

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

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- » Meeting the EITI supporting company expectations: An assessment of current practice
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- » "From Blood Diamonds to Peace Diamonds" German Federal Minister Gerd Müller in Sierra Leone

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- » New online course "Natural Resource Governance and Development: Policies and Practice"

PAST EVENTS

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- » How can supply chain laws in Europe affect mining in the Andean Region?

DID YOU KNOW...?

Highlight of the Month

"Raw materials for electric mobility - a development perspective" - Publication and presentation of the X4D booklet

07th of July 15:30-16:30 CET online

No mobility transition without raw materials! In view of the increasing demand for raw materials for e-mobility, the transport transition poses challenges but also opportunities for developing countries rich in raw materials. In order not to lose sight of the development perspective in the extraction of raw materials, the sector programme Extractives for Development (X4D) has published a brochure on this very topic on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The brochure takes a close look at the raw materials relevant for battery production - aluminium, graphite, cobalt, copper, lithium, manganese, nickel, tin. The focus is on the origin and the conditions under which the raw materials are extracted and processed. Both their positive potential as a contribution to the Sustainable Development Goals and the developmental risk of each raw material are analysed. Examples of German development cooperation and interesting short facts complement each commodity chapter.

The publication will be officially launched on **07th of July 2021 from 15:30 - 16:30** (CET) in a digital event. We would like to invite you to participate. For registration please contact [Kristina Zimmermann](#).

» [get the booklet](#)

» [more information](#)

» [register for the presentation](#)

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the sector program "Extractives and Development" X4D of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Federal Institute for Geosciences and Natural Resources (BGR) invites you to the

Digital presentation of the publication "Raw materials for electric mobility - a development perspective"

Wednesday, 07. July 2021, 3:30 - 4:30 pm (CET)

Moderation: **Jens Giersdorf** (TUMI Volt)

Welcome: **Dr. Heike Henn** (BMZ)

Study Presentation: **Dr. Nataly Jürges** (BGR - X4D), **Lisa Stellner** (GIZ - X4D)

Insights: **Nicolas Maennling** (GIZ - MinSus), **Dr. Juan Luis Dammert** (NRGI), **Dr. Johannes Betz** (Öko Institut e.V. - Institut for Applied Ecology)

For further information and registration please contact kristina.zimmermann@giz.de

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Extractives and Public Finances

50th EITI Board Meeting: Global conference postponed to 2023

Pandemic remains central topic

The 50th meeting of the EITI Board on 9 and 10 June 2021 focused on EITI countries' experiences with the flexibilization of EITI reporting adopted in the context of the pandemic. Several countries, including Germany, presented their approaches for more efficient, forward-looking reporting.

Furthermore, an analysis of the commitment of the supporting companies to the EITI was discussed. In some areas, companies are now required to improve. It was

decided that the next Global EITI Conference will be postponed by one year to 2023. In 2022, there will also be a virtual members' meeting, as foreseen in the Statutes. More information will soon be available [here](#) on the EITI website.



©EITI

Meeting the EITI supporting company expectations: An assessment of current practice

The EITI plays a significant role in setting expectations for transparent and accountable extractives governance. It does this both through the EITI Standard, which is implemented in 55 countries, and through the Expectations for EITI supporting companies. An assessment of practice in meeting the EITI supporting company expectations was recently undertaken for the first time. Introduced in 2018, the Expectations for EITI supporting companies cover eight areas and apply to over 60 EITI supporting companies in the mining, oil and gas and commodity trading sectors. The recent assessment sought to identify good practice as well as gaps in disclosures. It also highlighted opportunities for clarifying the expectations and improving communication around good practice.

[Find out more »](#)

Illicit financial flows and domestic resource mobilisation in the extractives

New ATAF publication focused on resource rich African countries



Illicit financial flows are a challenge that continues to plague development of many African countries. This new paper by ATAF explores measures that can be employed by governments in general, as well as Ministries of Finance and tax administrations in particular, in strengthening their ability to monitor, identify and contain the pervasive challenge of Illicit Financial Flows, particularly within the context of enhancing domestic resource mobilisation in the resource rich economies.

Get access to the ATAF publication [here](#).

