Deep Dive Workshop Panel 3

ADB Approach:
Critical Minerals and Clean Energy Technologies Supply Chains

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A OneADB Approach Paper will focus on ADB’s role in supporting the development of resilient, responsible, and sustainable supply chains for critical minerals and clean energy technologies.

Key Messages:

- Bottlenecks, shortages and geographic concentrations in the supply chains for critical minerals (CM) and clean energy technologies (CET) risk delaying the energy transition, affecting the affordability and adoption of CET.
- Resilient, responsible, and sustainable supply chains are required in order to achieve ADB’s developing member countries (DMCs) net-zero goals.
- ADB’s DMCs have considerable advantages in developing and processing CM and in manufacturing CET.
- Developing the CM and CET supply chains can be an economic driver for ADB’s DMCs: the clean energy transition can create jobs and economic growth.
- A significant expansion of investment in CM and CET supply chains is required; and intervention by MDBs is crucial to de-risking.
- Regional cooperation and integration through CM and CET supply chains are needed to facilitate and accelerate the clean energy transition.
Why ADB Should Focus on CM and CET Supply Chains

• ADB can leverage billions into trillions by using its increased availability of OCR.

• CM and CET work is aligned with ADB priorities—Energy Policy 2021 and Operational Priority 7 (RCI).

• ADB can leverage its established regional cooperation platforms such as GMS, SASEC, and CAREC to support the development of CM and CET supply chains by fostering regional partnerships.

• ADB can advocate for and strengthen ESG safeguards and sustainable practices.

• ADB has an opportunity to join its peer MDBs in supporting resilient, responsible, and sustainable CM and CET Supply Chains.

• ADB teams have received requests from DMCs and have started providing support on CM and CET supply chains challenges.

• ADB can maximize development impact in CM and CET supply chains by working strategically as OneADB team.

THE ENERGY TRANSITION AND REGIONAL COOPERATION AND INTEGRATION TEAMS CO-LEADING THE DEVELOPMENT OF THE OneADB APPROACH PAPER
Focus of ADB support for CM and CET supply chains

Maximizing development potential by fostering regional partnerships, catalyzing finance, and strengthening ESG and sustainability

- **Climate Bank:**
  - Increase lending to support region in meeting its climate targets
  - Facilitate a fair transition

- **Regional Development Bank:**
  - Strengthen regional cooperation and integration with global supply chains
  - Support responsible production and processing of CM and CET
  - Accelerate decarbonization of value chain

- **Knowledge Bank:**
  - Provide policy advice and support for industrial, energy, trade, and fiscal policy design

CM= critical minerals; CET= clean energy technology; ESG= environment, social, and governance
Focus of ADB support for CM and CET supply chains

Proposed Solutions of CM and CET Supply Chains Regional TA

**Impact:** Development of diversified and responsible CM and CET manufacturing supply chains supported

**Outcome:** DMC’s capacity for developing diverse and responsible CM and CET manufacturing supply chains increased

- **Amount:**
  - EAKPF: $1.00 million
  - TASF: $0.25 million
  To be topped up with additional funding

- **Approval date:**
  - TA Concept Note: 27.03 2024
  - TA Report June 2024

- **Implementation period:**
  2 years
  (June 2024~June 2026)

**Output 1:**
- Approach Paper
- Scoping studies

**Output 2:**
- Stakeholder consultations and policy dialogues

**Output 3:**
- Project pipelines
- Capacity building support

CM= critical minerals; CET= Clean Energy Technology; DMCs= developing member countries; RETA= regional technical assistance
Key Topics for Discussion

1. Opportunities where ADB can support
2. Most likely ADB interventions and support modalities
3. Likely demand for ADB support from DMC clients
4. CM and CET of greatest interest
5. Prospects for regional cooperation and integration
6. Risks that we need to consider
Thank you.