BATANI Fund

Indigenous Peoples, Green Economy and the Arctic

2025

Guidebook to Indigenous Peoples in Green Economy

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Introduction

A green economy refers to an economic system that aims to improve human well-being while reducing environmental risks and ecological scarcities. It encompasses various sectors such as renewable energy sustainable agriculture green infrastructure and low-carbon technologies.

The concept of a green economy has gained significant attention in recent years as societies strive to achieve sustainability and mitigate the adverse effects of climate change.

The increasing use of renewable energy solutions in recent years has resulted in a significant impact on Indigenous communities who have long been recognized as custodians of the environment possessing traditional knowledge and practices that contribute to sustainable resource management. Their intimate connection with nature and respect for ecological balance make them valuable partners in the transition towards a green economy.

While transitioning the global energy system from fossil fuels to renewables is considered necessary for addressing climate change, the associated risks, new dynamics including the social and environmental crisis and impacts required to support this transition remain poorly understood and, more importantly, are overshadowed by concerns about the severity of climate change and the pressing necessity to take action.

The process of transitioning towards a green economy is complex, particularly in relation to energy. And whereas the adverse impact of coal, crude oil, and natural gas extraction and utilization on both people and the environment is a widely acknowledged fact, clean energy initiatives have been plagued by labor, human rights and environmental abuses as well.

The growing demand for transition minerals to support the transition to clean energy has raised concerns about their extraction and the associated negative impacts on people including Indigenous communities.

Renewable energy projects generate significant environmental and socio-cultural challenges for Indigenous Peoples. Many transition minerals are found in areas inhabited by Indigenous Peoples leading to conflicts over land ownership and resource extraction.

Indigenous Peoples have long been stewards of the natural environment. Their deep connection with the land, water, and biodiversity has given rise to a profound understanding of sustainability and the need to protect the Earth's resources.

As the world faces the challenges of climate change and the urgency to transition to a green economy, Indigenous Peoples play a pivotal role in shaping sustainable development practices.

This guide explores the concept of a green economy, the critical role of Indigenous Peoples within it, and the potential (and threats) offered by transition minerals in the Arctic.

Why Arctic?

Key physical climate characteristics (e.g., temperature, precipitation, snow cover, sea-ice thickness, and permafrost thaw) are undergoing rapid and ongoing changes

Current climate models predict a significant increase in Arctic temperatures over the 21st century

Climate change is the dominant driving force in the environmental, economic, and societal transitions in the Arctic today

The Arctic ecosystems are undergoing rapid changes

The effects of climate change are significantly affecting Arctic populations

The alterations have far-reaching implications on a global scale

Extreme events in the Arctic are changing in frequency and intensity

What is Green Economy?

The green economy is an economic system that aims to reconcile economic growth with environmental preservation and social inclusivity. By promoting low-carbon renewable energy production it seeks to decouple economic activities from resource depletion, pollution, and biodiversity loss. The green economy focuses on sustainable industries and practices that prioritize environmental well-being and social equity.

The transition towards a green economy involves the adoption of cleaner production methods the efficient use of resources and the promotion of sustainable consumption and production patterns.

The concept of green economy responds to the international community's commitments established in the Paris Agreements with the noble aim to mitigate climate change effects.

Indigenous Peoples and Green Economy

GUARDIANS OF NATURAL RESOURCES

Indigenous Peoples have a profound knowledge of the natural environment, borne out of centuries of harmonious coexistence. Their traditional knowledge offers valuable insights into sustainable land management, resource conservation, and biodiversity protection. Their cultural practices reflect an ecological wisdom that can guide the transition to a green economy.

SUSTAINABLE LIVELIHOODS

Indigenous Peoples have long embraced sustainable livelihoods that are integrated with the environment. Traditional practices such as agroforestry, fishing rights, and rotational farming demonstrate their commitment to sustainable resource utilization.

COMMUNITY-BASED APPROACHES

Indigenous Peoples are known for their strong sense of community and collective decision-making processes. Their inclusive governance structures prioritize the welfare of community members and foster sustainable resource management.

INDIGENOUS PEOPLES CONSISTENTLY OUTPERFORM GOVERNMENTS AS THE MOST EFFECTIVE GUARDIANS OF NATURE AND ECOSYSTEMS, AND THE STRONGEST LEADERS OF CLIMATE AND BIODIVERSITY CRISIS MANAGEMENT

Defining Transition Minerals

Transition minerals are essential for the decarbonization and transition to renewable energy systems.

These minerals include cobalt, lithium, rare earth elements, and others crucial for the production of electric vehicles, battery storage, and renewable energy infrastructure (ex. wind turbines and solar panels).

