



## 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

### HIGHLIGHT OF THE MONTH

» "Raw materials for electric mobility – A development perspective" - Digital launch of the X4D publication

### EXTRACTIVES AND PUBLIC FINANCES

» What are the drivers for the gold markets in Eastern and Southern Africa?

» The Netherlands supports IGF with EUR 5 Million

### RESPONSIBLE RAW MATERIAL SUPPLY CHAINS

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- » Discussion on accompanying measures for the planned EU due diligence legislation
- » Progressive and inclusive due diligence in the extractive sector: new interview series from CSR Europe
- » First gold refinery to international standards in Tanzania

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- » How can green hydrogen support reconstruction after COVID-19? Perspectives from Colombia and Germany

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- » Will the "Cobalt Angst" turn carmakers into mine owners?

### EXTRACTIVES AND HUMAN RIGHTS

- » Publication of the FPIC Guide by RESOLVE with support from X4D
- » Online Data Information System (ODIS): Adapting learning in times of a pandemic in artisanal and small-scale mining

### EXTRACTIVES AND GENDER

- » New OECD Watch guide on gender due diligence
- » New IWIM podcast episodes

### UPCOMING EVENTS

- » Discussion of the report "The Role of Critical Minerals in Clean Energy Transitions"
- » World Day Against Child Labour 12.06.2021

### PAST EVENTS

- » X4D with BMZ General Director Dr. Zattler at the World Bank's Global Climate Conference
- » Digitalization and Raw Materials: green.net.working. konferenz on 19th und 20th of May
- » 2020 State of the Artisanal and Small-Scale Mining Sector

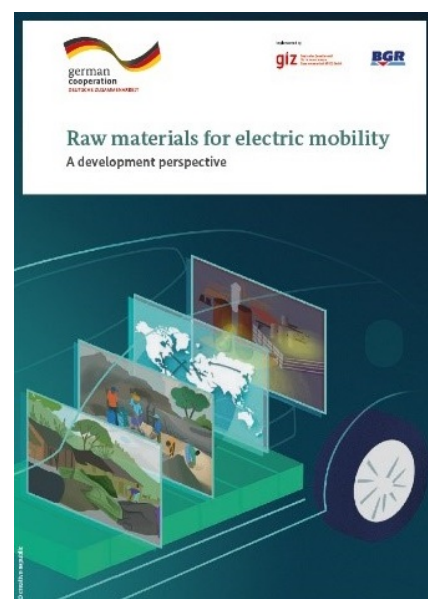
### DID YOU KNOW...?

## Highlight of the Month

### "Raw materials for electric mobility – A development perspective"

Digital launch of the X4D publication

**No mobility transition without raw materials!** The increasing demand for raw materials for e-mobility provides challenges but also opportunities for resource-rich developing countries. In order to not forget about the development perspective when mining the raw materials, the sector program Extractives and Development (X4D) on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) has published a new brochure on this topic. The brochure takes a close look at specific raw materials relevant to battery production - aluminum, graphite, cobalt, copper, lithium, manganese, nickel, tin. The focus is on the origin and the circumstances under which the raw materials are mined and processed. Their positive potential as a contribution to the Sustainable Development Goals and as well as their developmental risk is further analyzed. Examples of German development cooperation projects and interesting short facts complement each chapter.



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- » [Have a look at the brochure](#)
- » [More information](#)

The publication will be officially launched in a digital event on **July 7th, 2021 from 3:30 - 4:30 pm** (CET). We would be excited for you to attend.

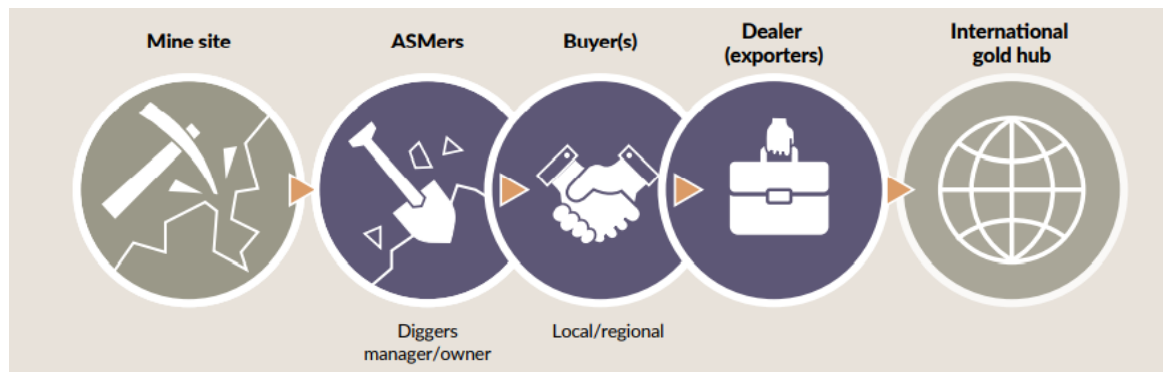
To register please contact: [Kristina Zimmermann](#)



