



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

Artisanal Gold Mining in the DRC: Launch of a tax reform project conducted by GIZ and IMPACT

GIZ's regional project supporting the *International Conference for the Great Lakes Region (ICGLR)* has partnered with IMPACT through a grant agreement. IMPACT is working to harmonize fiscal and bureaucratic export guidelines for artisanal gold to reduce incentives for informal gold trading and gold smuggling. The partnership will be used to pilot aspects of the ICGLR's artisanal gold strategy and share lessons learned on a regional level. The intention is to generate political pressure for regional cooperation in the artisanal gold sector. To launch the tax reform project and partnership, a series of workshops was held with the participation of representatives from the DRC Ministry of Mines.

[Find out more »](#)

Investigative journalists receive training on resource governance in Côte d'Ivoire

Journalists of the Organisation Nationale des Journalistes d'Investigation de Côte d'Ivoire (ONJI-CI) took part in a training course on resource governance in Yamoussoukro from 5th to 26th July.



©GIZ/Coulibaly

The training aimed at providing the participants with a better understanding of the mining sector. This helps the journalists to carry out factually correct reporting and support the positive development of this sector, which is increasingly important for the country's economy. According to one of the course facilitators, it is the responsibility of journalists "*not only to disseminate relevant information in an appropriate manner within the population, but also to contribute to the marketing of Côte d'Ivoire in the international resource*

scene". Despite the existence of important mineral deposits, especially gold but also manganese, nickel and diamonds, the topic is still little known compared to other economic sectors in Côte d'Ivoire, according to the president of the ONJI-CI, Sériba Koné. In addition to technical, legal, geological and administrative aspects of the sector, the journalists were also introduced to the main actors, opportunities and challenges related to the governance of extractive industries in Côte d'Ivoire. "With this knowledge, it will be easier for us to approach authorities and ask for relevant data", said one participant. The training sessions were organised by the African Centre of Excellence for Mining and the Environment (CEA-MEM) within the University Institut National Polytechnique

Houphouët-Boigny (INP-HB), in collaboration with GIZ Regional Resource Governance in West Africa programme (REGO) which is financed by BMZ. The curriculum will be integrated in the offering of trainings by the CEA-MEM. Hence, other stakeholder groups will also benefit from learning about the governance and economic development opportunities in the mining sector in the near future. Mr. Koné thanked the German Development Cooperation for its support to the activity through the REGO programme, assuring the journalist organisation's *"availability to build a partnership aiming at jointly sanitizing the mining sector in Côte d'Ivoire through high-quality journalism"*.

» [video clip](#)

» [Le Point Sur article](#)



Responsible Raw Material Supply Chains

Cut, clarity, color and carat: Basic Diamond Valuation training with ASM communities in Liberia



© GIZ/Decontee Cruz

“Cut, clarity, color and carat”...these terms may sound very familiar to anyone working in diamond production. However, especially for the widely informal subsector of artisanal and small-scale mining (ASM), lack of basic knowledge is often a reality, which causes disadvantage for the miners vis-à-vis investors and brokers when negotiating prices for their diamonds. This results in precarious income situations for the miners and their communities and incentivizes illegal activities such as smuggling. In order to enhance essential

knowledge and enable artisanal miners to achieve fair prices, the GIZ programme Regional Resource Governance in West Africa (ReGo), financed by the BMZ and the European Union, organized a basic diamond valuation training which brought together diamond miners and representatives in Liberia. From 9th to 12th August, the 31 participants learned the necessary skills for the value assessment of precious stones, facilitated by a renowned Liberian gemologist, partly in local language and accessible for illiterate participants. The learning modules were followed by exercises to evaluate the efficiency of the training. All participants achieved more than 80 % of the maximum score.

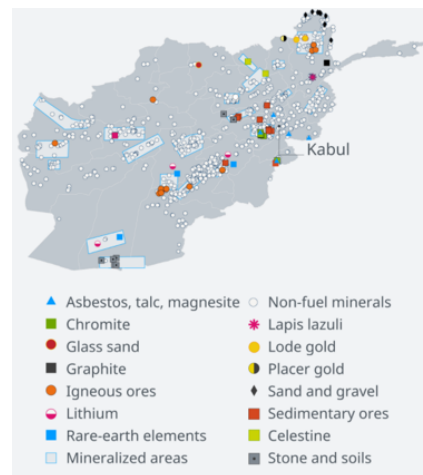
The activity contributes to an agreement made at the Regional Kimberley Process Summit held in Sierra Leone in February 2020: All four member states of the Mano River Union indicated a strong interest in bringing diamond valuation services closer to the mines with a goal of combatting the exploitative relationship that exists between miners, supporters, brokers and dealers. The training will not only enable miners to assess the value of their own finds, but equally raised awareness for the benefits of obtaining valuation services from the Office of Precious Minerals (OPM) at the Ministry of Mines and Energy, which can then lead to an increase in revenue for the country. In his closing statements, the Commissioner of Gbarma District, Hon. Alfred O. Bai, began by lauding the interventions of GIZ in the country's mining sector. He said it was the first time for a training of such value and intensity to be held in the district since he took office in 2017 and promised to detail the training activities when making his monthly report to the Superintendent of Gbarpolu County.



