



World Economic Situation and Prospects

Executive Summary

2025



**United
Nations**

Executive Summary

Subdued global outlook amid persistent uncertainties

The world economy has remained resilient through 2024, avoiding a broad-based economic contraction despite years of multiple, mutually reinforcing shocks and the most sustained inflation-driven episode of monetary tightening in recent history. In the near term, global economic growth is expected to remain stable but subdued. While continued disinflation and monetary easing in a large number of countries are expected to boost aggregate demand, ongoing conflicts and rising geopolitical tensions could exacerbate challenges on the supply side. In addition, persistently tight fiscal space and lingering debt challenges in many developing countries will continue to constrain their ability to invest in productive capacities and stimulate economic growth.

Global economic growth is forecast at 2.8 per cent for 2025 and 2.9 per cent for 2026, largely unchanged from the rate of 2.8 per cent recorded in 2023 and estimated for 2024. Positive but somewhat slower growth forecasts for China and the United States of America will be complemented by modest recoveries in the European Union, Japan, and the United Kingdom of Great Britain and Northern Ireland and robust performance in some large developing economies, notably India and Indonesia. The short-term outlook for many low-income and vulnerable countries remains less favourable. Growth in the least developed countries (LDCs) is projected to improve slightly in 2025, but the forecast has been revised downward from mid-2024 projections.

Despite continued expansion, the global economy is projected to grow at a slower pace than the 2010–2019 (pre-pandemic) average of 3.2 per cent. This subdued performance reflects ongoing structural challenges such as weak investment, slow productivity growth, high debt levels, and demographic pressures. Many developing countries are still grappling with the prolonged scarring effects of the pandemic and other recent shocks. While the green transition and technological advancements hold the potential to boost growth, any benefits that accrue may be disproportionately concentrated in developed economies. Meanwhile, many developing nations face significant hurdles in mobilizing financing to invest in critical infrastructure, technology, and human capital and in moving up manufacturing and services value chains.

Risks to the near-term outlook are still largely skewed to the downside albeit less pronounced than in 2023 owing to positive developments in certain key areas in 2024. Favourable trends include continuing disinflation across the majority of countries and the ongoing monetary easing by major developed country central banks (a long-awaited move that has contributed to improving the global financial environment). At the same time, various uncertainties continue to cloud the near-term economic outlook; measures such as the Global Economic Policy Uncertainty Index and the geopolitical risk index remain above historic averages. While global inflation has eased, the pace of disinflation has slowed, driven by sticky prices in housing and other services sectors in developed economies. Should

inflationary pressures re-emerge, central banks, especially in large, developed economies, would likely slow the pace of rate cuts, suggesting that policy rates could converge to levels higher than before the pandemic. High borrowing costs and debt sustainability challenges are likely to persist, increasing the vulnerability of developing economies that are already in or at high risk of debt distress.

Progress towards achieving the Sustainable Development Goals (SDGs) remains insufficient, though some indicators are turning around from pandemic-induced reversals at the aggregate level. Notably, global extreme poverty has returned to pre-pandemic levels in 2024. The world's prevalence of moderate or severe food insecurity in the total population edged down marginally from 29.1 per cent in 2021 to 28.9 per cent in 2023, remaining higher than the 25 per cent registered in 2019. However, challenges continue to impede progress in vulnerable countries and are likely to be exacerbated by the increasing intensity and adverse impacts of climate change across the world.

Increasing economic divergence across countries

With estimated growth of 2.8 per cent in gross domestic product (GDP), the **United States** economy outperformed expectations again in 2024 thanks to strong consumer spending, public sector spending, and non-residential investments. However, growth is expected to moderate to 1.9 per cent in 2025 and recover slightly to 2.1 per cent in 2026 amid weaker labour market performance, modest income growth, and looming cuts in public spending. While further interest rate cuts will provide a tailwind for the economy, stubborn core inflation will likely keep the Federal Reserve cautious and discourage rapid monetary easing.

