Preparing the Mining Industry Towards Just Energy Transition

A presentation on the energy transition, its impact on the Philippine mining, coal, oil, and gas industries, and how the EITI can be utilized for energy transition planning

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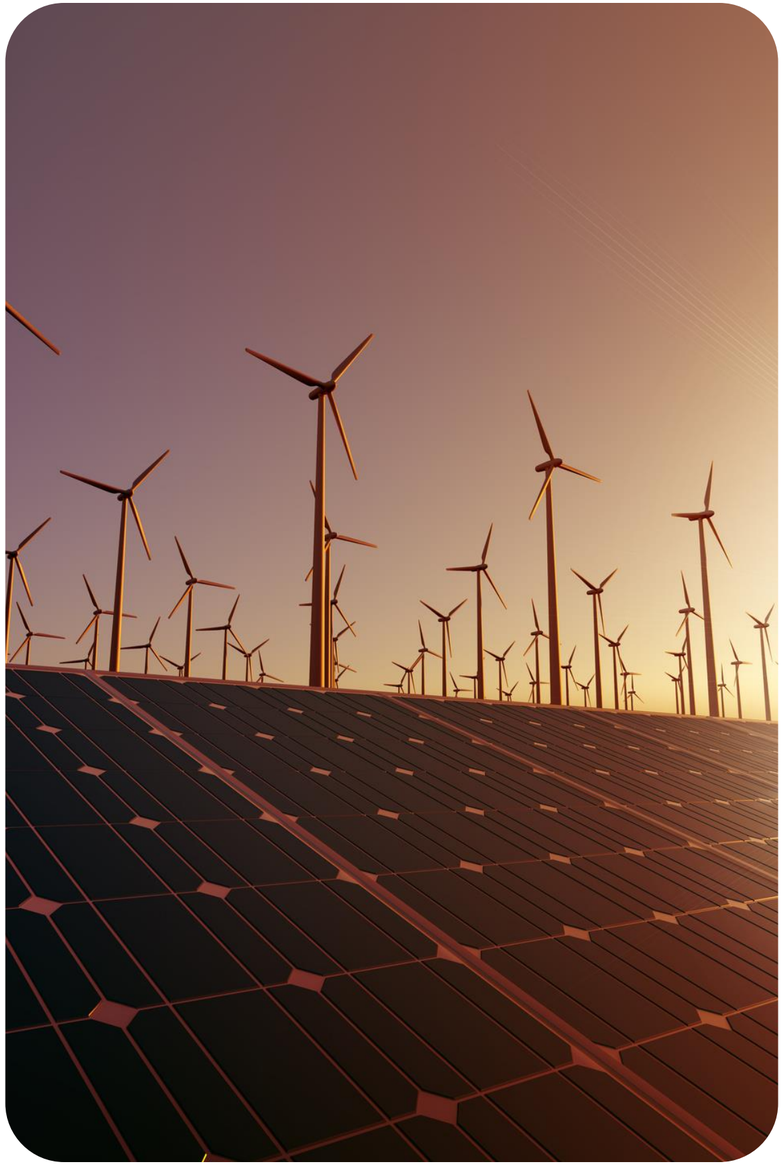


What is the energy transition?

- Energy transition is the **systemic shift from fossil fuels** (coal, oil, gas) to renewable energy sources
- Global **response to climate change**, aiming to reduce carbon emissions as part of the Paris Accord that was promulgated in 2015
- The Philippines has committed a projected **emissions reduction and avoidance of 75%** through its 2021 Nationally Determined Contribution (NDC)
- Significant amount of **energy transition minerals or critical minerals** – including nickel, cobalt, and copper, are needed to manufacture renewable energy technologies.

What are the implications?

- The Philippines is one of the most mineralized countries in the world. According to the **Philippine Statistical Authority**: 1.7 billion metric tons of silver, 2 billion metric tons of copper, and 715 million metric tons of nickel

- **International Renewable Energy Agency:** the Philippines is a leading producer of nickel and cobalt.

