



GLOBAL COUNCIL
FOR RESPONSIBLE
TRANSITION MINERALS

G7+ Pathways for Financing Responsible Mineral Value Chains

Policy Note

*Developed by the Global Council for Responsible Transition Minerals and its
Special Advisor Working Group on Financing Responsible Transition Minerals*

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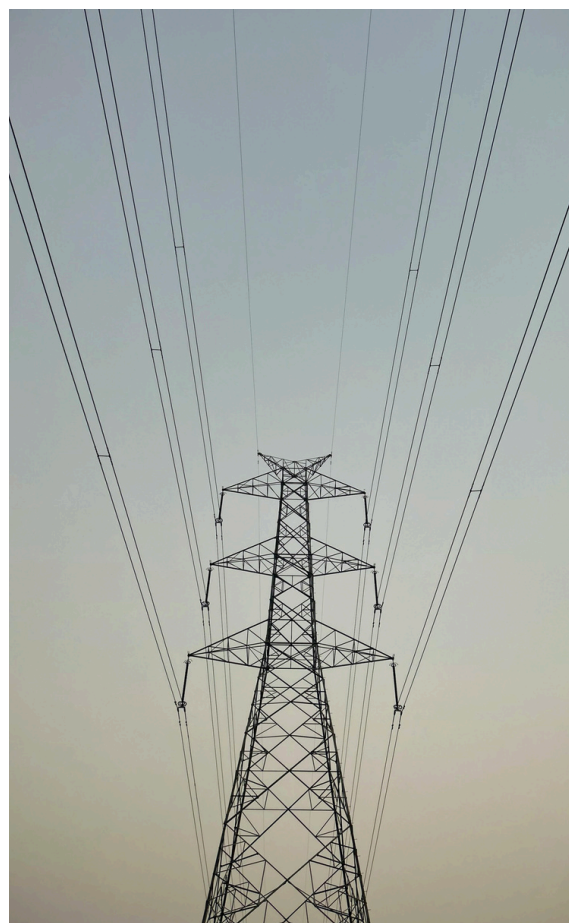


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EXECUTIVE SUMMARY

The G7+ should develop a financing framework that makes responsible mineral projects more bankable, more predictable and more development-relevant by implementing high standards and stronger, more balanced partnerships with producing countries as foundations for durability. As minerals financing is increasingly shaped across multiple forums and geopolitical settings, G7+ efforts should be designed to contribute to broader dialogue with producer countries and other multilateral processes, rather than reinforce fragmented approaches to mineral governance.

- Responsible mineral value chains are central to the energy transition and the achievement of climate goals, while also carrying growing importance for economic security, industrial resilience and international stability, yet **current financing frameworks are still not delivering investment at the scale, speed or quality required.**
- The main constraint is not found only in the availability of capital, which remains a particular challenge for smaller and junior companies, but in the **difficulty of making responsible mineral projects bankable** in the face of long lead times, high upfront costs, policy uncertainty, volatile prices and uneven project readiness. These constraints largely depend on commodity type, geography, project stage and type of company.
- **Geopolitical tensions, trade disruption and fragmented industrial strategies** further weaken investor confidence and complicate long-term planning across the value chain.
- A durable response must address not only finance, but also **improving the wider conditions for investability**: prudential treatment, market design, infrastructure, regulatory stability and project preparation.
- **Producing countries should be treated as long-term partners**, not only as sources of supply. Financing approaches are more likely to be durable where they support local value creation, infrastructure, employment, skills, fiscal benefits and stronger domestic capacity, in addition to avoiding socio-environmental harms.



- G7+ governments should leverage ongoing G7 critical minerals cooperation mechanisms like the G7 Critical Minerals Production Alliance to **build a coherent framework for cooperation with producing countries**, including project-preparation support, technical assistance, technology and skills transfer, institutional strengthening and investment in enabling shared-use infrastructure, notably power, water, logistics and transport.
- Projects should qualify for support through clear, **rules-based eligibility systems** rather than discretionary political selection, with objective criteria covering strategic relevance, commercial viability, project readiness, environmental performance and governance standards, while allowing for differentiation across minerals and value chain segments.