In contrast, economic growth in **Europe** is projected to gradually pick up in 2025 and 2026 after weaker-than-expected performance in 2024. In the European Union, GDP growth is forecast to strengthen from an estimated 0.9 per cent in 2024

to 1.3 per cent in 2025 and 1.5 per cent in 2026. Lower inflation, easing financing conditions, and resilient labour markets are expected to support private consumption and investment. However, likely fiscal consolidation, ongoing geopolitical uncertainties, and long-standing structural challenges such as population ageing and weak productivity growth will constrain the pace of expansion.

Japan is poised for continued economic recovery. Growth is forecast to pick up from an estimated -0.2 per cent in 2024 to 1.0 per cent in 2025 and 1.2 per cent in 2026. Private consumption growth—having stalled since mid-2023 due to weak wage growth—is projected to recover gradually while investments remain resilient. The Bank of Japan faces a policy dilemma, as excessive monetary tightening could push the economy back into deflation by slowing wage growth, which has only recently begun to accelerate.

In the **Commonwealth of Independent States (CIS) and Georgia**, growth is projected to moderate to 2.5 per cent in 2025 from 4.2 per cent in 2024, primarily reflecting an anticipated slowdown in the Russian Federation. Labour shortages and a significant and persistent tightening of monetary policy is likely to bring the economy of the Russian Federation back to a lower but more sustainable growth trajectory in 2025 despite continuing fiscal expansion, especially in military spending. Regional prospects are clouded by numerous risks and uncertainties because of the ongoing war in Ukraine and broader geopolitical tensions.

Growth moderation in China and modest recovery in many developing countries

China is facing the prospect of gradual economic moderation, with growth estimated at 4.9 per cent for 2024 and projected at 4.8 per cent for 2025. Public sector investments and strong export performance are partly offset by subdued consumption growth and lingering weakness in the property sector. The Chinese authorities have stepped up policy support to

lift property markets, address local government debt challenges, and boost domestic demand. The shrinking population and rising trade and technology tensions, if unaddressed, could undermine medium-term growth prospects.

Economic growth in **Africa** is projected to strengthen from an estimated 3.4 per cent in 2024 to 3.7 per cent in 2025 and 4.0 per cent in 2026, driven by recovery in the region's largest economies—Egypt, Nigeria, and South Africa. While East Africa maintains robust growth, Central Africa lags behind due to stagnating oil production and political instability. Despite a somewhat positive outlook, significant challenges persist, including lingering debt burdens, high unemployment (especially among youth), and climate disasters. Inflation remains above 10 per cent in several countries. Trade performance has been modest despite advancements in regional integration through the African Continental Free Trade Area (AfCFTA) mechanism. Extreme poverty has been rising in the region amid slow income growth.

In **East Asia**, economic growth is expected to moderate from an estimated 4.8 per cent in 2024 to 4.7 per cent in 2025 and 4.5 per cent in 2026. Private consumption has remained the major driver of growth, supported by resilient labour markets and mild inflation in most economies. Increased global demand for artificial-intelligence-related electronic products has buoyed export growth. However, significant downside risks persist amid compounding geopolitical risks, escalating trade tensions, and possible worse-than-expected performance among major trading partners.

The near-term outlook for **South Asia** is expected to remain robust, with growth projected at 5.7 per cent in 2025 and 6.0 per cent in 2026, driven by strong performance in India as well as economic recovery in a few other economies. The Indian economy is forecast to expand by 6.6 per cent in 2025, primarily supported by solid private consumption and investment growth. However, weaker external

demand, persistent debt challenges, and social unrest and political turmoil in some economies may undermine the outlook for the region.