With many governments actively promoting a transition to green energy, extraction of battery-related minerals such as nickel, cobalt and lithium will only intensify over the coming years. This effectively means, the green revolution is heavily reliant on raw materials.

Indigenous territories often host significant reserves of transition minerals, presenting opportunities for economic development. At the same time, extracting transition minerals requires striking a delicate balance between economic opportunities and environmental protection.

PROBLEMATICS

Like any other land-intensive extractive initiatives, the development of green mega-projects is prone to provoke conflicts with local communities and can therefore easily renew historical processes of dispossession and colonialism, and undermine decades of hard-won progress.

MAJOR CONCERNS

One major concern is the violation of Indigenous rights (before, during and after the development of a green project).

Green economy technologies can displace Indigenous communities from their traditional lands, alter the habitats of endangered species, aggravate historical marginalization, disrupt community identity via the interference with or destruction of sacred sites and areas of cultural significance.

Indigenous communities are frequently excluded from decision-making and negotiation processes resulting in a lack of compensation and inadequate protection of their rights.

In their relationships with Indigenous communities, companies are driven primarily by the desire to fulfil minimum corporate obligations and obtain community support for projects. Indigenous Peoples are therefore seen solely as obstacles who impede the approval of clean energy initiatives.

GOAL

Green economy agenda must aim at addressing global objectives pertaining to sustainable development and the mitigation of climate change, while contributing to lasting peace.

CANADA

Canada is regarded as the nation with the most progressive Indigenous participation in green economy initiatives with its Indigenous Peoples in the front line of the country's clean energy evolution. Over the past decade Indigenous communities, governments, and numerous organizations in every region of Canada have collaborated as active developers of ground-breaking renewable energy projects.

Today, Indigenous Peoples of Canada are increasingly pursuing equity ownership and control in clean energy projects and are partners or beneficiaries of nearly 20 % of Canada's electricity-generating infrastructure.

There are between 2,107 and 2,507 Indigenous clean energy projects (currently operational or in the final stages of development) encompassing power generation, electricity transmission, heat production, and energy efficiency.
Indigenous participation in these ventures consists of indigenous ownership or co-ownership, stipulated economic benefits, royalty agreements, revenue sharing agreements, lease agreements, Impact Benefit Agreements, etc.

Some key examples of sizable Indigenous-led clean energy projects include the Saulteau First Nation (majority owner) and Natural Forces 15 MW Sukunka Wind Energy Project which is currently the largest majority-owned Indigenous green energy project in British Columbia.

Several fully Indigenous-owned renewable energy projects exist in Canada, including but not limited to Mesgi'g Ugju's'n Wind Farm Limited Partnership, Akamihk Energy Inc, and Fort Severn Solar in Alberta, solar arrays located at Lutsel K'e Dene First Nation and Skidegate on Haida Gwaii.

SWEDEN

Kiruna is a main city in Swedish Lapland, an area where Sami - the only Indigenous People living within the borders of the EU have lived alongside nature in these lands for millennia. More than a century ago, the area was referred to as "the land of the future" because to the abundant deposits of iron ore located underground.

On January 12th, 2023, it was discovered that Kiruna has also the largest deposit of rare earth elements in Europe. These elements are highly valuable for the production of electric cars and wind turbines and are therefore essential for advancing the green energy transition in the country and Europe.

The question of colonialism has taken on new meaning amid the modern-day green transition.

However, mining rare earth metals in Kiruna raises concerns about the impact on the traditional ways of life of the Sámi Indigenous reindeer herders, who rely on these territories for their survival. The Sámi people have already seen significant impacts from mining operations on their land, since an iron mine has permanently altered their way of life. For more than a century, the mining industry has extensively exploited this area, leading to the progressive displacement of the Sámi people from their ancestral lands and disrupting their traditional lifestyle.

LKAB (a state owned Swedish mining company) recognizes the unique status of the Sami people as stakeholders, given their Indigenous identity, and commits to engaging in ongoing dialogue with the Sami Communities in the areas where they operate. However, the Sami people contend that they have limited power to influence the granting of a mining concession and are excluded from decision-making procedures. Sámi are seldom included in negotiations, and when they are, it is usually at a late stage. Furthermore, they are mostly called to provide input on project plans that have already been decided upon. Typically, they were not consulted or adequately informed about developments of the projects on their lands and have no opportunities to exert influence over the outcome.

RUSSIAN FEDERATION

Russia is the world's third-largest producer of nickel. The Taimyr Peninsula where the largest nickel mines in Russia are located - is recognized by environmentalists and analysts as one of the most contaminated areas on Earth. This is attributed to NorNickel, which is the biggest producer of nickel, palladium, and platinum globally, and is also the leading mining and metals enterprise in Russia.