- Projects meeting that test should gain access to a **standard package of de-risking tools** that include both instruments that allocate risk and conditions that reduce risk - adapted as needed to different minerals. This should include partial guarantees, long-tenor policy-bank lending, development-finance participation, export credit support and, where justified, targeted project-preparation funding to improve bankability by reallocating credit, political, construction, price and offtake risks. To help reduce underlying risks that make projects unstable over time, public financing should be guided by a transparent framework of conditions, which could draw on elements such as transparency, accountability, social and environmental standards, and local value creation, where relevant to the project's long-term sustainability and public-policy rationale.
- **Standards, traceability and transparency mechanisms should strengthen participation** by producing countries, rather than creating fragmented or exclusionary systems, while remaining practical and interoperable.

POLICY RECOMMENDATIONS

A more coherent financing approach should rest on a small number of practical priorities, sequenced to reflect both impact potential and the likelihood of near-term consensus.

FIRST, establish a rules-based eligibility system.

Support should be linked to a clear, transparent and objective test, rather than to discretionary political selection.

SECONDLY, use public finance more strategically.

Guarantees, long-tenor lending, project-preparation support and targeted de-risking tools should be used to crowd in private capital where commercial barriers remain too high.

THIRDLY, improve market predictability.

Governments should support more stable investment conditions, stronger demand visibility and proportionate market-shaping tools where volatility is preventing viable projects from moving forward.

FOURTHLY, invest in readiness in producing countries.

Geological data, exploration plans, feasibility assessments, project preparation, infrastructure, administrative capacity and local value creation should be treated as part of the financing agenda, including through support to regional facilities where appropriate.

FINALLY, align resilience with cooperation and climate goals.

A durable model for responsible mineral value chains should strengthen security of supply while also supporting fairer partnerships with producing countries and more credible international cooperation. As essential inputs to the achievement of climate goals, responsible mineral value chains should not be treated as a separate financing challenge, but better connected to climate finance frameworks.



1. WHY THIS MATTERS

Governments have become far more alert to the risks created by the concentration of mineral production, processing and refining in a small number of jurisdictions. That shift reflects a combination of factors: rising demand from the energy transition, digital technologies and defence; greater economic-security concerns linked to current conflicts and the disruption they have caused to energy markets and trade routes; sharper geopolitical and trade tensions around strategic technologies and industrial capacity; and a growing determination among producing countries to capture more value through domestic processing and refining as well as through stronger industrial capabilities, infrastructure and broader development gains linked to mineral investment.

The result is a more interventionist and politically charged environment for investment across mineral value chains. Yet greater political attention has not, by itself, produced the level of investment needed to build broader, more resilient and commercially sustainable supply chains. The IEA estimates that around USD 800 billion in mining investment will be needed between now and 2040 to remain on track with a 1.5°C-aligned pathway, while UNCTAD has highlighted a USD 225 billion investment shortfall in critical mineral mining projects in developing economies.

Finally, transition minerals are central to climate goals, yet mineral financing and climate finance frameworks have largely evolved on separate parallel tracks. Better connecting these agendas would help position responsible mineral value chains as part of the investment challenge of the energy transition, while accounting for their industrial, geopolitical, development and socio-environmental dimensions.

The challenge is therefore not simply to mobilize more public and private capital. It

is to make responsible mineral projects financeable over time.

2. THE FINANCING GAP IS ALSO A BANKABILITY GAP

Responsible mineral projects remain difficult to finance because three constraints tend to reinforce one another.

First, many such projects involve **long development cycles, high upfront costs and extended payback periods**, while operating in contexts marked by permitting risk, policy uncertainty and sharp price volatility - a combination that weighs especially heavily on smaller and junior companies.

Secondly, **geopolitical tensions** add a further layer of uncertainty through trade disruption, competing industrial strategies and the risk of market fragmentation.

Thirdly, in many producing countries, the conditions for **local value creation and broader development gains remain uncertain**. That can weaken the stability, governance and project-readiness conditions that long-term and capital-intensive investment requires.