## Extractives and Public Finances

### What are the drivers for the gold markets in Eastern and Southern Africa?

A new study by the Global Initiative against Transnational Organised Crime examined the artisanal gold mining sector (ASGM) in Eastern and Southern Africa. The rise in illegal activities in gold markets reduces the mineral's potential to act as a driver for development. At the same time, corruption and crime have also accelerated and intensified the environmental damage caused by ASGM. For example, the use of mercury harms people and the environment and is closely linked to the illicit gold trade. Countries studied include South Sudan, Uganda, Kenya, Zimbabwe and South Africa.



©Global Initiative

[Find out more »](#)

### The Netherlands supports IGF with EUR 5 Million

The Ministry of Foreign Affairs of the Government of the Netherlands supports the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) with EUR 5 million over the next five years. IGF and the Netherlands share the conviction that responsible resource management plays an important role in achieving the Sustainable Development Goals, Carmen Hagenaaars, Deputy Director Inclusive Green Growth with the country's Ministry of Foreign Affairs, explains the support. The new funding will enable the IGF to strengthen its outreach and programmes in its more than 75 member countries.



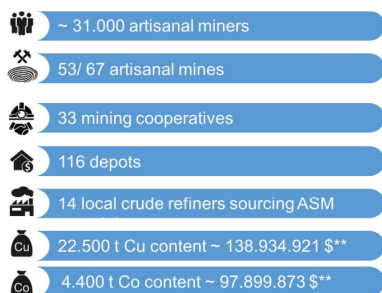
©IGF

[To the article »](#)



# Mining conditions and trading networks in artisanal copper-cobalt supply chains in the Democratic Republic of the Congo

New study by the Federal Institute for Geosciences and Natural Resources (BGR)



ASM in the DRC ©BGR

The data shows that the small-scale mining sector has become less important in terms of its size and economic relevance, especially with regard to the global supply of cobalt from the DRC, in 2020.

Cobalt from the DR Congo is of global importance, especially in the e-automotive industry for battery production. Most of the cobalt is extracted in industrial mining, but there is also a non-negligible portion from artisanal mining, which can respond particularly quickly to increasing demand. BGR already investigated the Congolese small-scale mining sector in 2019 and supplemented these findings with a field survey in 2020 to update and expand the data base. The evaluation of the

[To the report »](#)

## Discussion on Accompanying Measures for the planned EU Due Diligence Legislation

On 18 May 2021, the [Responsible Business Conduct Working Group](#) of the European Parliament, chaired by MEP Ms. Heidi Hautala, and [CSR Europe](#) organized a workshop to discuss how to effectively shape an integrated EU approach on due diligence that brings about positive change on the ground. BMZ Division 422 joined EU policymakers, business networks and civil society organizations for this highly relevant discussion whose outcome is decisive for achieving the Sustainable Development Goals (SDGs). While the European Commission has committed to a legislative proposal on mandatory due diligence, there is consensus that legislation alone will not suffice to ensure a positive impact for people and the environment in producer countries.

To provide a better future for all actors along the value chain, an inclusive due diligence process with appropriate accompanying measures is needed. This process should aim at encouraging large, medium and small enterprises, EU policymakers, local authorities and civil society organisations to work closer together to become a catalyst for change. European sector dialogues and alliances as well as local sustainability projects and networks to enhance capacities in the upstream of supply chains in developing countries will play an important role in this regard.

More information will be available soon on our [X4D website](#).

## Progressive and inclusive due diligence in the extractive sector

New interview series from CSR Europe

In the first interview, Estelle Levin-Nally, founder of Levin Sources, and Norman Mukwakwami, Artisanal Mining and Due Diligence Specialist at the World Bank, discuss the commitment suppliers expect from their clients to work together to ensure a responsible and inclusive raw material supply chain. The short interviews will be published monthly until September.

