



## iAONR Weekly News



The **iAONR Weekly News** aims to report and summarize key events, viewpoints, and conclusions from the past week about natural resources research progress and achievements around the world.



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### This Week's Focus

Critical Minerals Game Intensifies, Climate Policy Reaches Turning Point, and Marine Protection Reaches Milestone

#### **1. US Issues New Rules Strictly Limiting Imports of Chinese EVs and Battery Materials**

##### ■ Overview:

This week, the **US** Treasury and Energy Departments jointly released the final implementation rules for the "Foreign Entity of Concern" (**FEOC**) under the Inflation Reduction Act (**IRA**). The new rules explicitly state that, starting in 2025, any electric vehicle containing critical minerals (such as lithium, cobalt, nickel, and graphite) mined, processed, or manufactured by **FEOCs** (including China and Russia) will no longer be eligible for federal tax credits of up to \$7,500. This move aims to completely exclude Chinese supply chains from the US electric vehicle



subsidy system and reshape the North American critical minerals and battery supply chain.

### ■ In-Depth Analysis:

This policy is a critical step in the **US's** energy security and geopolitical strategy. It goes beyond traditional tariff measures by directly intervening in market choices through subsidy leverage, attempting to use "the power of capital" to guide a "de-Sinicization" restructuring of the global electric vehicle industry chain. In the short term, this will force battery manufacturers from South Korea, Japan, and other countries to accelerate the relocation of their production capacity outside China to North America and stimulate mineral mining and processing projects in the **US** and allied countries (such as Canada and Australia). However, it has also raised industry concerns about rising costs, vehicle price increases, and short-term supply chain shortages.

### ■ Key Expert Perspective:

**Dr. Jane Nakano**, Senior Fellow, Energy Security and Climate Change Program, Center for Strategic and International Studies (**CSIS**):

"The implementation of the **FEOC** rule marks the formal and deep integration of clean energy transition and supply chain security. This is no longer just an environmental policy but a clear industrial and geopolitical policy. Its success depends entirely on whether the US can quickly establish a reliable and cost-competitive alternative supply chain within its alliance network, which is by no means an overnight task."

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## 2. UN Court Clarifies National Climate Obligations for the First Time, a Landmark Decision

### ■ Overview:

On April 5, the International Court of Justice (**ICJ**) issued a preliminary statement in response to a request for an advisory opinion on climate change initiated by small island nations. Although not a final ruling, the court explicitly stated for the first time that countries have a "clear and indisputable obligation" under the United Nations Convention on the



Law of the Sea (**UNCLOS**) to take all necessary measures to prevent, reduce, and control pollution of the marine environment, explicitly including greenhouse gas emissions. This statement is widely interpreted as a major breakthrough in international law regarding climate change, providing a strong legal basis for future lawsuits by citizens or organizations against governments for climate inaction.

### ■ In-Depth Analysis:

The significance of this opinion lies in its "legalization" and "accountabilization" of the climate crisis. It is the first time that the highest international judicial body has characterized greenhouse gas emissions as "marine pollution," thereby elevating emission reduction from a political commitment to a legally binding obligation. Although the advisory opinion itself is not legally enforceable, it will significantly influence rulings in domestic courts of various countries, incentivize more climate litigation, and put tremendous legal and moral pressure on governments to enhance the ambition and enforcement of their Nationally Determined Contributions (**NDCs**).

### ■ Key Expert Perspective:

**Prof. Michael Gerrard**, Founder, Sabin Center for Climate Change Law, **Columbia University**:

"This is a watershed moment. The **ICJ**'s statement equips global climate litigation with a 'legal arsenal.' In the future, we are likely to see a wave of lawsuits against the world's largest emitters and corporations. It sends a strong signal to all countries that 'business as usual' on climate change is not only scientifically unacceptable but is also becoming legally untenable."

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## 3. International Seabed Authority (ISA) Negotiations Reach Impasse, Deep-Sea Mining Regulations Delayed Again

### ■ Overview:

At the 29th session of the International Seabed Authority (**ISA**) held in Kingston, Jamaica, negotiations on the "**Mining Code**," which regulates



deep-sea mining activities, failed to make substantial progress. **Pacific Rim countries**, led by Palau and Fiji, once again called for a moratorium or ban on deep-sea mining, emphasizing the vast gaps in understanding of its impact on fragile marine ecosystems. Meanwhile, The Metals Company (**TMC**), sponsored by Nauru, continued to pressure the **ISA** to finalize regulations promptly to initiate commercial mining applications. Due to serious disagreements, the assembly decided to postpone deliberations on key provisions until the next session this summer.

