

Extractives for Development Newsletter



Information on current topics and trends in the extractives sector
A service of GIZ project Extractives and Development

Dear readers,



© GIZ / Michael Duff

welcome to the first English issue of our extractives newsletter!

Every month, the Extractives for Development (X4D) Sector Programme sends you a selection of articles and links that may be of interest to you. We would like to inform you about key developments in the sector and draw your attention to new findings. If you find additional topics interesting or have event information for us, please do not hesitate to let us

know so that we can include them in our newsletter!

Sincerely, your X4D Sector Programme

EXTRACTIVES AND PUBLIC FINANCES

- » New NRG publication on the use of EITI disclosures by anti-corruption actors
- » 49th EITI Board Meeting: Stocktaking after one year with COVID-19

EXTRACTIVE ECONOMIES

- » Innovation Lab in Mining in the Andean Countries
- » Deloitte study: Tracking the Trends 2021

RESPONSIBLE RAW MATERIAL SUPPLY CHAINS

- » Report and Set of Recommendations from virtual EU CMR conference online
- » Agreement on Draft for German Due Diligence Act
- » Conflict Gold to Responsible Gold: A Roadmap for Companies and Governments

EXTRACTIVES AND ENVIRONMENT

- » Brazilian mining giant Vale to pay US-\$7 billion in damages
- » New publication: Renewable power in the mining sector in Peru
- » Report on Technology Critical Elements

BATTERY RAW MATERIALS

- » EU Commission approves billions in funding for battery projects
- » New study on nickel demand for batteries in electric vehicles
- » X4D at the 7th BMVI Expert Conference on Electromobility

EXTRACTIVES AND HUMAN RIGHTS

- » Second Global World Bank Conference on Gender in Oil, Gas and Mining
- » Publication on the implementation of FPIC in sustainability standards
- » Strengthening human rights and access to grievances in the Andean Region

UPCOMING EVENTS

- » 1st Latin American Mining Meeting (ELAMI) from 02. to 05.03.2021
- » DGCN dialogue series #thinkingahead on corruption on 04.03.2021
- » Official launch of the Research Network Sustainable Global Supply Chains on 09.03.2021
- » Webinar on Tackling Gender Inequality and Corruption In Mining on 17.03.2021

PAST EVENTS

- » Event recordings of gender justice webinar series online
- » EITI-Webinar: Innovations in resource taxation

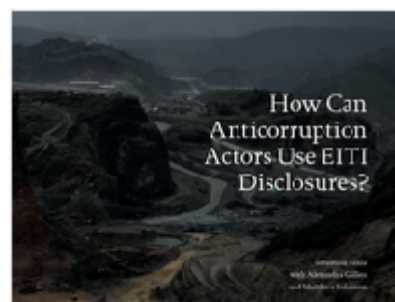
DID YOU KNOW...?

Extractives and Public Finances

Use of EITI disclosures by anti-corruption actors

New NRGi publication

Funded partly by the Sector Programme Extractives and Development, the publication "How Can Anticorruption Actors Use EITI Disclosures?" was published last week by the [Natural Resource Governance Institute \(NRGI\)](#). The study examined the disclosures of 17 EITI countries. Even though EITI does not explicitly identify corruption behaviour, EITI disclosures can provide helpful starting points for anti-corruption actors. The publication contains corresponding best practice examples.



© NRGi

[To the publication »](#)

49th EITI Board Meeting: Stocktaking after one year with COVID-19

Pandemic helps boost innovation

The impact of the COVID-19 pandemic on the extractive sector and EITI implementation was the focus of the 49th EITI Board Meeting on 17. and 18.02.2021. In addition to multiple challenges, such as the alarming decline in civil society participation opportunities, the pandemic has also led to spurts of innovation in digital collaboration and reporting of EITI implementation.

Myanmar was temporarily suspended in the wake of the military coup in early February, as the multistakeholder group is currently unable to function. Whether the next Global EITI Conference will take place as planned in 2022 or be postponed by one year will be decided at the Board Meeting in June. Further information will soon be available on the [EITI Website](#).