Afghanistan: the Saudi-Arabia of lithium?

How the Taliban could use Afghanistan's resource wealth

Afghanistan is rich in raw materials. It is estimated that iron, copper, lithium, cobalt and rare earths worth up to € 850 billion can be found in deposits in the war-torn country. Lithium deposits could be as large as the ones in Bolivia. The energy transition and the resulting price increase could make the extraction of these raw materials interesting for the Taliban. However, the country lacks the necessary infrastructure to extract these raw materials on a large scale, and also in the 1990s the Taliban were financed through drug trafficking and did not extract the raw materials. However, China, Russia and Pakistan are already showing interest in investing in the Afghan raw material industry. China, in particular, could play a crucial role in building a resource extraction infrastructure to satisfy China's hunger for raw materials.



[To the article »](#)

Illegal Coltan smuggling in Columbia and Venezuela

Armed groups smuggle the valuable raw material from Colombia to Venezuela

On August 15th, 1.5 tons of the "blue gold" coltan were seized. Coltan is used in electrical devices such as laptops and cell phones. Large quantities of illegal coltan are repeatedly seized in the jungle region of Guainía between Venezuela and Brazil. These smuggles are linked to the FARC (Revolutionary Armed Forces of Colombia), which sells the coltan internationally. The armed groups control many routes that are used for the transportation of the ore. Although there is no evidence, that the Venezuelan government is involved in coltan trafficking, Venezuela's security forces have been connected to Colombian groups. First legal exports from Venezuela just started in 2018 but were reduced in 2019 by economic sanctions imposed by the US. Now Venezuela is exporting to Italy who claim that the coltan was mined illegally. Investigators state that Colombian armed groups extract coltan illegally with permission of the Venezuelan armed forces. Coltan mining seems to be totally immersed in corruption and enriches only military officers, politicians and some more.

[Find out more »](#)

Cobalt Mining in the DRC – new partnership between GIZ and RCS Global

Pilot Project promotes Self-Monitoring of Cooperatives in ASM Cobalt Mining

Through GIZ's "Better Mining" program, RCS Global has been contracted to monitor cooperatives' ability to manage risks at ASM cobalt sites in a pilot project. The program already includes around 40 ASM sites in the DRC and Rwanda. These involve the mining of 3TG, copper and cobalt. RCS Global will train ASM cooperatives in data collection for mining sites that are not yet part of Better Mining. The responsible sourcing risk data will then be verified in the Better Mining online platform and made available on a dashboard. RCS Global then evaluates the data and creates an action plan for each site based on the data. This process serves to create a standardized process that tracks the continuous improvement of self-monitored sites. This pilot project directly supports the GIZ project "Integrated Economic Development in the Mining Sector" in the DRC.

Solidaridad, CEMS and GIZ published the document “Analysis and systematization of innovative cooperation programs between large-scale mining and artisanal and small-scale mining”



The MinSus Program together with Solidaridad and the Center for Mining and Sustainability Studies (CEMS) of the Universidad del Pacifico developed the **Analysis and systematization of innovative cooperation programs between large-scale mining and artisanal and small-scale mining**.

This document, developed between August 2020 and January 2021, identifies and systematizes case studies where large-scale mining (LSM) projects have cooperated with artisanal and small-scale mining (ASM) in five Andean countries (Bolivia, Colombia, Chile, Ecuador, and Peru). The study addresses the simultaneous mining expansion of large-scale and artisanal and small-scale mining in the same territories. The study includes the multiple mining companies as case studies. The study proposes an analytical framework for future research on cooperation models

©MinSus

between these two mining scales, through the identification of 4 analytical dimensions: geological competence, the value chain, the corporate dimension, and the relationship between the mining company and ASM. As the study highlights, there is no single model of collaboration between ASM and LSM. So far, the main contributions of collaboration between these scales of mining are focused on supporting mining formalization, reducing the use of mercury and toxic waste, and promoting access to better working and safety conditions. In terms of recommendations, the document states that the first step towards coexistence is to report and adequately characterize artisanal miners in the areas of action of mining companies, making this information transparent and including it, for example, in sustainability reports. The State should consider collaboration between scales and actors as part of a comprehensive policy towards ASM and the mining sector.