World's Largest Arctic Oil Spill: 21,000 tonnes of diesel oil to leak on 29th May 2020

Over the course of its operational history, the company has been responsible for significant environmental harm, including the emission of heavy metals into the atmosphere and the discharge of chemical wastewater into nearby rivers. Over the years, NorNickel has demonstrated a persistent inability to effectively implement its stated commitments to partnering with Indigenous communities and upholding environmental responsibility.

In 2009, the Norwegian Pension Fund, one of the largest investors globally, placed NorNickel on its blacklist due to the company's "severe environmental damage" and inadequate human rights record. This decision was followed by other financial institutions, including Actiam and Robeco, Dutch asset management companies, Scandia, a Swedish financial institution, NBIM, a Norwegian investment management company, and FDC, Germany's asset management company.

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The mining of nickel has been found to have negative environmental impacts, including deforestation as well as contamination of water and soil. Annually, the smelting facilities of the corporation discharge approximately two million metric tons of sulphur dioxide, a quantity that corresponds to over 50 % of the nation's overall emissions or twice the aggregate amount of emissions produced by the United States. Moreover, the concentration of iron, nickel and copper in Norilsk rivers exceeds threshold values by 9-10 times.

Even if there is an agreement with affected Indigenous community, it is seen solely as a means to obtain consent for extractive operations and grants Indigenous population little influence over extraction itself.

Construction of extractive facilities pose a growing challenge to Indigenous communities who pursued the nomadic lifestyle. A significant number of Indigenous communities were compelled to abandon their nomadic lifestyle and adopt a settled way of life. Due to the scale of many construction projects and increasing pollution, some Indigenous communities had to leave their ancestral homelands.

The presence of NorNickel in the region has resulted in a significant reduction of hunting, fishing, and reindeer grounds. One of the most negative impacts reported by Indigenous experts is disruption of wild animals' migration paths and disappearance of fish from the regions' waters.

All decisions concerning extractive industry generally occur behind closed doors without consultation with the public about their needs or interests. Compensation is offered as gifts to prevent community mobilization.

Indigenous Peoples typically find themselves in a disadvantaged position throughout the negotiating process of agreements. Due to the lack of experience, legal, economic, institutional background, Indigenous rights can be easily manipulated

THINGS TO CONSIDER

01

FACTS

- The green revolution is heavily reliant on raw materials and thus carries intensive mineral demands.
- Without minimizing the environmental footprint, green economy is nothing but expansion of mining to rediscovered (yet again) Indigenous territories.
- Almost every green project as diverse as wind and solar energy, hydroelectric, agriculture, land use management, and forestry projects - started with a process of enclosure, exclusion, encroachment, and entrenchment at some point in time.
- While being framed as a positive mitigation strategy necessary to prevent catastrophic climate change, renewable energy may impose additional hardships on communities that are already struggling to adapt to climate change.

02

QUESTIONS TO RAISE

- Is it possible that the energy transition could actually worsen the originating problem?
- Can mining ever be green?
- How can we fix the climate using precisely the same methods that destroyed it?
- Is the green energy transition yet another power struggle?

THINGS TO CONSIDER

03

SOLUTIONS

- Green economy strategies should speak to, and resonate with Indigenous realities.
- Indigenous Peoples possess rich knowledge and experience related to sustainable energy systems that can contribute to designing effective and culturally appropriate solutions.
- Incorporating Indigenous practices into the green economy can ensure the preservation of both natural resources and cultural heritage.
- Intensive collaboration is a core pillar in the process of reconciliation. Collaborating with Indigenous communities in policy-making and development planning can enhance the effectiveness and inclusivity of green economy initiatives.
- The supply chains of strategic minerals must be governed in a way that is responsible, accountable and transparent.

THE ACTUAL QUESTION IS WHETHER ENERGY TRANSITION WILL SUPPORT PEACEFUL, SUSTAINABLE DEVELOPMENT WHICH INVOLVES CONCERTED ACTION FROM CIVIL SOCIETY, THE PRIVATE SECTOR AND GOVERNMENTS OR REINFORCE WEAK GOVERNANCE AND EXACERBATE PRE-EXISTING PATTERNS OF DISCRIMINATION AGAINST INDIGENOUS PEOPLES.

04

FUTURE

The next 5 to 10 years will be a pivotal juncture for the advancement of the worldwide renewables market. How the key raw materials are sourced will determine both the commercial success of businesses and the capacity of governments to execute policies aimed at achieving climate objectives and Indigenous empowerment.

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