Critical Minerals and the Green Transition

Good Practices, Positive Examples & Recommendations for Conflict-Sensitive Approaches

ECCP Green Transition Policy Working Group | Summary Brief | March 2026

WHY THIS MATTERS

The green transition depends on critical minerals — lithium, cobalt, copper, nickel, and rare earths — for renewable energy, EVs, and battery storage. Under a global net-zero by 2050 pathway, demand could increase sixfold by 2040 as electric vehicle deployment accelerates and grid-scale battery storage expands (IEA, 2021). Yet extraction is concentrated in fragile and conflict-affected states: the DRC alone produced roughly 74% of global cobalt in 2024 (USGS, 2025), and the top three cobalt refining nations now control 86% of processing capacity (IEA, 2025).

This concentration of refining capacity tightens control over global supply chains, heightening geopolitical tensions and compounding risks in fragile settings. Trade and investment in critical minerals are deeply entangled: conflict-free mineral supply chains are not only a human rights and environmental concern but a prerequisite for the integrity of global commerce and the energy transition itself.

Without conflict-sensitive approaches, the rush for minerals risks displacement, corruption, environmental harm, and fuelling and sustaining armed conflict. In the DRC, the M23 and allied armed groups tax the mineral trade, earning an estimated $800,000 per month — illustrating how critical mineral supply chains can directly finance conflict economies (IRC, 2026). As governments advance mineral security and permitting reform, maintaining robust environmental review, civic space protections, and Indigenous rights safeguards is essential to ensuring that accelerated supply strategies do not exacerbate conflict risks.

GOOD PRACTICES

- **Supply chain due diligence:** Apply the OECD Due Diligence Guidance for Minerals from Conflict-Affected and High-Risk Areas (CAHRAs) across the full chain — extraction through manufacturing — with environmental and conflict-sensitive risk assessments. Integrate conflict-sensitive sourcing criteria into procurement contracts and supplier engagement strategies to operationalise buyer leverage (EU Batteries Regulation, 2023).
- **Community engagement & FPIC:** Ensure meaningful consultation with affected communities and stakeholders, including Indigenous peoples and women, respecting Free, Prior and Informed Consent. Establish transparent, equitable benefit-sharing and community development agreements to mitigate land and resource-related grievances (UN General Assembly, 2007).
- **Grievance & remedy:** Establish accessible, culturally appropriate grievance mechanisms and independent oversight processes to address community concerns before they escalate into conflict (UN Guiding Principles, 2011; IFC Performance Standards, 2012; IRMA, 2023).

- **Transparency & governance:** Support EITI implementation (now 55 countries; EITI, 2025), contract transparency, and multi-stakeholder oversight platforms. Conduct corruption risk assessments to identify and mitigate governance vulnerabilities that could risk mineral revenues fuelling armed conflict. Ensure mineral revenues contribute to local communities, regional economies, and public budgets.
- **Environmental & social safeguards:** Conduct cumulative impact assessments and implement mitigation, monitoring, and adaptive management measures to prevent environmental degradation, livelihood loss, and associated community grievances. Establish community-inclusive plans for mine closure from the outset and adequate financial assurance mechanisms to avoid legacy harms (GRI, 2024; IRMA, 2023).
- **Responsible investment & corporate responsibility:** Apply conflict-sensitive portfolio screening in mining finance that goes beyond standard ESG criteria. Address the paradox whereby large European pension funds have divested from mining on ESG grounds, yet continue to invest in downstream technology companies whose supply chains depend on the same extraction, carrying the same human rights and conflict risks—a pattern that merely shifts accountability. Integrate environmental and human rights commitments into binding supply chain obligations and ensure that conflict-sensitivity criteria apply across the full investment chain.
- **International trade & supply chain integrity:** Recognise that trade and investment in critical minerals are deeply entangled. Embed conflict-free mineral sourcing requirements into trade agreements and international supply chain frameworks. Ensure that trade facilitation measures for critical minerals do not undermine environmental and human rights standards in producing countries.
- **Security governance:** Align public and private security arrangements with the Voluntary Principles on Security and Human Rights; ensure clear protocols to prevent excessive use of force and protect human rights defenders (Voluntary Principles Initiative, 2023).
- **Enforcement & accountability:** Develop and strengthen multi-stakeholder accountability mechanisms that bring together local communities, host governments, donor governments, companies, investors, NGOs, and civil society to monitor, verify, and enforce responsible mining standards. Support the codification of voluntary commitments into binding legal frameworks where feasible, while ensuring that non-binding standards are backed by credible independent verification, public reporting, and meaningful consequences for non-compliance (OECD, 2016; EITI, 2023; IRMA, 2023). Advocate for mutual accountability across the supply chain so that enforcement obligations are shared, not concentrated solely on producing countries or individual companies.