Innovation Lab in Mining in the Andean Countries

Selected projects revealed

The *Innovation Lab in Mining in the Andean Countries* is an initiative launched in October 2020 by the **MinSus Programme**, cooperating with strategic partners from Chile (Corporación Alta Ley), Peru (Centro de Estudios sobre Minería y Sostenibilidad de la Universidad del Pacífico), and Colombia (Asociación de Profesionales del Sector Minero). On 16.02.2021, the eight selected projects were revealed. All of them have great potential to contribute to the sustainable development of a key economic activity in several countries of the Andean region. All participants showed deep interest and knowledge to integrate new technologies, innovative business approaches and associativity as the basis.

Learn more:

- » [Further information \(in Spanish\)](#)
- » [The winners \(in Spanish\)](#)

Deloitte study: Tracking the Trends 2021

Building trust in the extractive sector

The study identifies 10 thematic areas through which the extractive sector can position itself and strengthen trust with its stakeholders.

Learn more:

- » [Article and Video](#)
- » [Trends](#)



© Deloitte



Responsible Raw Material Supply Chains

Virtual conference on EU Conflict Minerals Regulation

Report and Set of Recommendations available online

To mark the entry into force of the EU Conflict Minerals Regulation on 01.01.2021, BMZ division 422 together with the business association **Responsible Minerals Initiative (RMI)** had invited to a virtual multi-stakeholder conference. The aim of the event was to identify opportunities and risks of the EU Regulation and to develop recommendations for action to promote an effective implementation in the coming years. The report on the conference "The EU Conflict Minerals Regulation - Perspectives from Producer Countries" from 13. + 14.01.2021 as well as the Set of Recommendations produced during the conference are now available in English.

[To report and recommendations »](#)

Agreement on Draft for German Due Diligence Act

SWP-Aktuell on responsibility in supply chains

In mid-February, the federal ministries involved agreed on a draft law on corporate due diligence in

supply chains. With this, German companies are to assume comprehensive responsibility for the supply chains of their goods and services. With the Due Diligence Act, Germany joins the ranks of European countries like France and the Netherlands that have already set binding regulatory frameworks. SWP-Aktuell classifies the law, summarizes it and gives recommendations for action.

[To the publication \(in German\) »](#)

Conflict Gold to Responsible Gold: A Roadmap for Companies and Governments

Recommendations for actions to create more sustainable gold supply chains

The purchase of gold imported via Dubai supports armed groups and criminal networks that are responsible for acts of violence in East and Central Africa. The Roadmap provides companies, governments and financial institutions with the following recommendations for action to make gold supply chains more sustainable:

- Establish greater consequences for trading in conflict gold
- Strengthen policies and enforcement in Dubai
- Harmonize gold export taxes
- Remove disincentives for artisanal miners
- Source from conflict-free artisanal mines

[To the roadmap »](#)



Extractives and Environment

Brazilian mining giant Vale pays US-\$7 billion in damages

Deaths and environmental destruction after burst of iron ore mine dam in 2019

On 25.01.2019, a dam burst in the Brazilian town of Brumadinho, killing at least 270 people. In addition, 300 hectares of native forest and 200 miles of the local Paraopeba River were destroyed, rendering it useless as a water supply for the city. Within days of the disaster, it became clear that the dam's safety risks had been known since 2003. Many of those responsible have been charged with homicide in 2020. The damages are now to go towards financial support for the inhabitants of Minas Gerais, the reconstruction of nature and other projects to be determined by the affected population.

[To the article »](#)

New publication: Renewable power in the mining sector in Peru

Status Quo and analysis of potential

Peru is one of the countries that has had the greatest economic dynamism in the LATAM region in recent years. Part of this dynamism is due to the development of an organised mining sector with large-scale mines, which has



© MinSus

sector and a proposed agenda for progress in this area.

[To the publication \(in Spanish\) »](#)

led the country to become a global player in the production of minerals such as copper, gold and zinc. Simultaneously, global needs for decarbonization have reached all economic sectors. Measures to reduce emissions in mining processes are using energy generated from low-carbon sources, introducing renewable energy in operations or substituting fossil fuels for other forms of energy. The mining sector shows interesting examples of this in various parts of the world.