©ATAF

PWYP report on the extractive industries fiscal regimes in Mozambique, Tanzania and Uganda

In the last 15 years, oil and gas reserves have been discovered in Mozambique, Tanzania and Uganda. In addition, the mining sector has been revitalised so that the countries could develop new economic potential. This makes good governance of resource revenues and the sector as a whole even more important, so that it will benefit the population in the long term. The NGO Publish What You Pay (PWYP) examined countries' fiscal regimes with the aim of developing reforms for the fiscal framework in the extractive sector and managing advocacy at regional and global levels so that countries receive a fair share of revenues from the extractive sector. Overall, the effectiveness of the extractive industries fiscal regimes in the extractive sector is greatly undermined by the inherent weaknesses in the regimes themselves and is poorly enforced. PWYP makes general and country-specific recommendations.

[To the report »](#)

Anti-corruption guide for junior mining companies

A guide to managing risks in licensing and permitting in high-risk countries from Transparency International

The new Anti-Corruption Guide is aimed primarily at junior companies who want to protect their business and the people of the mining country from corruption. Divided into three sections - *Getting Started*, *High-Risk Areas* and *Ways to Prevent Corruption* - the guide offers the possibility to pick the appropriate topic.

In addition to checklists and good practice examples, various measures are explained that can be used to reduce the risk of corruption.



©Youtube/Transparency International



Responsible Raw Material Supply Chains

German government passes the draft Act on Corporate Due Diligence in Supply Chains

Germany leads the way to more fairness in global supply chains

On 11th June, the German Bundestag passed the draft law on the Supply Chain Act, which was initiated by the Federal Cabinet on 3rd March. This was an important step towards protecting human rights in global supply chains. Millions of people worldwide - including many children - work under exploitative conditions in textile factories, on coffee plantations or in mines. Companies in Germany also bear responsibility for this. The new law sets out clear requirements for due diligence by companies, so that they must ensure that human rights are respected in their supply chains. This turns the formerly voluntary due diligence obligations into a legally effective law.

[To the article »](#)

"From Blood Diamonds to Peace Diamonds" German Federal Minister Gerd Müller in Sierra Leone



Olaf Deutschbein
@OlafDeutschbein

„From ‚Blood Diamonds‘ to ‚Peace Diamonds‘“. Minister Müller informiert sich über Zertifizierung von Diamanten & Gold bei Zentralbank #SierraLeone.
🇩🇪 unterstützt Kimberley-Prozess & Verfahren, die zeigen: „Faire Lieferketten sind möglich!“
#Lieferkettengesetz @LieferkettenG
Translate Tweet



GIZ and Bank of Sierra Leone

8:08 PM · Jun 16, 2021 from Gambia · Twitter for iPad

©Twitter/Olaf Deutschbein

Federal Minister Müller travelled to West Africa from 13 to 18 June. Stops on his trip were **Togo, Sierra Leone, Gambia and Senegal**. While the predominant topic was the Covid 19 pandemic, the extractive sector was not neglected. In Sierra Leone, the minister visited the Central Bank and the National Minerals Agency and learned about the certification of diamonds and gold. Germany supports the Kimberley Process, which aims to stop the trade in so-called blood diamonds by means of certification.

You can see the tweet [here](#).

Find out more about the visit by German minister Gerd Müller to West Africa [here](#).



Extractive Economies

Local Content Planning and Reporting Platform Sierra Leone: What results were achieved?

Overview of the achievements from the cooperation with DAI, which ends in July

In resource-rich Sierra Leone, increasing the linkages between Foreign Direct Investment and the local economy lies at the heart of sustainable development. Sierra Leonian companies have the obligation to report on local content -

the value that a mining project brings to the local, regional or national economy beyond the resource revenues - related to workforce, procurement and capacity development. In order to fulfil this legal obligation and to enhance the connection of companies, providers and workforce, the German Development Cooperation partnered with the development firm DAI until July to configure their proprietary Local Content Plan and Reporting Platform (LCPR) to support the Sierra Leone Local Content Agency meet his legal obligations. The platform effectively enables the Agency to track local content performance of extractive companies, to increase direct supportive monitoring, and to inform about capacity building initiatives and productive assets. From 2019 to 2020, there has been an increase of companies' quarterly reporting on their Local Content Plan of 50% and of business registrations from 95 to 245 companies.