Growth in **Western Asia** is set to strengthen to 3.5 per cent in 2025 from an estimated 2.0 per cent in 2024, driven by improved prospects in Saudi Arabia and Türkiye, the region's two largest economies. Economic performance in the region's major oil-exporting countries is forecast to improve in 2025 thanks to the easing of oil production cuts by OPEC Plus.¹ The six country members of the Cooperation Council for the Arab States of the Gulf will enjoy relatively low inflation, supported by energy and food subsidies. In contrast, conflicts, persistent high inflation, and tight fiscal space will weigh negatively on the outlook for oil-importing countries in the region.

The economic outlook for **Latin America and the Caribbean** is moderately positive, with growth projected to rise from an estimated 1.9 per cent in 2024 to 2.5 per cent in 2025, supported by improvements in private consumption, easing monetary policies, and stronger export growth. Inflation is gradually declining in the region but remains high in a few economies. Stagnant per capita GDP growth during the past decade has stalled progress in reducing extreme poverty and inequality.

Economic growth in the **least developed countries (LDCs)** is projected to rise to 4.6 per cent in 2025—up from the 4.1 per cent growth estimated for 2024 but still well below the 7.0 per cent SDG target. While international tourism recovery lends some support to LDC growth, conflicts and geopolitical tensions, particularly in Africa, deter the investment needed for stronger economic expansion. Additionally, rising external public debt leaves many LDCs at significant risk of debt distress.

The economies of the **small island developing States (SIDS)** are projected to grow by an average of 3.4 per cent in 2025, down from 3.8 per cent in 2024, as the initial boost from the

1 OPEC Plus comprises the twelve members of the Organization of the Petroleum Exporting Countries as well as ten non-OPEC oil producers.

recovery of international tourism continues to recede. Extreme weather events remain a key driver of uncertainty. Economic growth in the **landlocked developing countries (LLDCs)** is projected to accelerate moderately from an estimated 4.7 per cent in 2024 to 4.9 per cent in 2025 as stabilizing oil prices limit the rise in transportation costs. Nevertheless, many LLDCs continue to face significant uncertainties related to conflict and political instability, rising trade tensions, and climate change.

Developing countries continue to experience elevated inflation

Global inflation has continued its downward trend, with headline inflation decreasing from 5.6 per cent in 2023 to an estimated 4.0 per cent in 2024, and a further decline to 3.4 per cent is projected for 2025. This decline is attributed to easing labour market pressures in developed economies and moderating international food and energy commodity prices. Disinflation is occurring at different rates in developed and developing economies. While the inflation rate for developed economies is expected to decline from 4.8 per cent in 2023 to 2.6 per cent in 2024 and 2.2 per cent in 2025, the rate for developing economies is projected to decrease more gradually from 7.0 per cent in 2023 to 6.0 per cent in 2024 and 5.1 per cent in 2025. The double-digit inflation rates recorded for several developing countries in 2024 are likely to extend into 2025. Despite the overall improvement, upward inflationary risks persist. These include potential supply shocks in global commodity markets due to ongoing conflicts that could drive up energy and food prices, export restrictions imposed by major producers, and climate-related shocks affecting crop yields.

Food inflation remains particularly persistent in developing economies, with about half of them experiencing rates above 5 per cent in 2024—an indicator of continuing difficulties for those living in poverty. Adverse weather conditions, particularly in parts of Africa and South and East Asia, have continued to impact many countries in 2024, inflicting damage to infrastructure

and pushing up food prices. La Niña effects are expected to persist through early 2025, potentially impacting crop yields through extreme weather events.

Strong labour market conditions begin to moderate in developed economies

Labour market conditions in developed countries have remained favourable in 2024, with total employment for country members of the Organisation for Economic Co-operation and Development (OECD) exceeding the pre-pandemic level by almost 4 per cent. Female economic activity has continued to rise, reducing gender gaps in employment. Tight labour markets have contributed to nominal wage growth, and slowing inflation has led to higher real wages in most developed economies—though in some, real wages have remained below 2019 levels. Moderating employment gains in recent months suggest a possible peak, with unemployment potentially increasing in 2025.