Find the interviews [here](#).



# First gold refinery to international standards in Tanzania

At the end of April, the first gold refinery in Tanzania was put into operation. This means that the country is no longer dependent on the pure export of the raw material but can generate important income for the country through this further step in the supply chain. In addition, jobs are created, technology is transferred and gold smuggling is reduced. The refining of gold from neighbouring countries is planned.

[Find out more »](#)



## Extractive Economies

### New Online Course: “Getting a Good Deal: Negotiating Extractive Industry Contracts”

CCSI, the Natural Resource Governance Institute (NRGI), the **CONNEX Support Unit**, and the United Nations Sustainable Development Solutions Network's (SDSN's) SDG Academy are pleased to offer a massive open online course (MOOC) on Getting a Good Deal: Negotiating Extractive Industry Contracts. The new course adds the important topic of contract negotiation to the existing and popular **course on resource governance**. This 3-module, self-paced course examines the challenges governments face in negotiating strong contracts, and strategies that governments can use to address these challenges and increase the chances of negotiating a good deal. In each module, students have access to recorded video lectures led by a diverse faculty of world-class experts and practitioners as well as to key background readings for review.



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[Register here »](#)

### From digging to electric fields: new technique for extracting metals from hard rock

The deeper mines get, the more overburden makes economic extraction difficult. A group of scientists has now published a study on the Electrokinetic in situ Leaching (EK-ISL) method, which is based on electric fields. The electric currents can stimulate the transport of electrically charged metals such as copper through so-called electromigration. So far, this technique has only been applied to tailings or sewage sludge, for example, but not to hard rock. This could make mining more sustainable and economical.

[Read more »](#)

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'De la recuperación verde, a la paz' - How can green hydrogen support reconstruction after COVID-19? Perspectives from Colombia and Germany

In the first episode of the German-Colombian podcast 'De la recuperación verde, a la paz', economist Prof. Dr. Veronika Grimm and Colombian Vice Minister of Environment Nicolás Galarza discuss aspects of green recovery and how it is being shaped in both countries.

Based on the success of the virtual conference on World Environment Day 2020, the dialogue between the host country Colombia and its partner country Germany finds its continuation in the podcast series 'De la recuperación verde, a la paz'. The first episode 'Cómo pasar del COVID-19 a una economía verde e inclusiva' has now been officially announced on [Twitter](#) and is now available for listening.

The podcast is being implemented on behalf of BMU and as part of the International Climate Initiative by the GIZ projects 'Strategic Environmental Dialogues' and 'NDC Support Colombia' together with the Colombian Ministry of Environment and Sustainable Development. In five episodes, which are being broadcast in Spanish, experts from Colombia and Germany exchange views, and different perspectives are incorporated through various voices from Colombia.

In the first episode, Nicolás Galarza and Prof. Dr. Veronika Grimm discuss the way out of the pandemic into a green and inclusive economy. Among other things, they exchange on the economic stimulus packages and the potentials of green hydrogen in both countries.

**Listen to the podcast:**

» [Spotify](#)

» [Spreaker](#)



## Extractives and Environment

### Critical minerals and their role in the energy transition

New flagship report by International Energy Agency (IEA)

From wind turbines to e-cars, minerals are essential components for green technologies, while at the same time they have significantly higher raw material requirements than their fossil fuel-based counterparts.

As the energy transition gains momentum, new energy technologies represent the fastest growing demand for raw materials. In the report, the International Energy Agency (IEA) examines the role of critical minerals in the energy transition.

The assessment of energy policies suggests that global demand for minerals for energy technologies will double by 2040. However, a global achievement of a net-zero target in 2050 would require six times more mineral inputs in 2040 than today.

The report will be discussed in a [webinar](#) on June 2nd.



©IEA

[To the report »](#)

### Climate-Smart Update of the Africa Mining Vision

The Africa Mining Vision (AMV) provides guidance for the industrialization of African countries by leveraging their mining sector. Since the AMV was adopted in 2009 before the Paris Agreement and

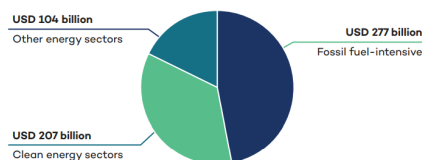
the general inclusion of climate change measures in political agendas, it does not include guidance on how governments should embrace the climate change agenda. The localization of global value chains induced by rising carbon costs can represent an opportunity for better and further industrialization, deeper linkages, and sustainable development. CCSI's research explores these opportunities and suggests foundations for a climate-smart update of the AMV.

