consultations:** The Panel will engage in inclusive consultations with a broad range of stakeholders including Member States, UN entities, international and intergovernmental organizations, industry stakeholders and civil society, as well as existing initiatives and platforms focused on critical energy transition minerals value chains.
- **Technical and policy support:** Relevant UN and key technical partners will provide technical, scientific and policy advice to the Panel.

The Panel will be supported by a Panel Secretariat co-led by the United Nations Secretary-General's Climate Action Team (CAT), the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Environment Programme (UNEP). The Panel Secretariat will lead operational activities and coordination.

The Panel Secretariat will include a Technical Advisory Group, composed of UNCTAD, UNEP, the International Labour Organization, the Office of the High Commissioner for Human Rights, Sustainable Energy for All, the United Nations Development Programme, the United Nations Economic Commission for Africa, the United Nations Economic Commission for Europe, the United Nations Economic Commission for Latin America and the Caribbean, the United Nations Economic and Social Commission for Asia and the Pacific, the United Nations Economic and Social Commission for Western Asia, the United Nations Children's Fund, the United Nations Industrial Development Organization, the United Nations Global Compact, the United Nations Office on Drugs and Crime, the World Trade Organization and the Assistant Secretary-General for Youth Affairs and potentially other relevant entities to provide substantial inputs and technical advice to aid the work of the Panel.

5. Membership

The UN Secretary-General will appoint members to the Panel ahead of the first meeting of the Panel. In doing so, due consideration will be given to ensure geographic and gender balance. Governments, intergovernmental and international organizations, and non-state actors selected by the Executive Office of the Secretary-General will be asked to nominate an expert representative to join the Panel. Panel members shall have proven expertise in the extractive industries field or a related area.

The Secretary-General will appoint the two Co-Chairs of the Panel from among its members, taking into account regional diversity.

The Co-Chairs will:

- Convene and chair Panel meetings;
- Steer process and facilitate common ground and consensus;
- Oversee the work of the workstreams;
- Oversee and guide drafting and finalization of guiding principles.

Membership to the Panel is non-transferable, unless agreed by the Panel Co-Chairs in consultation with the Executive Office of the Secretary-General.

Membership to the Panel will be based on role and affiliation. Consequently, if an individual Panel member changes their position their membership will cease. Exiting or withdrawal from the Panel can be done at any time, by a letter addressed to the Co-Chairs and Executive Office of the Secretary-General. If such a situation arises, the Secretary-General will review the need to appoint another member as a replacement.

6. Timeline

The Panel will submit its work to the Secretary-General ahead of the United Nations General Assembly in September 2024.

7. Budget and Staffing

Operational costs of the Panel and Panel Secretariat will be funded by donor resources. This funding will be provided without stipulation of outcomes or objectives or conditions of any kind.

Decisions on resource allocations and expenditures will be made by the Executive Office of the Secretary-General, in consultation with the co-leads of the secretariat.

Members of the Panel will be responsible for their own costs related to their participation in the Panel meetings, unless otherwise agreed with the Executive Office of the Secretary-General.

8. Confidentiality

Members of the Panel, as well as the entities or organizations that they represent, will treat as confidential the Panel's deliberations, all drafts of the Panel's work and any information, document or data that is communicated or received by the Panel on a confidential basis.

9. Press Statements

Issuance of any press statements by the Panel or its members concerning the work, findings and recommendations of the Panel, will be subject to the Executive Office of the Secretary-General's prior written approval.

10. Performance of Functions

The UN, including its Funds and Programmes, and UN Specialized Agencies will exercise their role in relation to the Panel in accordance with their respective governing instruments, including their respective regulations, rules, procedures and policies.

11. Archiving

Upon the completion of its work, the records of the Panel will be transferred to the Archives and Management Section.