Developing countries continue to grapple with high youth unemployment

The labour market situation in developing countries remains challenging, with significant variations in the outlook driven by differing economic conditions and policy responses. Some economies have exhibited resilience; in Brazil, for example, unemployment is at a decade low, and employment indicators in India have remained robust. In many developing nations, however, serious employment challenges continue. In Latin America and the Caribbean, weak employment growth has been largely confined to the informal sector. African labour markets have struggled to absorb a rapidly increasing population into the workforce and provide meaningful employment. Youth unemployment rates remain persistently high in Latin America, North Africa, South Asia, and Western Asia.

Global investment sees modest improvement, yet challenges remain

After a two-year slump, investment has grown by an estimated 3.4 per cent globally in 2024, though with significant regional variations. Among developed economies, investment activity (in particular residential investment) weakened in Europe and Japan during the first half of 2024, while the United States maintained strong investment growth in all sectors, including residential and non-residential structures, equipment, and intellectual property. Several developing economies, including China, India, and Mexico, have maintained robust investment growth, while African nations have faced limited public investment due to high debt servicing burdens, and Western Asia has experienced low investment growth amid subdued oil revenues.

International trade rebounds after a slump in 2023

Growth in the volume of global trade has rebounded, increasing from 0.9 per cent in 2023 to an estimated 3.4 per cent in 2024, driven by the recovery of merchandise trade. China, the United States, and East Asian economies have demonstrated strong export performance in machinery and electronics, while Europe has experienced broad declines. Amid weakening commodity prices, exports from Africa and Latin America have decreased in value terms. Meanwhile, services trade has grown by an estimated 6.4 per cent in 2024 and now represents almost 25 per cent of world trade. International tourist arrivals, a benchmark indicator of services trade, have reached an estimated 1.4 billion in 2024, a virtually complete recovery of the pre-pandemic level. Global trade volume is projected to grow by 3.2 per cent in 2025, though this is subject to growing uncertainties due to rising geopolitical tensions and emerging trade barriers.

Cross-border financing flows rise

Cross-border financing activities, stagnant since 2022, have grown in 2024. United States dollar credit to non-bank borrowers outside the United States reached \$13.1 trillion in the second quarter of 2024, rising from \$12.7 trillion in late 2023 and approaching the recent peak of \$13.4 trillion in 2021. Euro credit to non-bank non-resident borrowers grew modestly to €4.2 trillion in the same period. Combined dollar and euro credit to non-bank borrowers outside their respective currency areas reached \$17.7 trillion in the second quarter of 2024, matching the 2021 peak. Market conditions for international borrowers improved in early 2024 with anticipated policy rate cuts by major central banks, enabling some African sovereign borrowers to return to the Eurobond market. A significant number of LDCs continue to face challenges, however, with many at risk of or already in debt distress. Official development assistance (ODA) flows to Africa and the LDCs grew moderately in 2023, but such flows face substantial downside risks and limited growth potential through the 2024–2025 period.

Most central banks have shifted to monetary easing

In 2024, most central banks have shifted to monetary easing driven primarily by disinflation, supported by concerns about the impact of high financing costs on economic growth. The European Central Bank initiated this shift in June 2024 and was followed by the Bank of England in July and the Federal Reserve in September, while the Bank of Japan moved in the opposite direction and began tightening in March. By November 2024, 67 out of 108 central banks were in the easing phase (up from 31 in December 2023), with 20 more likely to begin easing soon. The transition has been most evident in developed economies and Asian economies, while African central banks have been slower to ease rates amid persistent inflationary pressures. Significant uncertainties remain regarding the duration and depth of the monetary easing cycle.