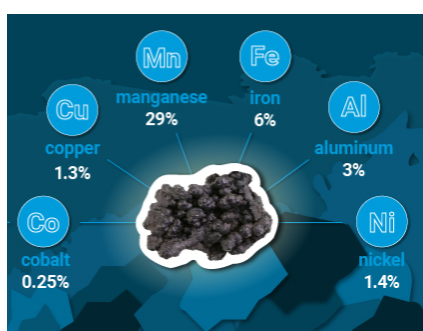
- » [Study \(Spanish\)](#)
- » [English summary](#)
- » [Infographic \(Spanish\)](#)



Extractives and Environment

Will our raw materials soon be mined in the deep sea?

Large quantities of raw materials such as copper, cobalt or nickel, which are needed for the energy transition, exist at the bottom of the oceans.



polymetallic nodule ©visualcapitalist

An estimated 94,000 million tons of cobalt can be found in the deep sea. That means 13 times larger reserves than on land. In addition, about 270 million tons of nickel exist in the deep-sea - about 100 times more than the annual demand of 2019. Copper reserves worth \$10 trillion can be found between Hawaii and Mexico. Small nodules containing raw materials such as aluminum, iron, manganese, nickel, copper and cobalt have formed at depths of 3,000 meters. In addition, raw materials are deposited at the boundaries of

tectonic plates and underwater mountains. The raw materials are mined underwater and processed on land, but the wastewater and sediments are discharged back into the oceans. Deep-sea mining is credited with benefits such as reduced CO2 emissions, reduced land use and less solid waste. Although, there are many unknown ecological risks, deep-sea mining might contribute to the energy and mobility transition and therefore become an important tool in the fight against climate change.

[To the infographics »](#)

Is climate change considered in mining contracts?

An analysis by the *Columbia Center on Sustainable Investment* (CCSI) of all mining contracts signed in unstable African countries is intended to show how and whether climate-related issues are included. To meet the Paris Agreement's goal of limiting global warming to 1.5 degrees, CO2 emissions must be reduced drastically. This requires a shift from fossil fuels to renewable energies and e-mobility. This is accompanied by an increasing demand for raw materials. How these are extracted has a major impact on the carbon footprint of green energy and thus plays a key role in achieving the goal of the Paris agreement

Furthermore, mining can contribute to the achievement of the SDGs at local, national and international level. Challenges such as the use of renewable energy, preventing deforestation and supporting local communities must be taken into account.

[To the article »](#)



Battery Raw Materials

Political Trends on Critical Minerals in Latin America

The energy transition brings an increasing demand for raw materials such as lithium, cobalt, nickel, copper and rare earths. Many of these valuable raw materials are found on the South American continent. Countries are working on political strategies to profit economically from this resource wealth. This also includes processing the raw materials in the country. Peru and Argentina therefore have made political regulations regarding this challenge. Civil society organizations in Chile are calling for the establishment of a national copper processing industry and government representatives in Mexico are discussing the nationalization of lithium.

National value creation is expected to generate higher export revenues and create new jobs. However, this is also associated with challenges such as the use of capital or finding suitable locations with sufficient power supply.

[More information »](#)



Extractives and Human Rights

Human rights abuses in bauxite mining

Human Rights Watch shows: mobility transition increases the demand for aluminium and poverty in Guinea.

Guinea has the largest bauxite reserves in the world. The West African country now accounts for almost a quarter of global production. Bauxite is needed for the production of aluminum and thus plays a key role in the automotive industry. The shift to e-mobility is increasing the demand for aluminium and bauxite. However, the people in the mining areas notice little of the relevance and value of the raw material. Locals who used to live from agriculture had to be relocated due to the mining, processing and transport of bauxite. The inadequate compensation payments result in poverty for many. Ecologically, bauxite mining and aluminum production pollute rivers and air, endangering people's health and driving climate change. The *Human Rights Watch* report looks at human rights abuses related to aluminum production worldwide, with a focus on Guinea, as well as efforts by automotive companies to address them.