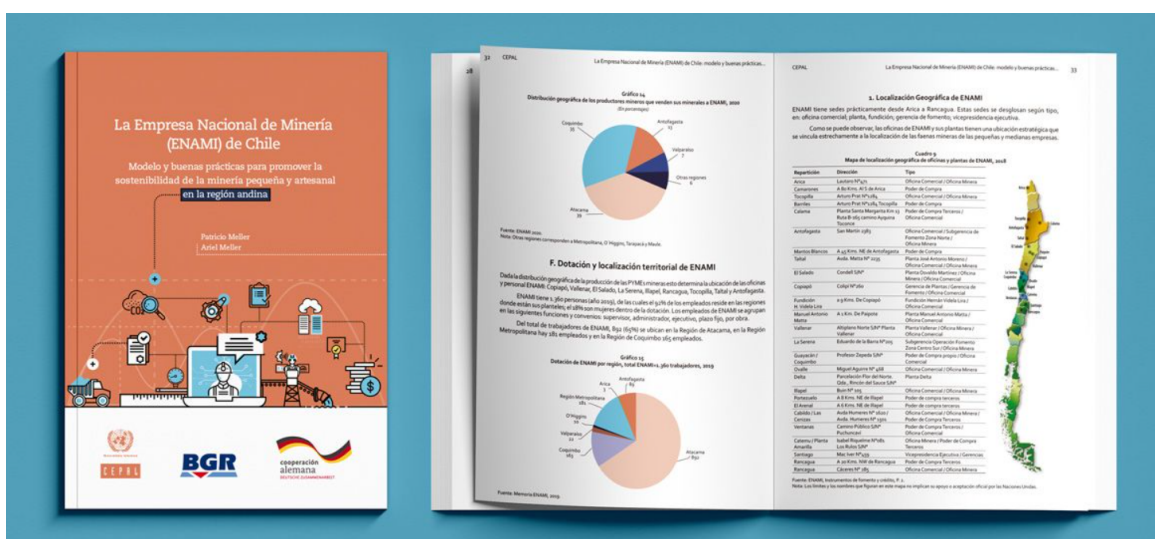


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Companies that use the tool have reported a variety of benefits. For instance, it supported the companies in employing more nationals all levels of their workforce as well as in increasing diversity of the employees. One company even went as far as to overhaul their recruitment processes to search and train more local talent. Furthermore, increasing the local suppliers can help in times of volatility, as most recently the Covid-19 pandemic has shown. Since increased performance measurement in local content, several companies in technical fields such as agribusiness or extractives have identified gaps between the skills their business requires and the capabilities of graduates of local institutions. This has led to company investments and partnerships with educational institutions to co-develop relevant curriculum, scholarships and internship programs.

How the state-owned mining company ENAMI contributes to sustainable small-scale mining in Chile

Unlike in most Andean countries, there is hardly any informal small-scale mining in Chile. For 60 years now, the Chilean Empresa Nacional De Minería (ENAMI) has been working intensively with small-scale producers and promoting sustainable production methods. The united nations economic commission for Latin America and the Caribbean (CEPAL) and BGR have now summarised ENAMI's business model and experiences in a study and also examined their potential for transfer to other countries in the region. The study and the recorded online presentation of the publication are available [here](#) (in Spanish).



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New section on local achievements: IGF Impact Stories

The Intergovernmental Forum on Mining, Metals and Sustainable Development (IGF) launched its new section “Impact Stories”. The Impact Stories show which impacts are achieved in IGF’s member countries and how they were able to improve governance in the mining sector with the help of the IGF Secretariat. The first stories are about **ASM in Brazil, strengthening environmental management in mining** and about the **formalization of ASM in Honduras**.



©IGF

United States of America joins the IGF

The United States has joined the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) and became the 79th member country. “By joining the IGF, the United States strengthens its dedication to mining that seeks poverty reduction, inclusive growth, social development, and environmental stewardship”, announced the United States’ State Department in a statement.