This new publication analyses the situation of energy generation and consumption in Peru. It shows how the most important mining companies in the country are supplied with electricity and outlines the prospects for this supply in the future, the opportunities for the integration of non-conventional renewable energies in the Peruvian mining

Report on Technology Critical Elements

Presentation of benefits, costs and handling options

Technology Critical Elements (TCEs), including rare earth elements, platinum group elements and other relatively rare metals, are essential for many emerging and environmentally friendly technologies, including renewable energy, energy storage and urban development. However, the extraction of TCEs can have potentially harmful effects on ecosystems and human health if released into the environment. The report, published by the UN's Scientific and Technical Advisory Panel (STAP), provides an overview of the benefits and costs of TCEs and identifies solutions to manage their impacts.



© STAP

[To the report »](#)



Battery Raw Materials

EU Commission approves billions in funding for battery projects

Building a European value chain for the automotive industry

In the course of an IPCEI (Important Project of Common European Interest) grant the German Federal Ministry of Economics is providing 3 billion euros. In addition, there are 10 billion euros from German federal states. In total, this would amount to about 13 billion euros in investments. These are to create 10,000 new jobs. Among other things, the funds are to flow into the construction of a lithium-ion battery cell production plant by Tesla in Grünheide, Brandenburg. The funding is intended to reduce dependence on China and South Korea and create a closed, European value chain for the automotive industry.



[To the article »](#)

New study on nickel demand for batteries in electric vehicles

EU publication on nickel demand and security of nickel supply

The report „Study on future demand and supply security of nickel for electric vehicle batteries“ analyses the supply and demand dynamics of the nickel market in the context of the automotive sector’s transition towards electric mobility and development of a low carbon economy. The expected requirements for additional nickel are seismic for the market. In 2040, the EU27 automotive industry is expected to require an additional 543 kt of nickel compared to 17 kt of nickel in 2020. There are multiple challenges to ensuring long-term supply security. The report provides a strategic review of the EU27’s ability to source the quantities of nickel that are required over the next twenty years in forms suitable for use in electric vehicles batteries.



© EC

[To the report »](#)

X4D at the 7th BMVI Expert Conference on Electromobility

09. and 10.03.2021 from 9.45 a.m. to 5.30 p.m. (CET) ONLINE

The conference provides practical tips, technical solutions and well-founded recommendations for action that support the anchoring of emission-free mobility. The preliminary programme can be found [here](#). The Sector Programme Extractives and Development is involved with a keynote speech on "Improving mining conditions for socially acceptable battery cell production" on the second day of the conference. Participation is free of charge. The event will be held in German.

[Registration »](#)



Extractives and Human Rights

Getting to Equal in a Changing World: Second Global World Bank Conference on Gender in Oil, Gas and Mining

Sector Programme Extractives and Development (X4D) represented with virtual booth



© World Bank

Organized by the [Extractives Global Programmatic Support \(EGPS\) Trust Fund](#) of the World Bank, the [International Finance Corporation](#) and the [Inter-American Development Bank](#), the virtual conference on 03. and 04.03.2021 aims at sharing and building knowledge between governments, academia, industry and civil society on measures that can improve gender equality in the oil, gas and mining sectors. [Women’s Rights and Mining](#), with which the Sector Programme Extractives and Development is also involved,

will have a virtual booth at the conference. Feel free to drop by!

1st Latin American Mining Meeting (ELAMI)

02. to 05.03.2021 ONLINE

During the four-day conference, high-profile guests from politics, business and academia will discuss current issues of the mining sector. GIZ's raw materials project in Colombia is involved in the preparation and implementation of the conference. All events will be translated into English.

[Agenda and registration »](#)

DGCN dialogue series #thinkingahead: Corruption – an underappreciated aspect of environmental management?

04.03.2021 from 10.00 – 11.15 a.m. (CET) ONLINE

Within the [Global Compact Network Germany \(GCNG\)](#) #thinkingahead dialog series, speakers from different backgrounds share their expertise and debate familiar topics from an interdisciplinary perspective. Especially recent years have seen a steady increase in environmental costs for businesses, while public funding for environmental protection measures has risen. With more money in the system and the benefits at stake, the financial incentives for corruption are likely to rise further. It is, thus, more important than ever to jointly address cause-and-effect relations in this context.