Fiscal policy challenges persist in the aftermath of multiple shocks

Developed and developing countries have faced significant fiscal challenges in 2024, balancing high public debt, elevated interest rates, and mounting public spending demands. By December 2024, global public debt stood at an estimated 95.1 per cent of GDP—approximately 12 percentage points higher than in 2019 and 36 percentage points above the 2007 level. Debt servicing costs have increased substantially, with Governments dedicating an average of 8.5 per cent of fiscal revenues to interest payments in 2024, up from 6 per cent in 2019. This burden disproportionately affects developing economies, with the median developing economy allocating 11.1 per cent of fiscal revenues to interest payments—a rate four times higher than that of developed countries. Fiscal challenges are particularly acute in Africa, where interest payments have consumed 27 per cent of government revenues in 2024, up from 19 per cent in 2019. In several major African economies, interest payments have exceeded total expenditure on education and health.

Harnessing the potential of critical minerals for sustainable development

Reducing reliance on fossil fuels and accelerating the adoption of renewable energy technologies are essential for combating climate change and ensuring a sustainable and liveable planet. However, this transition hinges on the large-scale utilization of critical minerals, deemed indispensable for clean energy technologies. The pursuit of net-zero emissions by 2050 will require the widespread deployment of these technologies alongside universal energy access but will also entail economic, social, and environmental challenges. Navigating the complexities of critical mineral supply chains requires Governments to balance competing priorities in trade, climate action, sustainable

development, and energy security. For developing nations endowed with an abundance of critical minerals, rising global demand for these minerals offers a unique opportunity to stimulate economic growth, reduce poverty and inequality, and foster sustainable development.

Persistent supply-demand gaps for critical minerals

The rapid adoption of clean energy technologies—from wind turbines and solar panels to electric vehicles and battery storage—is driving demand growth for many critical minerals, including copper, cobalt, lithium, nickel, and rare earth elements. The demand for critical minerals will likely increase significantly as nations accelerate their energy transition strategies. However, the supply chains for critical minerals are highly concentrated, with reserves, processing, and downstream production activities concentrated in a few countries. This narrow supply base exposes the global market to potential disruptions from natural disasters, trade disputes, and regulatory changes. Unsurprisingly, the market for critical minerals is also marked by elevated price volatility.

Annual investments in critical minerals production have increased in recent years; lithium has seen the highest rate of growth, followed by cobalt, copper, and nickel. However, these investments fall short of what is needed to meet global net-zero targets. Projections suggest that demand for critical minerals will rise sharply by 2030, with persistent supply shortages expected thereafter unless considerable new investments are made to expand the supply of these minerals.

Investment in critical minerals faces multiple constraints

Despite growing demand, investment in critical minerals remains constrained. Mining projects require substantial up-front

capital and need significant lead times to secure regulatory approvals, environmental assessments, and construction permits. Accessing sufficient capital is particularly challenging for firms in developing economies, where political instability, weak legal frameworks, and sudden policy changes increase risks. Technological uncertainties, including advances in alternative battery technologies and substitutes for critical minerals, create the risk of stranded assets, discouraging investment in costly exploration and mining activities. The high price volatility of critical minerals further exacerbates these challenges, making it difficult for mining companies to secure investments and finance long-term operations.

Leveraging the potential of critical minerals to accelerate progress towards the Sustainable Development Goals

Countries with rich critical mineral reserves have immense potential to leverage these resources to stimulate economic growth and promote sustainable development. By attracting foreign and domestic investment, these countries can boost fiscal revenues, create jobs, and expand exports. Investing public revenues prudently can help secure long-term benefits across societies and economies; in particular, the joint expansion of critical minerals extraction and processing in resource-rich economies could accelerate progress towards the SDGs. As the development experiences of resource-rich economies demonstrate, however, such outcomes cannot be taken for granted. Environmental impacts such as habitat destruction, water scarcity, and pollution threaten ecosystems and communities, in particular Indigenous populations. Social risks, including increased inequalities, unsafe labour practices, the use of child labour, and exploitation (especially in artisanal mining), highlight the need for better regulations and protections. Economic risks, such as dependence

on mining and price volatility, can also limit diversification and long-term growth. Illicit financial flows, corruption, and governance deficits exacerbate these challenges, draining resources that could otherwise support public investments in sustainable development. To maximize the benefits around critical minerals, resource-rich nations must avoid the pitfalls of the “resource curse” and develop robust national policies, supported by a conducive international environment.