POSITIVE EXAMPLES

GRI 14 Mining Sector Standard: Published February 2024, effective January 2026, this is the first global transparency standard for mining. It requires companies to report on activities and risks in Conflict-Affected and High-Risk Areas across 25 material topics, developed with input from EITI, IRMA, ICMM, and the OECD (GRI, 2024).

G-AiD Mine Alert System (Burkina Faso): A GIS-based geolocation app launched in 2020 that provides open-access mining permit boundary data on mobile phones, reducing violent conflicts between artisanal miners and industrial companies by enabling stakeholders to verify their rights before entering the field (Conciliation Resources, 2024). Burkina Faso has also used EITI implementation to disclose large-scale mining data and investigate gender dimensions of mining (EITI, 2023).

DRC cobalt export suspension (2025) — emerging example: The DRC halted cobalt exports for eight months, resuming with quotas at less than half of 2024 output — the most significant assertion of mineral sovereignty by a producing country in decades, raising critical questions about the balance of power in supply chains (New America, 2025).

Africa's push for mineral value addition: Across the continent, there is growing momentum to shift from the exportation of raw mineral ores toward in-country value addition, which attracts greater revenue for producing countries and, critically, can increase economic benefits for mining-affected communities (Mavhunga, 2023).

International Alert — Madini Programme: The Madini (Minerals for Peace and Development) programme works across the Great Lakes region to strengthen community-level governance of mineral resources and promote conflict-sensitive mining practices.

IRC — From the Mines, Back to School (DRC): An IRC programme focused on reclaiming futures for girls involved in artisanal mining in eastern Congo, demonstrating the intersection of child protection, gender, and extractive governance.

EBRD mining standards: Maintained robust environmental and social standards for mining investments in sub-Saharan Africa, demonstrating that development finance standards need not be weakened under commercial pressure (EBRD, 2019).

RECOMMENDATIONS BY STAKEHOLDER

Stakeholder	Priority Actions
Producing country governments	Enforce conflict-sensitive impact assessments; enforce corporate responsibility practices — notably ensuring meaningful consultations and transparent revenue-sharing with mining-affected communities; protect civic space for monitoring; pursue local value addition and downstream processing to retain greater economic benefit.
Consuming country governments	Embed binding conflict-sensitivity and human rights requirements in minerals strategies, trade agreements, and international supply chain frameworks; spearhead education and awareness campaigns; implement mandatory HREDD legislation; ensure trade facilitation measures do not undermine standards in producing countries.
Mining companies	Go beyond compliance to embed conflict-sensitivity and corporate social responsibility in operations; report against GRI 14 on CAHRA risks; participate in IRMA certification; ensure meaningful community engagement throughout the project lifecycle.
Investors & DFIs	Apply conflict-sensitivity screening beyond standard ESG; engage with portfolio companies on supply chain risks rather than relying solely on divestment, which shifts accountability without reducing harm; ensure conflict-sensitivity criteria apply across the full investment chain, including downstream technology companies.

International organisations	Harmonise responsible sourcing frameworks; integrate critical mineral governance into COP and multilateral climate processes; facilitate sharing of best practices between governments; strengthen accountability and enforcement mechanisms across international frameworks.
Civil society & peacebuilders	Build technical understanding of mineral supply chains; document and amplify community voices; bridge peacebuilding expertise with corporate social responsibility and environmental justice efforts to better target extractive governance and ensure accountability.

KEY STAKEHOLDERS WORKING ON THIS

International: IEA, OECD, World Bank, UNEP, EITI, UN Critical Minerals Panel, Intergovernmental Forum on Mining, Minerals and Sustainable Development (IGF/IISD).

Think tanks: CSIS, Stimson Center, Atlantic Council, Chatham House, SIPRI, IISD, Natural Resource Governance Institute (NRGI).

NGOs: Global Witness, Oxfam, Publish What You Pay, International Alert, Saferworld, PACT, European Environmental Bureau (EEB), IRC, IPIS.

Standards & industry: IRMA, ICMM, RMI, Global Battery Alliance, GRI.

Finance: Global Investor Commission on Mining 2030, EBRD.

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