

Extractives for Development Newsletter



Information on current topics and trends in the extractives sector

A service of GIZ project Extractives and Development

Dear readers,



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welcome to the 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

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DID YOU KNOW...?

Extractives and Public Finances

Research on corruption risks in mining during COVID-19 pandemic

Transparency International publishes new report on corruption risk in mining licensing and permitting in the pandemic era

Transparency International's Accountable Mining Programme's new research examines the current and future impacts of the COVID-19 pandemic on corruption risks in the licensing and permitting of large-scale mining projects. "Through the looking glass: Corruption risk in mining licensing and permitting in the pandemic era" outlines seven intersecting themes that characterise the changed landscape for corruption risk in the approval of mining licensing and permitting; and considers the broader implications for environmental, social and governance (ESG) performance in the mining sector.

More information:

- » [Full research report](#)
- » [Information video on research results](#)

Central Banks increasingly invest in ASM Gold

Central banks have been active purchasers of gold in recent years and occasionally acquired gold from local artisanal and small-scale producers. What are the best practices?

The report from the World Gold Council examines how these domestic purchasing programmes work, the benefits they can confer, and the challenges of raising environmental, social and governance standards in the Artisanal and Small-Scale Gold Mining (ASGM) industry. Using four case studies, ways were examined in which central banks can use these programmes to increase their reserves, enhance the welfare of local communities, and create a more robust and sustainable ASGM sector. Then recommendations are provided to encourage responsible ASGM practices and a list of policy options aimed at improving central bank gold purchasing programmes.

[To the report »](#)



New working group “A fresh look at access to information: What do international mineral certification schemes have to offer?”



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The Working Group “A fresh look at access to information: What do international mineral certification schemes have to offer?” chaired by the Natural Resource Governance Institute (NRGI) and the MinSus Program, aims to introduce and familiarize stakeholders in the Andean region with the relevant certification schemes operating along mining supply chains, and to determine what mine-level information could be made available to ensure that these certifications support local stakeholders’ transparency and access to information objectives. The Group is composed of regional experts, civil society representatives and academics.

For further information you can access the article [here](#) and further information will be upcoming on the [MinSus website](#).

The risk of avoiding conflict-affected and high-risk areas for gold sourcing

Why not sourcing gold from conflict-affected and high-risk areas (CAHRAs) is not responsible sourcing, and what to do about it

Based on the OECD Due Diligence Guidance for Responsible Mineral Supply Chains the European Commission published a non-exhaustive list of CAHRAs to help companies recognize a deeper need for due diligence. But the common misunderstanding is to avoid those countries as a source. Hence, this rather encourages illicit trading and related risks and is therefore even more harmful for the named CAHRAs. The aim of this list is quite the opposite: to encourage responsible sourcing leading to responsible global supply chains. How can refiners avoid risks and still contribute to a positive impact by providing an alternative to the illegal exploitation of gold?

[Find out more »](#)





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cooperation, the mining sector is a potential driver for sustainable economic development. In the respective countries, the development and management of the mining sector is the responsibility of the national mining authorities. However, they often lack the necessary expertise to assess the economic conditions and the associated potential as well as the consequences of individual mining projects. As a result, planned mining projects are often not realised at all, or only insufficiently, on the basis of inadequate data. This is where the toolkit for the initial economic assessment of mineral resource projects, developed by the sector programme "Extractives for Development" together with the BGR's department "Geology of Mineral Resources", comes in. Piloted successfully for the first time in 2016, the toolkit has now been digitised as an online course and published on the sector programme's website. This means that the toolkit is available to geological experts from state authorities, companies, educational and scientific institutions in BMZ partner countries, as well as to the interested public, regardless of location and time.

[Toolkit »](#)

Successful pilot mission to test quantity and quality of bauxite for export in Guinea



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to determine the quality of the bauxite.