Macroeconomic policies for leveraging critical minerals

Developing countries need an integrated approach to manage their critical minerals resources that combines fiscal and monetary measures to ensure stability, manage volatility, and ensure the equitable distribution of benefits. Robust tax systems can be put in place to capture public revenues. Countries can implement fiscal rules and establish stabilization funds to manage and save excess revenues from critical minerals sectors during boom periods, fostering countercyclical policy measures and ensuring intergenerational equity. Monetary policy can play an important role in helping countries avoid the resource curse. Central banks will need to balance objectives such as controlling inflation, maintaining competitive exchange rates, and fostering growth-friendly monetary conditions. Effective macroeconomic management in resource-rich economies requires adequate coordination between fiscal and monetary policies.

Inclusive governance is a must for harnessing the full potential of critical minerals

Good governance is essential for transforming the development of critical mineral resources into progress on the SDGs. Resource-rich economies are increasingly adopting environmental, social, and governance (ESG) standards and integrating due diligence

requirements into regulatory frameworks to promote sustainable mining practices. Measures such as mandatory transparency in licensing, contracts, and revenue reporting and the establishment of anti-corruption agencies and independent monitoring bodies are vital for combating corruption in, and illicit financial flows from, the critical minerals sectors.

Community engagement and social responsibility are also key to ensuring that mining projects contribute to sustainable development. Policies requiring free, prior and informed consent can empower local and Indigenous communities by involving them in decision-making processes. Benefit-sharing arrangements can also enhance local development through infrastructure-building and job creation, strengthening trust between mining firms and communities. It is essential that Governments provide the necessary protections for people and planet, enforcing human rights and adequate labour standards while also implementing stringent policies to prevent the overexploitation of natural resources and biodiversity loss.

Technology access remains a challenge for developing countries

For developing economies, access to advanced mining technologies is crucial for improving extraction efficiency, minimizing environmental impacts, and increasing local value addition. At present, however, such access is constrained by limited local capacity and reliance on foreign expertise. To bridge the gap, countries must attract multinational firms that are required to facilitate the transfer of key technologies to domestic firms, strengthen domestic innovation ecosystems to adapt these technologies to local needs, and promote backward and forward linkages. Adopting the necessary technologies across all phases of mining—including exploration, extraction, refining and processing, recycling, and disposal—demands significant investment in infrastructure, workforce training,

and equipment acquisition, highlighting the importance of developing and implementing effective industrial policies.

Industrial policies needed to maximize benefits from critical minerals

Strategic industrial policies can be crucial for enhancing access to, and the development of, relevant technologies that can help strengthen and expand the critical minerals sector. Targeted policies can play a key role in attracting foreign investment and securing financing for new projects, fostering technology transfer and innovation, and building technological capacities. Policymakers have access to a variety of policy tools, including tax incentives, subsidies, export restrictions, local content requirements, supplier development programmes, research and development investment support, public-private partnerships, and initiatives focused on the development of workforce skills. A key consideration for countries is determining the most suitable diversification strategy. Upstream diversification opportunities may be found through backward linkages in the mining equipment, technology, and services sectors. Midstream opportunities exist in activities such as smelting, refining, and producing intermediate products. Some nations may wish to pursue downstream diversification by manufacturing components for renewable energy, electronics, high-tech industries, and electric vehicles.