Read the article [here](#).

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## Achieving a fossil free recovery after COVID-19

New report of International Institute for Sustainable Development (IISD) and Global Subsidies Initiative (GSI)



Measures of government support to energy sectors in G20 and 11 other major economies in 2020 ©IISD

The COVID-19 crisis has changed the world, creating massive economic global disruption. As a response, governments all around the world have dedicated large amounts of public money to counterbalance the socio-economic effects of the crisis. Governments committed at least USD 277 billion to fossil fuel-intensive sectors—47% of all recovery funds spent on energy production and

consumption. The first priority for everyone in the COVID-19 context must be health and social protection, followed by getting economies back on track—but it has to be done in a way that is consistent with the Sustainable Development Goals (SDGs) and governments' net-zero commitments including a responsible extraction of the minerals needed. This report lays out a blueprint of how to do so, proposing five principles that governments can follow to boost their economies, create jobs and at the same time meet climate and development targets.

[To the report »](#)

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## Good practice guide for the management of tailings

Tailings are an unavoidable by-product of mining with a high-risk potential. If not managed wisely, they pose a risk to people, the environment and infrastructure and cost mining companies millions of dollars. Events in recent decades have shown that despite international efforts, the physical stability of tailings cannot be guaranteed. The International Council on Mining and Metals (ICMM) Guide presents a holistic approach to improving tailings management in order to lay the foundation for safe and responsible tailings management worldwide.

[Find out more »](#)



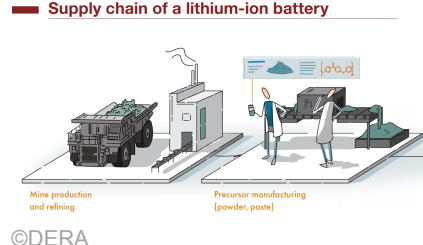
### Battery Raw Materials

## Booklet of the German Mineral Resources Agency (DERA) on battery raw materials for e-mobility

How will the markets for battery raw materials develop?

In the mobility of the future, the battery will be the biggest cost factor in e-vehicles. The consideration of the complex value chain of lithium-ion batteries is the basis for the entrepreneurial decision whether to develop in-house

production capacities for cells and battery modules or to procure them. Considering the high material costs, the topic of raw material procurement should be part of the discussion on mobility transition. The DERA booklet provides facts and information on e-mobility with regard to the markets for battery raw materials.



[To the booklet »](#)

## Will the "Cobalt Angst" turn carmakers into mine owners?

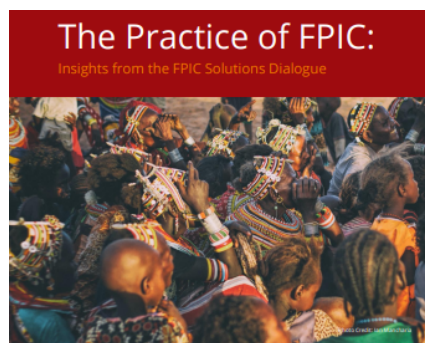
E-car manufacturers face the major challenge of meeting their long-term needs for battery raw materials. For cobalt in particular, this means sourcing the mineral from the conflict-ridden DR Congo. In addition, Chinese companies control 40 % of global cobalt mining: another problem for Western manufacturers like Tesla and VW. Tesla is already planning a company-owned lithium mine in Nevada. Similar projects in Africa could follow.

[More information »](#)



## Extractives and Human Rights

### Publication of the FPIC Guide by RESOLVE with support from X4D



Developed by

RESOLVE

With funding from

giz

on behalf of

german cooperation  
development cooperation

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Together with the NGO RESOLVE, the sector program Extractives for Development, on behalf of the BMZ, has developed a guide for the implementation of FPIC (free, prior and informed consent). The guide strengthens the dialogue between indigenous networks and companies in the mining and other sectors, as they are often disproportionately affected by the negative impacts of such large-scale projects. And not only during the project period, but permanently. The aim is to inform and involve particularly vulnerable population groups at an early stage so that informed consent can be given.

The application of the right to free, prior and informed consent (FPIC) is a useful tool in the implementation of the UN Sustainable Development Goals of the 2030 Agenda.