[Registration »](#)

Official launch of the Research Network Sustainable Global Supply Chains

09.03.2021 from 2.00 – 4.00 p.m. (CET) ONLINE

The BMZ has commissioned the [German Development Institute](#), the [German Institute for Global and Area Studies \(GIGA\)](#), the [Kiel Institute for the World Economy \(IfW\)](#) and the [Stiftung Wissenschaft und Politik \(SWP\)](#) to establish a network of internationally leading scholars to undertake and stimulate new research that helps to make supply chains more sustainable by screening the best international research on this topic and making it accessible for policymakers and other societal stakeholders. Moreover, a series of research papers, conferences, policy dialogues, podcasts, a blog, an annual report as well as a dedicated website will be produced.

[Registration »](#)

Tackling Gender Inequality and Corruption In Mining: Why It Matters

17.03.2021 from 3.00 - 4.00 p.m. (CET) ONLINE

The webinar, organized by [Transparency International Australia](#), focuses on why tackling gender inequality is key to addressing corruption in the mining licencing process.

[Registration »](#)



Past Events

Webinar series on gender justice in natural resource governance

Selected event recordings available to watch and download



© GIZ / Michael Duff

From 25.01. to 04.02.2021 the webinar series **Radically Different: Gender justice in natural resource governance** organized by Publish What You Pay, Oxfam, the Natural Resource Governance Institute, Development Gateway, FEMNET and the World Resources Institute took place. Selected event recordings are now available online.

- **Feminist Natural Resource Governance: Heralding a Just Transition**
- **Women Following the Money: Extractive industry accountability in Zambia and the Dominican Republic**
- **Living with oil and its toxicity: resisting the gendered impacts of oil pipelines from the Amazon to East Africa**

EITI-Webinar: Innovations in resource taxation

Recording available online

On 19.02.2021, EITI's partners and practitioners presented a snapshot of recent innovations and emerging opportunities for using the EITI to better understand and strengthen revenue collection in the extractive sector. The objective of the webinar was to share experiences across EITI countries and to inspire new ideas on how to take stock of current mining tax systems and to consider alternative futures that constructively challenge the status quo. More information and the recording of the webinar is available [here](#).



© EITI



Did you know...?

6 people were killed due to a fire at the Caojiawa gold mine in the Chinese province of Shandong. Already in January, 10 people died in an explosion at the Hushan mine in the same province, 11 others were rescued alive after having been trapped underground for two weeks. The government announced comprehensive investigations and the closing of unsafe mines if necessary. In the past year 2020 alone, 573 people died in mine accidents.

[To the article »](#)



[Contact](#)

[Disclaimer](#)

[Recommend this newsletter](#)

www.giz.de

**Deutsche Gesellschaft für Internationale Zusammenarbeit
(GIZ) GmbH**

Registered offices
Bonn and Eschborn, Germany

Friedrich-Ebert-Allee 32 + 36
53113 Bonn, Germany
T +49 228 44 60-0



F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1 - 5
65760 Eschborn, Germany
T +49 61 96 79-0
F +49 61 96 79-11 15

E info@giz.de
I www.giz.de

Registered at

Local court (Amtsgericht) Bonn, Germany: HRB 18384
Local court (Amtsgericht) Frankfurt am Main, Germany: HRB
12394

VAT no. DE 113891176
Tax no. 040 250 56973

Chairman of the Supervisory Board

Martin Jäger, State Secretary

Management Board

Tanja Gönner (Chair of the Management Board)
Ingrid-Gabriela Hoven
Thorsten Schäfer-Gümbel

In charge of this newsletter:

Johanna Wysluch, johanna.wysluch@giz.de
Lisa Stellner, lisa.stellner@giz.de

Editor(s):

Lisa Stellner, lisa.stellner@giz.de
Katharina Prontnicki, katharina.prontnicki@giz.de

Photo Credits:

Title image: © GIZ / Michael Duff

If you no longer wish to receive this newsletter, please click [here](#).