### ■ In-Depth Analysis:

Deep-sea mining has become a new frontier in the global competition for natural resources. Proponents argue that obtaining metals such as nickel, cobalt, and manganese from polymetallic nodules is crucial for the electric vehicle transition and less harmful to people and the environment than land-based mining. Opponents warn that damage to the deep sea could be irreversible and disrupt vast carbon stores. This week's impasse reflects a deep divide within the international community between "resource demand" and the "precautionary principle." The delay means the likelihood of commercial mining starting in 2024 is significantly reduced, buying more time for scientific research and providing an opportunity for more countries to consider supporting a "precautionary pause."

### ■ Key Expert Perspective:

**Dr. Pradeep Singh**, Researcher, German Research Foundation (**DFG**), and **ISA** Legal and Policy Expert:

"The **ISA** is caught in a dilemma: its mandate is both to 'develop and utilize seabed resources for the benefit of all humankind' and to 'ensure effective protection of the marine environment.' The current impasse shows that the latter mission is gaining greater political weight. Without strong, universally agreed-upon rules, any commercial mining will lack social license and international legitimacy."



## 4. Brazil and DR Congo Establish "Tropical Forest Alliance," Promoting New Financing Models for Rainforest Protection

### ■ Overview:

This week, Brazil and the Democratic Republic of the Congo (**DRC**) announced the establishment of a "**Strategic Alliance of Tropical Forest Nations**" and invited Indonesia to join. The three countries collectively possess over 50% of the world's tropical rainforests. The alliance aims to coordinate positions to jointly seek more efficient and direct international funding for rainforest protection from developed countries and the private sector. They advocate for results-based payment (**RBP**) models rather than traditional loans or project aid. They demand that the international community recognize the value of the "ecosystem services" their forests provide globally and pay a fair price for them.

### ■ In-Depth Analysis:

This move represents a strategic shift by major rainforest nations from "passively receiving aid" to "actively demanding payment." They seek to leverage the critical role of their forests as global carbon sinks and biodiversity treasure troves to collectively bargain and change the unfair power dynamics in global climate finance. The alliance's success depends on whether it can coordinate internally (e.g., Indonesia's stance) and design transparent, credible mechanisms to verify conservation outcomes and ensure benefits reach local communities, rather than merely flowing to governments or elites.

### ■ Key Expert Perspective:

**Ms. Tuntia Katan**, Coordinator, Global Alliance of Indigenous Peoples (**COICA**), and Indigenous Leader from Ecuador:

"Any global forest initiative that lacks the full and effective participation of our indigenous peoples is doomed to fail. Our traditional territories contain the most intact forests on Earth because we have been guarding them. New financing must ensure that rights and resources directly reach our communities, supporting our livelihoods and guardianship activities, rather than being consumed by complex bureaucratic systems."

### This Week's Key Experts and Institutions



Area	Expert/Institution	Role/Affiliation	Key Perspective
<b>Critical Minerals/Geopolitics</b>	Dr. Jane Nakano	Senior Fellow, Center for Strategic and International Studies (CSIS)	Commented on the geopolitical impact of US FEOC rules on global supply chain restructuring
<b>Climate Law and Policy</b>	Prof. Michael Gerrard	Founder, Sabin Center for Climate Change Law, Columbia University	Analyzed the landmark legal significance of the UN ICJ's climate opinion
<b>Ocean Governance and Policy</b>	Dr. Pradeep Singh	Researcher, German Research Foundation (DFG); ISA Observer	Interpreted the deep-seated reasons and implications of the ISA negotiation deadlock
<b>Forest Protection and Community Rights</b>	Ms. Tuntiak Katan	Coordinator, Global Alliance of Indigenous Peoples (COICA)	Emphasized the importance of indigenous community rights and participation in new rainforest financing models
<b>Climate Science</b>	Copernicus Climate Change Service (C3S)	EU Climate Monitoring Agency	Provided global climate data to support climate policy discussions
<b>Energy Transition</b>	International Energy Agency (IEA)	International Energy Agency	Analyzed the link between critical mineral demand and the clean energy transition



## IAONR In-Depth Interpretation: A Week of Paradigm Shifts

This week's events clearly outline three major paradigm shifts occurring in global natural resource governance:

1. **From Globalization to "Friend-Shoring":** The **US FEOC** rules are a typical example, signaling that resource supply chains are no longer solely about efficiency but are deeply integrated with national security and value-based alliances.
2. **From Political Commitments to Legal Obligations:** The **ICJ's** opinion is shifting climate action from "**soft law**" commitments under the Paris Agreement toward a more mandatory "hard law" track, ushering in a new era of climate litigation.
3. **From Resource Extraction to Valuing Ecosystem Services:** The alliance between Brazil and the **DRC** shows that resource-rich nations are no longer just selling raw materials but are demanding payment for the global public goods (e.g., carbon sinks, biodiversity) they provide.

These shifts mean that any future discussion about natural resources must simultaneously consider three dimensions: **geopolitics, legal risks, and economic models**—a complexity never seen before.

**Sources:** iAONR analysis based on comprehensive compliment of **CSIS, IEA, Columbia University's Sabin Center, ISA** meeting briefings, and public media reports.

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