These constraints also play out differently depending on project stage: exploration operates on a distinct financing logic - speculative and equity-driven. Where project preparation remains insufficient - including bankable feasibility studies, structured offtake arrangements and credible infrastructure pathways - technically viable projects often fail to reach pre-Financial Investment Decision (FID) stage.

This is not only a financial problem. It is a systemic one. It sits at the intersection of financing instruments, prudential treatment, market design and governance. The central question is not merely how to mobilize more

capital, but how to make investment possible in an environment in which risk, instability and mixed policy signals continue to reinforce one another, and in a way that is compatible with broader sustainable development and climate objectives.

3. A MORE CREDIBLE RESPONSE: RULES, NOT DISCRETION

A first priority is to improve the conditions under which responsible mineral projects can become investable. **That requires a more rules-based system.** Rather than relying on discretionary political designation, governments should define a clear and transparent eligibility framework to guide access to public support and de-risking instruments. Projects should not depend on ad hoc political selection in order to qualify for support. Nor should governments be expected to choose winners case by case. Instead, companies and projects should be assessed against a strict and transparent eligibility test set out in law or programme rules.

Such a test could cover a limited set of objective criteria: strategic product and value-chain activity (e.g. energy transition, digital, infrastructure), relevance to security of supply, a credible route to market, meaningful private capital at risk, minimum project-readiness standards, and compliance with high environmental, social and governance performance requirements, supported by traceability mechanisms.

The **eligibility system should be transparent, stable and anchored in widely accepted public policy goals** including responsible economic development, energy transition, digitalization. Criteria should be established by financing parties with input from producing countries, private financiers, industry, civil society and relevant international organisations, to ensure they remain aligned with market realities, development priorities and existing regulatory best practices.

This would provide greater certainty to companies and financiers, and offer a more solid basis for aligning public and private finance for the mining ecosystem: junior miners, private exploration, as well as large-scale operators.

A rules-based approach should nonetheless remain sufficiently flexible to reflect differences across minerals, value-chain segments and the strategic priorities of participating countries. Recent work by the World Economic Forum highlights that critical minerals are not a single market and that bankability solutions must be calibrated to mineral market structure, jurisdictional risk and project stage. It would also help address an often-overlooked part of the problem: prudential treatment. Many mineral projects are treated by lenders as complex project-finance exposures, with heavy capital treatment and limited tolerance for long tenor, construction risk and volatile revenues, especially in emerging market contexts. While a broad Basel exemption would be hard to defend, a narrow, rules-based adjustment for a clearly defined subset of strategic projects would be more credible, especially where those projects meet strict eligibility criteria and remain subject to supervisory review. The point is not to weaken prudential discipline. It is to recognise that some strategically important projects, if properly structured, should not automatically be treated in the same way as purely merchant exposures.



4. PUBLIC FINANCE SHOULD DE-RISK, NOT DISPLACE

Public intervention adds most value where it helps de-risk private investment without displacing it.

In practice, this means **balancing state equity participation approaches with increased focus on targeted instruments** that address the risks private capital is least willing to bear. For eligible projects, the public-finance offer should be as streamlined and predictable as possible and linked to the same objective test, while allowing for differentiation across minerals and segments of the value chains.

That package could include **financial guarantees, concessional or long-tenor lending from policy banks, project-preparation support, and, when necessary, revenue-stabilisation tools** for small-volume specialty metals where market failures exist. Public support should be accompanied by sound monitoring of the continued applicability of the criteria required in the eligibility test and particular attention should be paid to conflict-financing, traceability and governance risks in conflict-affected and high-risk areas.

The aim should not be to socialise losses. It should be to reduce the specific risks that prevent otherwise strategic projects from reaching financial close.

Financing needs also vary sharply across upstream mining, midstream refining and processing, recycling and associated infrastructure. Different minerals and different segments of the chain require different instruments. Better alignment among public and private financing actors is therefore essential, not least on infrastructure, energy access and project preparation. **More structured forms of public-private financing** could help address the gaps that private actors alone

are unlikely to fill, while improving the conditions for commercially sustainable investment, greater local value creation and better coordination across currently fragmented efforts.