[To the report »](#)

Gold Rush of the Jihadists in Burkina Faso

Terrorist groups such as ISIS or GSIM (*Groupe de Soutien à l'Islam et aux Musulmans*), which are linked to al-Qaeda, finance themselves through artisanal gold mines in Burkina Faso, among other sources. In areas under jihadist control, they collect levies from the miners in return for a certain protection. Therefore, some even see the jihadists as a blessing. According to a report by the *International Crisis Group* (ICG), jihadists in the Sahel are taking less hostages and collect less ransoms. They are increasingly funding themselves through gold mining. However, ASM mines are also used as a training ground for the use of explosives, that are also used for gold mining. The gold is then smuggled out of the country through Mali, Ghana, and Togo in informal networks to illegal refineries in Ghana and Mali. Much of the gold eventually ends up in Dubai. The gold deposits in Burkina Faso and neighbouring countries are a major factor in the geographical advance of the jihadists, who mainly occupy areas with natural resources in order to control them for their own purposes.

» [to the article](#)

» [read the ICG report](#)



Extractives and Gender

A brief history of women in mining

Why there used to be more equality in mining than today



©GIZ/Michael Duff

There were more women in mining 200 years ago than there are today - many more. In India alone, the number of women in mining has dropped from 44% (1900) to 6% (2000)! This decline was due to a general "concern" that the work was too dangerous for women and children and that they would neglect their duties as housewives and mothers. At the same time, people also legitimately wanted to protect them from exploitation. Thus, in 1842, the British Empire introduced laws prohibiting women from entering mines and spread their laws to occupied territories around the world. In 1935, the ILO (International Labor Organization) adopted

Convention 45, which banned all women from working underground. To date, only about 30 countries have denounced the convention, and as recently as 2018, the ILO declared Convention 45 obsolete and scheduled to be repealed in 2024. Although NGOs and mining ministries are now advocating for women's rights in the extractive sector, the female growth rate is much slower than in other sectors. As they have hardly been seen in the sector for 200 years, many think that women cannot do this work. Now it is important to create the right conditions so that women have a chance in the long run to see as many women in the mining sector as we did 200 years ago.

[More information »](#)

Women in the mining sector need a paradigm shift

Although current laws in most countries promote equal rights for women - including in the extractive sector - the number of women in the sector is increasing only slightly. In South Africa, for example, the number of women employed increased from 11,400 in 2002 to 53,000 in 2015, but they represent only 12 % of the total workforce in the South African mining sector and occupy only 16 % of top management positions. The same phenomenon is evident in other countries. Studies show that diversity promotes innovation and thus success. Despite this, the sector struggles to get out of its patriarchal structure and associates mining mainly with physical strength - which is



©GIZ/Rolanda Suaña

becoming less relevant thanks to technological development. A change in mindset and stereotypes is needed. Many companies want to support women but do not adapt the work environment to female needs. This includes parental leave, child care facilities, protection against sexual harassment, but also adapted protective clothing and gender-appropriate job advertisements. In addition, there must be opportunities for career development so that women can also be found more in the more highly qualified jobs.

[Find out more »](#)



Upcoming Events

X4D event at IAA: Battery raw materials for the mobility transition

09.09.2021 2:00-3:30 pm (CEST)

The IAA is regarded as the world's largest automotive trade show and with its new concept sees itself not only as an exhibitor, but also as a mobility platform and dialog forum.

Mobility will change in the future. We will turn away from combustion engines towards e-mobility.

Batteries for electric vehicles are resource-intensive and the extraction of raw materials in emerging and developing countries is associated with social and environmental problems.

The sector programme "Extractives and Development" of GIZ will provide information on **battery raw materials as well as their challenges and development opportunities** in a 1.5h panel discussion. At the beginning, the panel will introduce the topic of battery raw materials, show a company's perspective, and present policy guidelines. Afterwards, the experts will discuss questions from the audience.

[Join the session virtually »](#)

Or visit us directly at the IAA in Hall A2, stand C01!

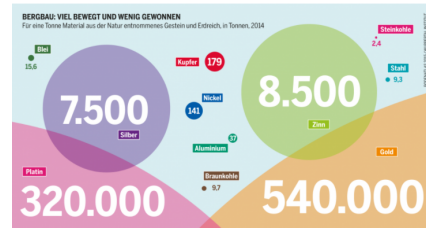
Did you know...?

The extraction of raw materials implies the extraction of huge amounts of material!

One tonne of gold requires the extraction of approx. **540000 t** of stones and soils!

For **one tonne of aluminium** you have to move **37 t** of material.

(source)



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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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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

With contributions from:

Christina Domingos
Kristina Zimmermann

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