Since 2017, the German development cooperation has been supporting the Guinean government through GIZ in controlling the quantity and quality of export raw materials. In this framework, a joint pilot mission to control the quantity and quality of bauxite export shipments was organized by the Ministry of Mines and Geology in northwestern Guinea from April 4 to 24, 2021. During the mission, selected vessels transporting raw materials from the Chalco company in Bofa and the Société Minière de Boké (SMB) company in Boké belonging to the Winning Group consortium were inspected. Eight government experts evaluated the cargoes of five ships for a total quantity of 1,059,450 tons of bauxite. They conducted a so-called Draught Survey, which estimates the amount of raw materials loaded by means of draught measurement. In addition, eight geochemists from the National Geological Laboratory participated in the sampling and analysis process of the barges destined for these vessels during loading. A total of 150 bauxite samples were collected, numbered, and sent to the National Geological Laboratory in Conakry for geochemical analysis

This joint pilot operation aims to create a database on the quantities and qualities of ores to be exported. This will be used to better calculate the export tax and to determine the arm's length price for bauxite. In this way, the state's tax revenues can be improved, which should contribute to Guinea's development.



Companies back moratorium on deep sea mining

New article by BBC News on the current debate about deep sea mining

BMW, Volvo, Google and Samsung withdraw their support for deep sea mining, due to having too little research on the consequences. Although, mines on land cause multiple damages, at least their consequences are known and can be addressed, says a spokeswoman from BMW. For meeting the high demand of battery minerals, she believes in the design of batteries that require less minerals and an improved circular economy. On the contrary, deep sea mining companies stress the current negative impacts of mining on land and the need for battery minerals to meet net-zero targets. The debate is also reflected in the scientific world, where a polarized debate is developing with opponents and proponents of deep sea mining.

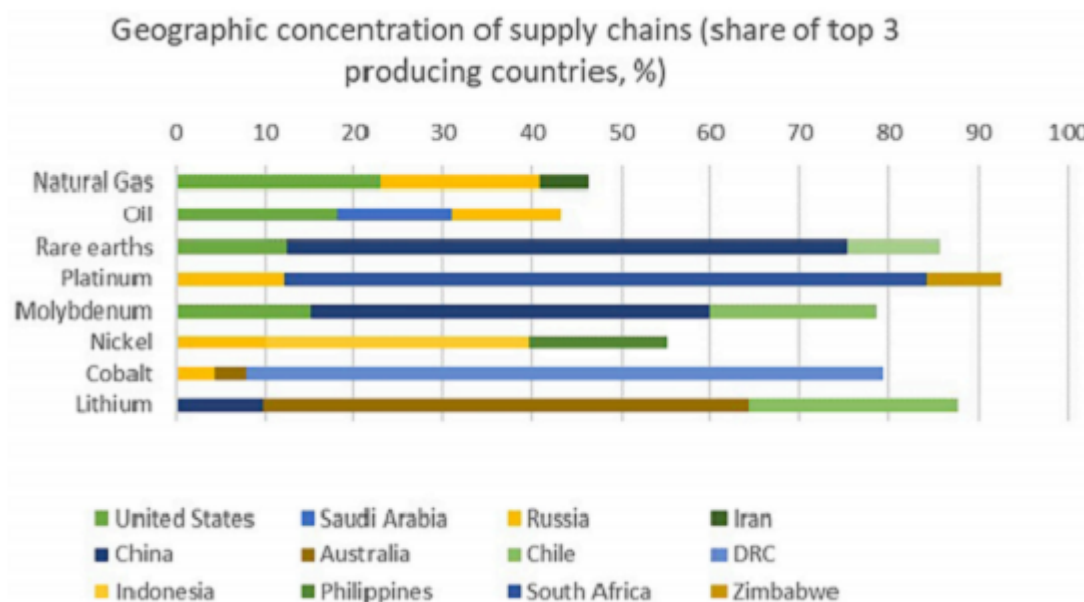
[To the article »](#)

Low-carbon economy and their linkage to a just transition

One Earth Commentary about key materials of a low-carbon economy and their linkage to a just transition

The transition to a low-carbon energy system comes with many potentials and simultaneously many risks, especially for developing economies and the extraction of minerals. One famous example is the DRC that despite being the top producer of cobalt struggles with poverty and conflict. Chile, important lithium producer, faces unknown and long-term environmental impacts. Nevertheless, mining plays a dominant role in many developing nations and undoubtedly creates opportunities but only if they are managed properly.

The authors Lee et al. from Colorado School of Mines suggest five areas of prioritization to tackle the risks and achieve a just transition.



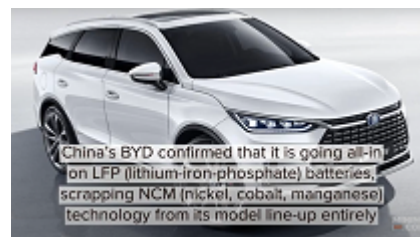
©Lee et al.