There is no one-size-fits-all approach

Successful industrial policy packages require political and macroeconomic stability, sustained political commitment, and sufficient long-term financing. Policy coherence is also essential, as the effectiveness of individual policy measures often relies on their interaction with other policies. The use of targeted conditionalities, whether applied as eligibility criteria or

performance standards, can further enhance their impact. Beyond these conditions, there are domestic and international factors that shape the diversification strategies available to each country in their policy design. In terms of domestic considerations, the level of critical minerals reserves, technological capabilities, and institutional capacities play a pivotal role in determining the feasibility and scope of industrial policies. At the international level, the green policies of major developed economies, coupled with evolving trade, investment, and cooperation agreements, create a dynamic policy landscape that can be challenging to navigate.

There is no single approach to industrial policy. Each country must tailor its policy package to its unique circumstances, institutional capacities, and economic and geopolitical priorities. Countries may be able to leverage their competitive position based on their reserves of critical minerals, geographic location, and technological capabilities to strengthen their negotiating power and enhance the effectiveness of their industrial and innovation policies. Adequate institutional capacity is crucial for implementing local content policies, which aim to promote downstream activities. Recent experiences show that local content policies are most effective when complemented by measures that support the capabilities of domestic suppliers. In certain cases, strong competitive leverage combined with effective institutional capacity have enabled countries to adopt ambitious policies aimed at fostering downstream activities, particularly in medium- and high-technology industries.

Financing instruments to support investment in critical minerals

Bridging investment gaps in the critical minerals sector requires a multifaceted approach that combines government incentives, private financing tools, and innovative strategies. Private financing tools such as venture capital and sustainability-themed financial products

are gradually gaining traction in sectors such as battery manufacturing and renewable energy technologies. Blended finance, which combines public and private funds, is also emerging as a vehicle to reduce risks and mobilize private capital, though it must be managed carefully to ensure debt sustainability and alignment with long-term development goals.

Global cooperation is essential

Global cooperation is essential for maximizing the potential of critical minerals in driving the energy transition and sustainable development. At a more granular level, international collaboration is needed to increase supply, stabilize supply chains, facilitate technology transfer, and boost investment. With the ongoing and substantial rise in unilateral policies, trade restrictions, and protectionist measures, global markets for critical minerals are faced with the increasing threat of fragmentation. Such measures can exacerbate asymmetries by depriving developing countries of opportunities to diversify their roles in critical minerals supply chains, raising costs for industries and consumers, and delaying the adoption of clean technologies. Fragmentation can also lead to significant global economic and efficiency losses. To mitigate these risks, a balanced approach that integrates national interests within collaborative frameworks and overarching objectives is essential. This requires establishing mechanisms for equitable access to critical minerals, fostering technology-sharing, and ensuring a fair distribution of benefits.

New global cooperation mechanisms are vital

New collaborative frameworks must ensure an equitable global supply of critical minerals. The United Nations Secretary-General's Panel on Critical Energy Transition Minerals has developed a set of seven guiding principles and five actionable recommendations to

ensure that opportunities around the global energy transition are pursued with equity, justice, and sustainability as key objectives. Strengthened multilateral trade cooperation under the World Trade Organization (WTO) and similar frameworks is also essential. Enhanced international cooperation is key to tackling illicit financial flows as well as enhancing market transparency, stabilizing raw materials prices, fostering a more predictable investment environment, and unlocking greater private sector financing opportunities. Efforts to establish price benchmarks and strategic market interventions—including price floors, price ceilings, and stockpiling—are being explored but require careful calibration to avoid distorting market incentives.

Supporting developing countries must be a priority

Supporting developing economies through international cooperation is essential, with priority given to technology transfer, skills development, and institutional capacity-building. Different groups of developing countries face distinct challenges. Middle-income countries need to focus on advancing technological capabilities, fostering innovation ecosystems, and strengthening downstream activities. Low-income countries need to address more structural barriers, including weak governance structures, limited infrastructure, and a lack of human capital. Bolstering institutional capacity in these countries requires a focus on establishing transparent governance frameworks and building basic public sector capabilities.

