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**Statement**

**by**

**Ms. Olga Algayerova**

**United Nations Under-Secretary-General  
Executive Secretary  
of the United Nations Economic Commission for Europe**

**at**

**Workshop: Scaling Sustainable Battery Value Chains**

**15:15 - 16:45 hours**

**Monday 23 September 2019**

**Address: Convene 730 Third Ave, Tribeca**

Excellencies,  
Distinguished Guests,  
Colleagues, Good afternoon.

I am pleased to address this workshop on scaling sustainable battery value chains. I would like to explore the role of public policy and regulation for achieving and scaling a sustainable battery value chain.

If we could achieve a common set of standards for the value chains of batteries, then market participants would be working towards economies of scale that would drive down costs, improve performance and productivity, and minimize waste. “Sustainability” would embrace not only the environmental dimensions of production and disposal, but also the economic dimension of enduring business models and the social dimension of contributing to quality of life.

Public policy and regulation create the investment framework conditions that allow the interplay of technology, capital, and management that will deliver the 2030 Agenda for Sustainable Development. Done properly, well-crafted public policies and regulations will accelerate the emergence of a sustainable battery value chain. Done poorly, they can stifle innovation and create herds of white elephants.

Past and present experience shows us that it is a mistake for sectors to work in isolation. Take the extractive industries of coal, oil, & gas as an example. They act in isolation and in their processes of extraction they often leave important resources untouched. A more holistic approach would deliver resources across multiple value chains, notably critical raw materials such as cobalt that often are the “pain” point for the battery industry. I recognise that there is tension between Adam Smith’s invisible hand and some form of centralized coordination, but the costs of resource inefficiency have become too

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important. We need a form of efficient resource management if we are to meet the imperatives of the 2030 Agenda. There-in lies a role for public policy and regulation.

UNECE is closely cooperating with the African Union to ensure that the mineral value chain brings good social and environmental outcomes as well as good economic outcomes through harmonized policies and regulations. Past and present experience shows us that “short-termism”, the imperative to deliver quarterly results, can have dire consequences. A race for quick results may be desirable in financial markets, but can leave enduring negative legacies. Environmental pollution, global warming, or social inequity are the result of short-term, purely financial thinking. Whereas businesses generally consider themselves answerable only to shareholders, there is growing recognition that they exist to serve customers, employees, suppliers, and communities. It is through that service perspective that they can create long-term value for shareholders. Again, there-in lies a role for public policy and regulation.

One of the most apparent consequences of short-term thinking is a vice-like embrace of linear processes. As a result, all industries create waste and often more volume is produced as waste than as the usable product itself. If we were to value the products and by-products of one cycle as the resources for another cycle, we would have the basic design of circularity. And yet again, there lies a role for public policy and regulation.

We are cooperating closely with the European Union in its European Battery Initiative to bring circular thinking to management of critical raw materials. Many pieces of archaic regulation block achieving full circularity in management of raw materials. Through dialogue and collective action, we hope this will disappear with time.

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Making energy and transport sustainable is essential for the future of our planet. Batteries have been at the crux of this challenge for many years. Done right, batteries could connect sustainable energy, transport, smart grids, supply-side technology and demand-side management. A good example of the possibilities is found in the Better Place model – a battery swap-out system that would address range concerns while connecting power, renewables, and transport in a novel way. The company went bankrupt in 2013 for reasons unrelated to the soundness of the concept. Whether we refer to that approach or another, building a sustainable battery value-chain will require partnerships across sectors not previously connected.

The keys to success are partnership, policy, and perseverance. Concerted public-private collaboration is needed to foster a sustainable battery value chain. Having harmonized policies and regulations lie at the core of such collaboration. UNECE has experience in developing shared solutions, and today our standards are being adopted in the sustainable production of minerals in Africa, in the global transport industry and many other areas.

UNECE stands ready to work with the WEF Global Battery Alliance and other interested partners to develop a sustainable battery value chain. It is in all our interests that the battery value chain be sustainable - environmentally, socially and economically.

Thank you.

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