[To the article »](#)

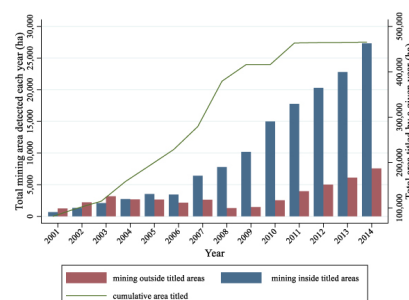


Extractives and Environment

Does formalizing artisanal gold mining mitigate environmental impacts?

A study indicates that the formalisation of ASGM in the Peruvian rainforest may cause more environmental damage.

The study by Álvarez-Berrios et al. investigated the environmental impacts of artisanal small-scale gold mining (ASGM) in the Peruvian rainforest from 2001 to 2014 using remote sensing, among other methods, and related the results to the advancing formalisation of ASGM. Due to the massive increase in ASGM, environmental damage such as deforestation or mercury contamination is increasing in the affected areas. Formalisation of the sector was supposed to remedy this. However, in the study it led to an increase in mining activities, not only in the area with formalised ASGM, but also outside in protected regions. At the same time, environmental standards were not met despite formalisation. Without adequate enforcement and coordination, formalisation of artisanal small-scale mining can exacerbate environmental damage.



Mining area development ©Álvarez-Berrios et al.

[To the article »](#)



Battery Raw Materials

VW considers an IPO for their battery division

Volkswagen is considering an initial public offering (IPO) for its new battery division. This does not involve individual plants, but the entire cell business. By 2030, VW wants to build six giga-factories for cell production in Europe - this could equip more than 5 million cars with batteries. VW is also currently preparing to enter the commodity business and is looking at the entire raw materials supply chain from mine to recycling in order to become less dependent on cell suppliers. "We must actively enter the commodity business," emphasises Thomas Schmall, VW's Chief Technology Officer.

[More »](#)

Base-line study on sustainability standards in Peruvian copper mining - a battery raw material

On behalf of the BGR, the German-Peruvian Chamber of Commerce investigated which international sustainability standards Peruvian copper mines currently apply. Copper is an important mineral for EV batteries. In addition, interviews were conducted to determine the extent to which the companies are willing to implement higher standards in the future and to be certified accordingly. The study was conducted within the framework of the regional project MinSus and is available [here](#) (in Spanish).



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Extractives and Human Rights

Interactive map of community development requirements in the mining sector

Catalogue of laws on community development with legal regulations from 54 countries

The International Institute for Environment and Development (IIED), the Sustainable Development Strategies Group (SDSG) and the Columbia Center on Sustainable Investment (CCSI) have created an [interactive map](#) of community development laws in the mining sector. Data is available for 54 countries with a focus on Africa. All documents are downloadable as PDFs. The new collection is a free public resource that will help researchers, activists and policymakers compare the wide variety of existing legislation and agreements on the topic. The partners aim to inform research and debate about policy design and improve local development outcomes in the mining sector.

Democratic Republic of the Congo requirements in the mining sector

Country
Democratic Republic of the Congo

Document 1
Democratic Republic of the Congo Mining Code 2018, French (2002 (revised 2018))
Article 258. PDF 60 pages, 550.97KB

Link 1
<https://bit.ly/2QY8yfl>

Example of DRC ©IED

New study on the impact of manganese mining in South Africa

SOMO and ActionAid inform about the social and environmental impacts of manganese mining in South African communities

MANGANESE MATTERS

A metal of consequence for women and communities in South Africa affected by mining and the global energy transition

June 2021

©SOMO

With the high demand for technologies for the energy transition and low-emission future, the demand critical minerals such as cobalt is increasing, but also for steel. Steel production is responsible for 90 % of global manganese demand, making manganese one of the key minerals in the energy transition. The cathodes of the batteries in e-mobility also contain manganese. The largest deposit is located in South Africa, but the right to free, prior and informed consent (FPIC) is not respected in local communities. Women in particular are not given the opportunity to be involved in the decision-making process. Communities living near mines are exposed to high health risks and their water sources are polluted - a violation of the right to a healthy environment. Furthermore, the manganese supply chain from South Africa to wind turbines in Europe is examined in the report. Recommendations for governments, companies and institutions are made in conclusion.