- **Mines and Geosciences Bureau:** 60% of large-scale metallic mineral production is already composed of critical minerals in 2021

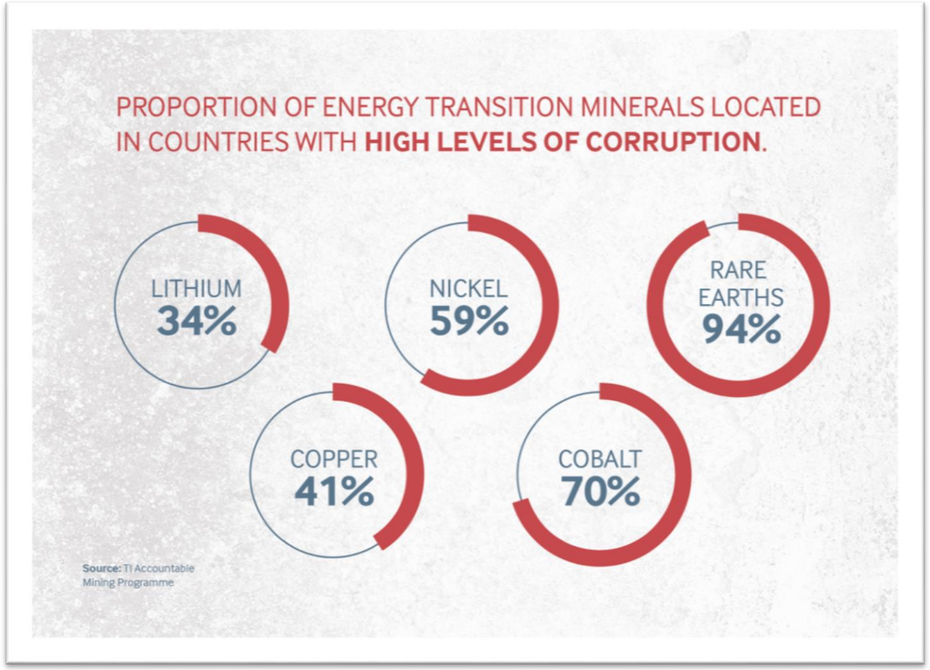
- **International Energy Agency:** demand for critical minerals is projected to **triple by 2030**

What are the opportunities?

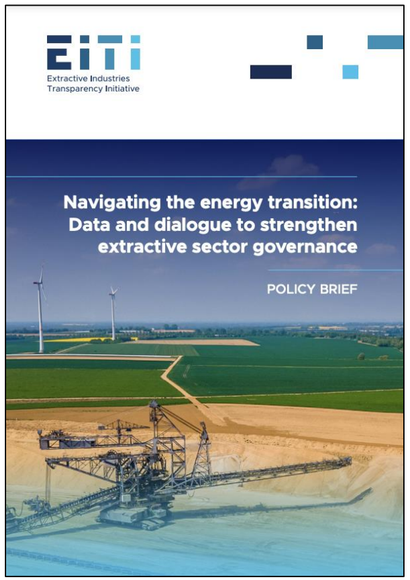
- **Generate more jobs, investments, and economic activities** in the mining sector;
- **Increase in mining revenues** at the national and local level due to increase in demand and prices
- **Domestic mineral processing** and greater participation in the critical minerals value chain to generate more jobs and economic value from our minerals

What are the challenges?

- On governance:
  - Natural Resource Governance Institute: **high corruption risks** in countries hosting critical minerals;
- On environmental degradation:
  - Simkins et al: Global study found that **28% of the country's key biodiversity areas (KBAs)** already have existing infrastructure related to **mines or oil-and-gas extraction**.
- On social impacts:
  - Owen et al: **51% of 5,097 critical mineral projects** are located in or near **indigenous and peasant lands**



How can EITI be utilized in energy transition planning?



- **Equip local stakeholders with the capacity and tools** to plan for a future where we no longer depend on fossil fuel and we need more minerals for renewables technology.
- The EITI provides data and platforms for dialogue to enable stakeholders to plan for the energy transition:
  - In Iraq, the government is using Iraq EITI data to develop a revenue forecasting model for its national oil company, SOMO;
  - In Trinidad and Tobago, their Trinidad and Tobago EITI encourages participating companies to report on their environmental impacts (e.g., water consumption) for improved management of their extractive industries.

How can we better prepare for the energy transition?

- **Raise awareness** and continue discussions around the challenges and opportunities at the national and local level
- Assess the **dependence of the local economy** and plan for **economic diversification** and long-term sustainable development
- Ensure **transparency, inclusive stakeholder engagement, and social and environmental safeguards** are in place and implemented

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