[More information »](#)



BYD changes battery technology from NCM to LFP

The Chinese company BYD, world's second largest electric vehicle brand after Tesla, confirmed that it will change their battery technology from NCM (nickel, cobalt, manganese) to LFP (lithium-iron-phosphate) batteries. The Shenzhen-based company also supplies other carmakers with its battery technology. BYD claims that their new "Blade" technology is not only significantly cheaper, but also safer since NCM batteries have a higher risk of fire. Besides that, the new batteries increase the driving range and reduce the charging time.



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[To the article »](#)

Who are the top 25 nations producing Battery Raw Materials?

Based on data of the research provider BloombergNEF the article provides a map ranking the top 25 nations for raw materials in the lithium-ion battery supply chain. Crucial factors for ranking the nations are not only the resource deposits but also mining and refining capacity, thus making China the number one nation in the supply chain due to its control over 80 % of global raw material refining capacity. Interestingly, the article ranks the status of 2020 and the predicted rank for 2025 revealing which nations will likely increase - or decrease - their role in the supply chain.

[Top 25 »](#)



Extractives and Gender

New Gender and Extractives page on EITI Website

The Extractives Industries Transparency Initiative (EITI) recently created a new "Gender and extractive sector governance" page on their website, thus promoting more equal participation in the extractive sector. Only one third of EITI implementing countries have published gender-disaggregated data in their recent report. Although there is yet a long way to go, EITI stresses the importance of gender data and gender transparency for addressing inequalities in the extractive sector.

[More information »](#)

International Women in Mining Post Summit Event Report

The post event report of the Global Women in Mining Summit, held on the 1st and 2nd of March 2021, was released. The successful event reached over 220 attendees from more than 70 WIM organisations across the world! By more than 300 networking activities, 16 workshops and roundtables and 4 keynotes the international women in mining community connected and discussed current topics.



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In case you have missed the event, follow the link and watch the complete keynotes (page 21)! The next WIM summit will be held in March 2022.

[Post Event Report »](#)



Upcoming Events

Conference: [green.net.working. - Ecologically-Sustainable Digitalization in an International Context](#)"

19.-20.05.2021 from 10.00 – 3.00 p.m. (CET) ONLINE

[green.net.working.](#) addresses the importance and interconnection of two megatrends - digitalization and sustainability. The virtual conference which is jointly hosted by GIZ and Öko-Institut brings together interdisciplinary experts, policy makers and representatives from the private sector as well as from social and civil society from all over the world to discuss an Ecologically-Sustainable Digitalization in an International Context. Join us for inspiring keynotes, thematic discussion forums, panel sessions, cross-sectoral networking and exchange.

The sector programme Extractives for Development is co-hosting a session on "Responsible raw materials supply and production of information and communications technology (ICT)" on May 19th, at 12:30 CET.

[Registration and further information »](#)

Intersectoral Dialogue "[The role of women in the construction of a more sustainable economy: experiences from the mining and energy sectors](#)"

20.05.2021 4pm CET Online

The MinSus Programme and the [Win-Win Program](#), implemented by UN Women, ILO and EU, will organize the intersectoral dialogue "The role of women in building a more sustainable economy: experiences from the mining and energy sector". The online event will be open to the public and will include the participation of regional and international experts in the field. The intersectoral dialogue will be held with the objective of making visible the participation of women in development and in the transition towards a more sustainable and green economy, through an analysis of the programs and public policies of the mining and energy sector with a gender approach, and women's contribution to innovative solutions that drive this transition towards a greener economy and triple impact solutions through concrete initiatives from the business sector.

MinSus works on promoting gender equality in the mining sector in the Andes. Since 2019, MinSus has been supporting the Mining and Energy Ministry of Colombia in developing and implementing the [gender guidelines for the mining and energy sector](#) together with UN-ECLAC. As part of this technical assistance, you can now access the [Practical guide of recommendations: Communication with a gender perspective in the mining and energy sector](#). ([links in Spanish](#))

[Registration and further information »](#)

Innovate4Climate I4C Global Event by World Bank Group

25.-27.05.2021 ONLINE

25.05.2021 20:00 – 20:50 (CET) Climate-Smart Mining

Each day will be comprising high-level plenaries along with a workshop program which provides a forum for practitioners to demonstrate how to achieve a resilient and low-carbon future. The three-day program will also include a Marketplace, where public and private sector organizations will be able to showcase their climate action initiatives and engage with conference participants.

