



Title: **Financing Critical Mineral Acquisitions – De-Risking Investments & Strengthening Financial Ecosystems**

Date: 5th March 2025

Time: 9:30 AM TO 11:00 AM

Venue: Jacaranda 2, India Habitat Centre, Lodhi Road Near Airforce Bal Bharati School, Lodhi Rd, Lodhi Estate, New Delhi, Delhi 110003

(i) Problem statement and state of play

India has embarked on an ambitious journey to achieve net-zero emissions by 2070 and meet 50 percent of its electricity requirements from non-fossil fuel sources by 2030. This transition requires the large-scale deployment of renewable energy technologies, incorporating a diverse mix of solar, wind, and electric mobility solutions, all of which are critically dependent on key minerals and materials. Minerals such as lithium, nickel, cobalt, graphite, and rare-earth elements are prime raw materials to produce lithium-ion batteries, high efficiency wind turbines, photovoltaic cells, and hydrogen electrolyzers. Beyond clean energy, a lot of these critical minerals play a vital role in strategic sectors such as aerospace, defence, fertilizers, and advanced technology manufacturing.

However, India has limited domestic geological reserves of most of these minerals, resulting in a high dependence on imports. This reliance extends beyond raw materials to processed forms such as battery-grade lithium, high-purity graphite, and rare-earth magnets. However, the global supply of critical minerals is highly concentrated, with a few countries dominating both mining and processing activities, making supply chains particularly vulnerable to external shocks. Such conditions expose the country to global supply chain disruptions, price volatility, and geopolitical risks, which can significantly impact the availability and affordability of these essential minerals.

To mitigate these risks and ensure a stable, self-reliant supply of critical minerals, the Government of India has launched the **National Critical Mineral Mission (NCMM)**. The NCMM prioritizes domestic exploration and mining as well as strategic overseas minerals acquisitions to address India's resource constraints by

securing long-term mineral access through investments, joint-ventures, bilateral and multilateral partnerships in minerals-endowed countries. Also, the government has established a dedicated entity- **Khanij Bidesh India Limited (KABIL)**, which has been tasked with identifying, assessing, and acquiring critical mineral assets abroad to strengthen India's raw material security.

However, mining is intrinsically a capital-intensive industry, requiring substantial investment in exploration, extraction, processing, and infrastructure development. The long project timelines, uncertain resource availability, fluctuating commodity prices, and geopolitical complexities further add to financial risks associated with mineral acquisitions. And while India has recognised the strategic importance of securing critical minerals, the lack of clarity and a well-defined financial mechanism to support and de-risk both domestic and overseas mineral acquisitions continue to hinder the viability and sustainability of such projects. Countries such as China, the U.S., and Australia have dedicated sovereign-backed investment funds, credit guarantees, and structured financing models that provide long-term financial backing, reduce investment risks, and ensure competitive mineral asset acquisitions. To enhance the participation of Indian companies in critical mineral acquisitions requires a robust financial architecture tailored to the sector's unique challenges. Establishing specialised financial models, and trade-backed financing solutions, will be crucial in enabling Indian companies to secure mineral resources effectively and strengthen their position in the global supply chain.

ii) Objectives of the thematic track

This thematic track aims to explore structured financial mechanisms, risk-mitigation tools, and investment models that can enhance viability and competitiveness of India's critical mineral acquisitions, both domestically and internationally. The session will bring together mining companies, financial institutions, policymakers, and global experts to discuss on the following key areas to:

- Assess the **current financial barriers and risks** associated with India's overseas mineral acquisitions.
- Understand global best practices in financing critical mineral acquisitions and their applicability to India
- Evaluate **financing instruments and investment models**, including a sovereign-backed Critical Mineral Investment Fund, credit guarantees, blended finance models, and public-private investment frameworks.
- Understand **distinct financing approaches available for mineral acquisition in public and private sectors**. Focus on how the public-private partnership (PPP) framework can be structured, including ownership models, risk-sharing mechanisms, investment terms, etc.
- Explore **infrastructure and trade-backed financing models**, such as offtake agreements, prepayment financing, and commodity-backed lending, to ensure smooth mineral evacuation and supply security.

The insights generated from this session will contribute to concrete policy recommendations, supporting the implementation of NCMM's long-term objectives and enhancing India's position in global critical minerals markets.

(iii) Guiding questions for the thematic track

1. What financial mechanisms, including sovereign-backed funds and viability gap-funding, can be introduced to de-risk private and public sector investments in asset acquisitions?
2. How can India strengthen its financial ecosystem to enhance private sector participation in overseas mineral acquisitions?

3. What role can trade-backed financing instruments (e.g., offtake agreements, prepayment financing) play in ensuring long-term mineral supply security?
4. How can India leverage multilateral institutions, export credit agencies, and bilateral partnerships to finance its critical mineral acquisition strategy?

About the World Sustainable Development Summit (WSDS)

The World Sustainable Development Summit (WSDS) is the annual flagship Track II initiative organized by The Energy and Resources Institute (TERI). Instituted in 2001, the Summit series has a legacy of over two decades for making 'sustainable development' a globally shared goal. The only independently convened international Summit on sustainable development and environment, based in the Global South, WSDS strives to provide long-term solutions for the benefit of global communities by assembling the world's most enlightened leaders and thinkers on a single platform. The 24th edition of the annual flagship event of The Energy and Resources Institute (TERI)—the World Sustainable Development Summit (WSDS)—will be held from 5-7 March 2025 in New Delhi. The Summit deliberations will focus on the umbrella theme: Partnerships for Accelerating Sustainable Development and Climate Solutions.

| TIME | PROGRAMME | FORMAT/ SPEAKER |
|---------------------|--|---|
| 09:00 AM – 09:30 AM | Registration of participants | |
| 09:30 AM – 09:35 AM | Welcome Remarks | Dr. Vibha Dhawan, Director General, TERI |
| 09:35 AM – 09:40 AM | Special Address | Shri. Sadashiv Samantaray, Chief Executive Officer (CEO), Khanij Bidesh India Limited |
| 09:40 AM – 09:50 AM | Keynote Address | Shri. V.L. Kantha Rao, Secretary, Ministry of Mines, Government of India |
| 09:50 AM – 10:00 AM | Framing Presentation | Shri. Souvik Bhattacharjya, Associate Director and Senior Fellow, TERI |
| 10:00 AM – 10:45 AM | Panel Discussion Moderator: Mr. J. M. Mauskar, (IAS Retd.) Ex-Special Secretary MoEFCC Esteemed Panelists <ul style="list-style-type: none"> - Shri. Dinesh Mahur, Joint Secretary, Ministry of Mines, Government of India - Shri. Pradeep Tharakan, Director, Energy Transition, Asian Development Bank - Shri. Rajarshi Gupta, MD, OVL - Shri Deepak Amitabh, CEO, Adani Power - Shri. Shyamsundar Gurumoorthy, Managing Director, Morgan Stanley | |
| 10:45 AM – 10:55 AM | Question and Answer | |
| 10:55 AM – 11:00 AM | Summary and Vote of Thanks | |