» [further information](#)

» [FPIC guide](#)

### Online Data Information System (ODIS): Adapting learning in times of a pandemic in artisanal and small-scale mining

ODIS is “[e]nhancing the work of the MRU through information exchange on ASM activities for improved livelihood of artisanal mining communities.” Edrian Trinity-Davies, Sierra Leone Country Administrator.



The four Mano River Union (MRU) member states (Cote d'Ivoire, Guinea, Liberia, and Sierra Leone) in collaboration with GIZ established the web-based platform ODIS (Online Data Information System) allowing peer-to-peer learning and sharing of information on Artisanal- and Small-scale mining (ASM). Through the platform, stakeholders can directly exchange with each other and share important information, such as guidelines, studies, trade flow information or country specific practices of ASM governance. The topics range from the Kimberley Process Certification Scheme, the OECD Due Diligence Guidance, Responsible Minerals Supply Chains and the EU Responsible Sourcing Regulations. The platform has already a total of 180 users.



Stakeholders in ASM profit of information exchange and dialogue through the platform ODIS – for instance those working on diamond mining. ©GIZ/Michael Duff

Over the course of the last two years, more than 150 stakeholders profited from a training in the use of ODIS. However, the COVID-19 pandemic did have an impact in the way the trainings were delivered: In 2020, a virtual format instead of a face-to-face meeting was used in three, and in 2021 in two of the four countries. This required of course some particular considerations; for example, for the francophone participants, live translators were engaged. The training sessions, engaged. The training sessions, whether virtual or in presence, were hands-on. Explanations were followed by trials and experimentation to ensure participants could perform the tasks themselves. Thanks to this approach, the training was considered a success by the participants, even though it was a new experience for some.



## Extractives and Gender

### New OECD Watch guide on gender due diligence

OECD Watch has published a guide explaining how civil society can evaluate a company's gender due diligence. With this new guide, OECD Watch provides civil society a list of questions they can use to assess if and how effectively companies are applying a gender lens at each step of the due diligence process. Women and girl community members face gender-specific impacts from extractive and infrastructure projects such as displacement from land and natural resources, disrupted social status and educational access, and exposure to prostitution and sexual violence. **The guide** is not exclusively for extractive industries, but any company interested in gender due diligence.

**If the answer to any of these questions is NO, the company is likely not undertaking effective gender-sensitive due diligence.**



©OECD Watch

### New IWIM podcast episodes

The International Women in Mining (IWIM) **podcast series** continues with a new episode on workplace harassment in the mining industry. Guests include the President of WIM Ecuador and the Director of Atalla Legal. The 30-minute podcast is in Spanish and available on **Spotify** and **LibSyn**.

Additionally, WiM South Africa has launched a new podcast episode. In the 13th episode, WiM SA and WiM Argentina talk about their organisations and their experiences as part of the WiM group. Topics include mentorship and its importance for women in the extractive sector: from networking to participation to mutual learning. Listen to the episode [here](#).



## Upcoming Events

### IEA-IGF Session: Discussion of the report “The Role of Critical Minerals in Clean Energy Transitions”

**02.06.2021 04 p.m. (CET) ONLINE**

The International Energy Agency (IEA) has issued a new report (see [above](#)), the Role of Critical Minerals in Clean Energy Transitions, which analyses the complex links between these minerals, energy security and the prospects for a sustainable, sequential yet rapid transformation of the energy sector. The report was informed by extensive consultation with partners, including the IGF. Join the IEA and IGF on June 2 at 10:00 EST (GMT +4) / 16:00 CEST (GMT -2) for a webinar discussing the important issues identified in the IEA's report, including:

- Mineral demand implications of a rapid shift to clean energy technologies
- Far-reaching implications for the metals and mining sector
- The global shortfall in mineral supply and investment for energy transformation
- International coordination and due diligence

[Registration and further information »](#)

### World Day Against Child Labour 12.06.2021

#### World Day “Week of Action” - 10-17 June 2021

This year's World Day Against Child Labour will be celebrated with a “Week of Action”, marked from 10-17 June 2021. Throughout this special week, events and activities around the world will provide an opportunity to discuss the new ILO-UNICEF global estimates and trends on child labour and showcase progress on the implementation of International Year “2021 Action Pledges”.

[Have a look at the various events »](#)



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## Past Events

X4D with BMZ General Director Dr. Zattler at the World Bank's

# Global Climate Conference

Review of the side session from 25<sup>th</sup> of May



©I4C

Demand for electromobility is growing rapidly. More electric cars mean that more raw materials are needed for their production. These leave an enormous carbon footprint during mining and along the entire supply chain.