[To the report »](#)



Extractives and Gender

Gender and Mining Governance online course 2021

New online course of the UNDP from 13.09. - 10.10.2021 - with input from X4D

From 13 September, there is once again the opportunity to take part in the UNDP's free online course. In addition to



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strengthening women's voices in the mining sector, the curriculum includes gender-related evaluation and the prevention of gender-based violence as well as gender equality in mining. The [study on sexual and gender-based violence in the mining sector](#) in Africa published by X4D and the multi-stakeholder initiative Women's Rights & Mining (WRM) is part of the online course. Those who successfully complete the four-week course of 2-3 h per week receive a certificate. The course is offered in English, Spanish and

French.

[Register here »](#)

Gender-responsive Climate Smart Mining

Why gender-responsive CSM strategies are good for business and good for the planet



©World Bank

Lithium, graphite and cobalt are essential for a transition to a low-carbon future. The World Bank Climate-Smart Mining Initiative (CSM) advocates for sustainable mining, processing and recycling of these minerals and for minimising the negative impacts on climate, environment and people. In this context, the mining sector must become not only climate-smart but also gender-responsive. The new publication "The Business Case for Gender-Responsive Climate-Smart Mining" addresses this issue and illustrates how gender-responsive CSM strategies are good for the planet and good for business. It is aimed at different stakeholders such as companies, governments and civil society and provides entry points for considering gender issues in the context of CSM.

[Find out more »](#)

Gender-based violence in the artisanal mining sector in Colombia

A gender analysis of creative capacity building that reduces gender-based violence in the artisanal and small-scale mining sector in Colombia.

Women in mining regions are subject to harassment, discrimination, sexual, domestic and economic violence. Traditional patriarchal structures, "machismo" and inequalities are further reinforced in Colombia's mining regions, where only 17 % of the ASM workforce are women. MIT D-Lab and the Alliance for Responsible Mining were commissioned by USAID to investigate the different risks and obstacles women face in Colombia's ASM sector: from difficult access to resources, to the dichotomy between economic work and family responsibilities, and health and environmental risks, to being decision-makers in a patriarchal society.

[To the gender analysis »](#)



New online course "Natural Resource Governance and Development: Policies and Practice"

The Natural Resource Governance Institute (NRGI) and ETH Zurich are offering an advanced level online course from 27 September to 19 November 2021.

This advanced level multi-stakeholder course is open to exceptional leaders from government, civil society, parliaments, media, international development agencies, industry associations as well as academics, researchers and analysts from universities and think tanks. The course aims to equip participants with the knowledge and tools necessary to contribute to better governance and control of natural resources for a better future. In particular, the course will examine the political economy of governance in resource-rich states and explore how this influences domestic policy debates and practice. In addition to self-study, the course will consist of live lectures, forums & group discussions and workshops.

Registration is open until 21 July 2021. The participation fee is CHF 1500.

[More information and registration »](#)



Past Events

EGPS Partner Council Meeting

On 20th May, the EGPS Partner Council Meeting took place virtually. The sectorprogramme X4D participated. The thematic focus of the meeting was artisanal and small scale mining (ASM) and the COVID-19 pandemic. For more information please contact rohstoffe@giz.de

How can supply chain laws in Europe affect mining in the Andean Region?

This was the question addressed by the online seminar organised on 1 June 2021 as part of the MinSus regional project by GIZ, BGR, CESCO and the Sustainable Global Supply Chains Research Network. Representatives of the mining sector in Chile and Peru, experts on due diligence in the supply chain and representatives of the industry in Germany took part in the panel discussion.



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[To the recorded seminar and the article »](#)



Did you know...?

The 12th of June was World Day Against Child Labour!

Did you know that approximately **more than 1 Mio. children** work in **artisanal and small-scale mining**? That's 2,5 % of the total ASM workforce worldwide!

(Source)

>1 million

ASM CHILD LABOURERS



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**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

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Ingrid-Gabriela Hoven

Thorsten Schäfer-Gümbel

In charge of this newsletter:

Johanna Wysluch, johanna.wysluch@giz.de

Linda Carstens, linda.carstens@giz.de

Editor(s):

Linda Carstens, linda.carstens@giz.de

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