Enhancing the fairness and effectiveness of sustainability standards

The mining industry is under increasing pressure to adopt robust sustainability standards. A proliferation of frameworks reflects growing awareness of ESG responsibilities and heightened demand for transparency from stakeholders.

However, the heterogeneity and complexity of sustainability standards create major challenges, particularly for small mining firms in developing countries, which often lack the resources and capacity to comply. This dynamic perpetuates asymmetries, enabling larger corporations to dominate, while smaller players face exclusion from international supply chains.

Addressing these challenges requires harmonizing and aligning sustainability standards to streamline reporting and enhance comparability. New initiatives aim to create more unified frameworks by involving diverse stakeholders in their development. However, ensuring inclusivity and fairness necessitates the establishment of practical support mechanisms and adaptable frameworks to help smaller mining operations meet requirements. Partnerships between Governments, non-governmental organizations, and the private sector can play a pivotal role in promoting socially and environmentally sustainable practices, enabling equitable participation in global critical minerals markets.

International cooperation is essential for accelerating growth and progress towards the Sustainable Development Goals

The global economy is at a critical juncture, grappling with interconnected challenges that include the scarring effects of the COVID-19 pandemic, ongoing conflicts, high levels of public debt, economic and social inequalities, and the climate crisis. These challenges underscore the need for robust multilateral cooperation to foster economic growth, accelerate the energy transition, and achieve sustainable development. Concerted efforts to address climate change must also be ramped up; the unfolding climate crisis has exposed weaknesses in the international cooperation framework, as climate events continue to disproportionately impact the most vulnerable developing countries.

Amid these challenges, the United Nations General Assembly recently convened the 2024 Summit of the Future, where the Pact for the Future was adopted to promote a more equitable and sustainable global framework. This ambitious, cross-cutting, and far-reaching commitment is intended to reinvigorate international cooperation and accelerate progress towards the SDGs. Among its key areas of focus, the Pact calls for reforming the global financial system to better serve developing countries, including through measures to address sovereign debt and mobilize resources for renewable energy and climate adaptation. Efforts to address global cooperation challenges have also been emphasized in preparations for key international conferences in 2025, including the Fourth International Conference on Financing for Development and the Second World Summit for Social Development.

The discussions and outcomes of the recently concluded twenty-ninth session of the Conference of the Parties to the United Nations Convention on Climate Change (COP 29) reflect both progress and persistent challenges in accelerating the global energy transition. The States Members of the United Nations committed to mobilizing \$300 billion annually by 2035 to support renewable energy infrastructure and technologies in developing countries as well as advancements in the global carbon market framework to channel resources into sustainable projects. However, the funding pledge falls short of the financing needs identified by developing economies,

and issues around equitable benefit distribution and transparency in carbon credit accounting remain unresolved. Efforts to phase out fossil fuels faced resistance, with no consensus reached on a clear timeline for transitioning away from coal, oil, and gas. There were calls for more ambitious nationally determined contributions by 2025, as current pledges remain inadequate to limit global warming to 1.5°C, underscoring the urgent need to align financial commitments, technological support, and political action with climate goals.

The Fourth International Conference on Financing for Development will present the opportunity to finalize a comprehensive framework to align financial flows with the SDGs and address global challenges. The proposed framework emphasizes domestic resource mobilization through improved tax systems and international cooperation to combat illicit financial flows, alongside efforts to enhance the role of the private sector in sustainable development. It underscores the need for stronger international development cooperation, including meeting ODA targets, providing climate financing, and supporting vulnerable countries such as LDCs, LLDCs, and SIDS. It also calls for reforms in global economic governance, debt architecture, and trade systems as well as the prioritization of technology, innovation, and data to advance financial inclusion and development objectives. Achieving these ambitious goals will require coordinated efforts from Governments, international organizations, the private sector, and civil society.

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