Entitled ***Tracking Lithium CO<sub>2</sub> Emissions: From Mine to Electric Vehicle***, the **Climate Smart Mining Initiative** organized a side session at this year's **World Bank Global**

**Climate Conference** addressing CO<sub>2</sub> emissions along the supply chain of lithium. The lithium footprint dashboard is designed to enable climate-smart stakeholders to identify areas along the lithium supply chain to reduce carbon emissions and energy and water use through climate-smart mining practices.

**In Germany, the transport sector is the third largest emitter of CO<sub>2</sub> emissions.** Here, it is of great importance that the raw materials for e-mobility are mined and processed in the most climate-friendly way possible along the entire supply chain in order to make the energy transition truly green. As a leading automotive manufacturer, Germany has a special responsibility in this regard. As one of the panelists, BMZ general director Dr. Jürgen Zattler also emphasized the high priority for German development cooperation of supporting partner countries in climate-sensitive raw material extraction.

The event was recorded and can be viewed [here](#).

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## Digitalization and raw materials: green.net.working. conference on 19<sup>th</sup> und 20<sup>th</sup> of May

Review of the side session from 19.05.2021

Information and communications technology (ICT) are part of everyday life. But where do the raw materials for our smartphone and other gadgets come from? What are the challenges in mining those minerals? Is the supply chain responsible? Where are the barriers to recycling?

These and other related questions were discussed by a panel with participants from the private sector, policy and NGOs and experts during the online session "Responsible raw materials supply and production of ICT", May 19<sup>th</sup>. The Sector programme Extractives for Development in cooperation with the Institute for Applied Ecology (Öko-Institut) organized the session, which was part of the conference green.net.working. on May 19 and 20. The conference was jointly hosted by the Institute for Applied Ecology and Gesellschaft für Internationale Zusammenarbeit GIZ GmbH.

[More information »](#)

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## 2020 State of the Artisanal and Small-Scale Mining Sector

- Report published

Following the launch of the new sector report on 4 May, the 2020 State of the Artisanal and Small-Scale Mining Sector Report has now been published. Among the key findings are:

- ASM makes up the world's largest mining workforces, employing an estimated 44.75 million people globally.
- 60 % of ASM countries do not have published data on female participation in the sector.

More interesting key findings and how the ASM sector contributes to SDG8 can be found in the report.

[To the report »](#)



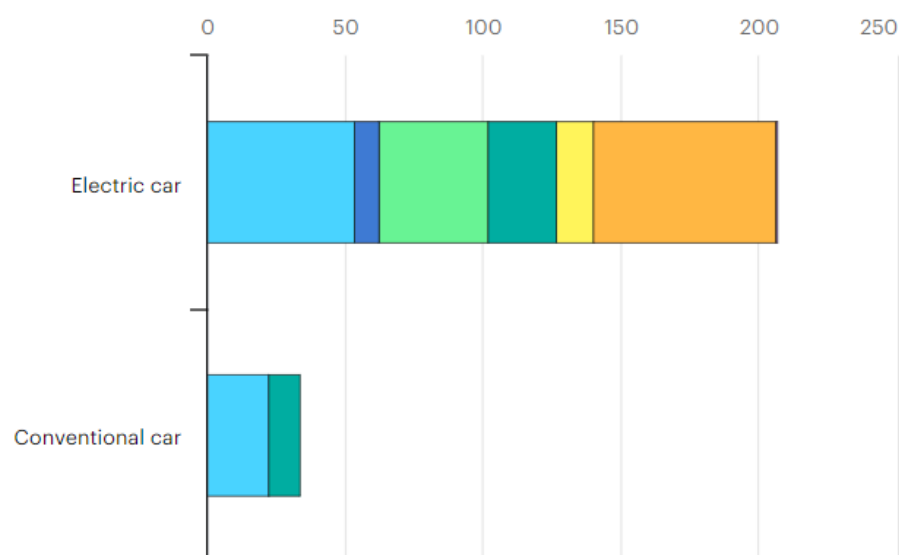
## Did you know...?

A typical electric car requires six times the mineral inputs of a conventional car.

([Source](#))

### Minerals used in electric cars compared to conventional cars

kg/vehicle



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● Copper ● Lithium ● Nickel ● Manganese ● Cobalt ● Graphite ● Zinc  
● Rare earths ● Others

Minerals used in electric cars compared to conventional cars ©IEA



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