5. MORE STABLE MARKETS ARE PART OF THE SOLUTION

A second priority is to address the instability that continues to deter long-term investment.

Investors need a reasonable expectation of **stability in permitting, fiscal conditions and the wider investment environment**. They also need stronger demand visibility and more stable revenue expectations. This matters especially where long project lead times collide with short-term political and economic volatility, and where thin liquidity or concentrated demand make prices too unstable to support financing.

Demand-side market-shaping tools can therefore play a useful role, provided they are targeted and proportionate. Some jurisdictions are already moving in this direction, including support for long-term offtake arrangements, clearer demand signals through procurement frameworks and, where appropriate, strategic stockpiling, proportionate fiscal incentives, alongside price-support mechanisms (e.g. contracts for difference) for small-volume metals where strategic importance is high but markets remain shallow. **Coordination with existing frameworks** would strengthen coherence and avoid duplication. Where public support is involved, such mechanisms may include conditions on transparent pricing, local or regional value creation, supplier upgrading, labour standards, environmental performance, technology access and benefit-sharing.

The purpose is not to replace markets. It is to make them more investable where disorder, opacity or volatility are blocking projects of clear strategic value.

6. PRODUCING COUNTRIES MUST BE PART OF THE FINANCING MODEL

Financing approaches are more likely to endure when they are also equitable and development-relevant. For many producing countries, local value creation should be understood as part of a broader pathway toward industrialization, economic diversification and greater localization of value chains where economically viable.

The long-term viability of mineral investment depends not only on commercial returns, but also on whether producing countries experience value creation, infrastructure development and a fairer share of the benefits. Recent [OECD work](#) stresses that development finance in critical minerals should be assessed against its contribution to domestic value retention, employment, fiscal revenues and broader economic diversification in partner countries.

International cooperation frameworks should therefore connect resilience objectives and public-private finance plans with project preparation support, value addition feasibility assessments, infrastructure investments, and institutional capability investments (including on fiscal regime design, revenue management, contract negotiation capacity, and regulatory institutions) in producing countries, alongside regional integration support. **Fiscal governance, revenue management and regulatory capacity** should be understood as direct bankability conditions, since weak institutions, corruption risks or political instability can quickly raise sovereign and project risk. Value creation is not separate from the financing challenge. Where prospects for local processing, employment, fiscal benefits or wider development gains remain too limited or uncertain, the incentives to sustain stable and investable frameworks are weaker.

Support for project preparation, technical assistance and stronger administrative capacity can reduce the gap between available capital and investable projects. Infrastructure development, especially in power, water, logistics and transport, is often a precondition for bankability rather than a parallel issue. Support for dedicated regional facilities, where appropriate, could help address early-stage gaps in exploration, geological data and feasibility work. Development finance institutions and export credit agencies can play a larger role in supporting these conditions. In this regard, the April 2026 [joint commitment](#) by multilateral and regional development banks to coordinate actions in support of critical minerals projects and associated infrastructure represents a significant step forward.

Standards, traceability and transparency can also strengthen investor confidence, provided they do not result in fragmented or exclusionary systems. More interoperable approaches would reduce uncertainty for investors while reinforcing the credibility of responsible mineral value chains for both consuming and producing countries.

Producing countries should provide input in the design of eligibility criteria, traceability systems, infrastructure priorities, project-preparation pipelines and value-addition pathways. Financing frameworks should preserve producer-country policy space, including the ability to pursue industrial policy, regional value chains, shared infrastructure, supplier upgrading and technology absorption.



ABOUT THIS NOTE

The **Global Council for Responsible Transition Minerals** is an independent, multistakeholder initiative convened by the Paris Peace Forum. It brings **11 leaders from the Global North and South** to advance more responsible, sustainable and cooperative approaches to transition minerals value chains.

The Policy Note was developed by the Special Advisor **Working Group on Financing Responsible Transition Minerals** convened under the Global Council by the Paris Peace Forum. The draft was shared for informal review with selected external experts and discussed by Council members at their 10th meeting, on 21 May 2026.

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