On 25th of May 2:00-2:50 pm (EDT) (20:00-20:50 CET) the World Bank's Climate-Smart Mining team will present their latest work. The team has been working to develop a Lithium Carbon Footprint Dashboard that aims to visualize the carbon footprint of lithium used in electric vehicle supply chains globally. The objective of this dashboard is to provide a view of GHG emissions from lithium across the entire mineral supply chain to enable climate-conscious stakeholders to identify areas for carbon emissions reduction opportunities via CSM practices (extractive-led economies, upstream and downstream companies, CSOs).

[Registration and further information »](#)

Launch of the ASM Sector Report

04.05.2021 15.00 – 16.30 (CET) Africa, Americas, Europe Regional Launch Event ONLINE

Join the World Bank's Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund, Pact, and regional co-host, University of Surrey along with contributing authors for the release of the 2020 State of the Artisanal and Small-Scale Mining Sector Report. The report launch will present the reports key finding on the ASM sector's contribution to the SDG8.

The event will be hosted in English with simultaneous translation offered in French and Spanish languages.

[Registration and further information»](#)



Past Events

14th OECD Forum on Responsible Mineral Supply Chains

Presentation of latest reports

From 26th to 30th of April 2021 the 14th OECD Forum on responsible mineral supply chains took place (virtually). The two main days – 27th and 28th – were accompanied by many partner sessions. Below you'll find the newly released OECD reports launched during the forum. The next OECD forum will take place in Paris in the 1st week of May 2022.

Reports:

- » [Trends in Stakeholder Reporting: Mineral Supply Chains](#)
- » [Monitoring and Evaluation Framework: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)
- » [Due Diligence of Mineral Supply Chains during the Covid-19 Pandemic](#)
- » [Costs and Value of Due Diligence in Mineral Supply Chains](#)

Partner session on the Kimberley Process at the OECD Forum on Responsible Mineral Supply Chains

– 29. April 2021



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On April 26-30, 2021, the 14th OECD Forum on Responsible Mineral Supply Chains and associated partner sessions were held in virtual format. One of these partner sessions, organized by the European Commission, was dedicated to the Kimberley Process Certification Scheme, which aims to prevent trade in conflict raw materials. The Mano River Union (MRU) countries, Côte d'Ivoire, Guinea, Liberia and Sierra Leone have significant diamond and gold production,

much of which is derived from the artisanal mining sector. The MRU countries are supported by the EU and BMZ not only to implement the Kimberley Process, but also to fight smuggling and improve the development and livelihoods of artisanal miners. During the partner session, the progress of regional cooperation to implement the Kimberley Process certification scheme was presented and discussed by international stakeholders from government, the private sector and civil society. The activities are part of the regional GIZ project "[Regional Resource Governance in West Africa](#)". Speakers included partners of the project such as representatives of the MRU Secretariat, civil society and GemFair, an initiative of De Beers. Marika Lautso-Mousnier from the EU Commission highlighted the regional approach as a particular success. This is a best-practice example that is receiving a great deal of international attention (e.g. in [UN Resolution 75/261](#)). This approach clearly demonstrates the good work of German development cooperation as a whole and of GIZ as an implementing partner in cooperation with the MRU Secretariat.

[More information on OECD Forum and partner sessions »](#)

[More information on GIZ Westafrica Project »](#)

News from the EPRM

On 19 and 20 March 2021, the members meeting of the European Partnership for Responsible Minerals (EPRM) took place. The multi-stakeholder partnership for responsible mineral supply chains was established in 2016 to accompany the [EU Regulation on Minerals from Conflict-Affected and High-Risk Areas \(CAHRAs\)](#). The Federal Ministry for Economic Cooperation and Development (BMZ) has been representing Germany as a member in the initiative since the beginning of 2020. During the virtual members meeting, the members looked back on 2020 as well as the five-year anniversary of the EPRM. Moreover, the [seven new pilot projects](#), which the EPRM funds to support responsible sourcing in artisanal and small-scale mining, were presented.

[More information on the EPRM and its activities »](#)



Did you know...?

In Germany, every citizen needs an average of 1100 tonnes of energy raw materials and mineral raw materials in the course of his or her lifetime. Three quarters of these raw materials are extracted from domestic deposits.

([Source](#)).



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