

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

Why extractive industry procurement should be a focus of civil society

A new article by Jeff Geipel, managing director at Mining Shared Value/Engineers Without Borders Canada, puts the focus on procurement in the mining sector. Thanks to initiatives like EITI, in recent years more and more governments and mining companies report revenue payments made to governments. But civil society organisations might be surprised that a mine site spends much more money on the procurement of goods and services than taxes. The Natural Resource Governance Institute (NRGI) estimates that 45% of all revenue spent by mining companies goes to suppliers globally. Procurement spending – if governed well – can therefore be an important opportunity for host countries to achieve economic and social benefits from mining activities.

[More information »](#)



Responsible Raw Material Supply Chains

Supply chain instability threatens security of supplies

New article by Stiftung Wissenschaft und Politik (SWP)

The Covid pandemic has severely upset global supply chains. This disruption has now spread to many branches of industry, and consumers are starting to feel the impact. No short-term improvement is in sight, which has serious implications for manufacturing processes all over the world. To begin with, the pandemic primarily affected personal protective equipment; however, the collapse in international trade has also created delivery bottlenecks in other sectors.

[More information »](#)

Responsible Minerals Initiative (RMI) releases new standard for all-minerals due diligence

The Responsible Minerals Initiative (RMI) of the Responsible Business Alliance (RBA) released its "Global Responsible Sourcing Due Diligence Standard for Mineral Supply Chains — All Minerals". The new RMI Standard is designed to be aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) and, in conjunction with the RMI's Responsible Minerals Assurance Process (RMAP), can help companies adhere to regulatory requirements such as the existing EU Conflict Minerals Regulation and pending EU Battery Regulation. This RMI Standard has been developed to apply to any upstream actor in mineral supply chains, from processors to traders to mining operations; have a global scope and structure; and explain the requirements that are instrumental to the implementation of the OECD Guidelines and associated regulations.

[To the article »](#)

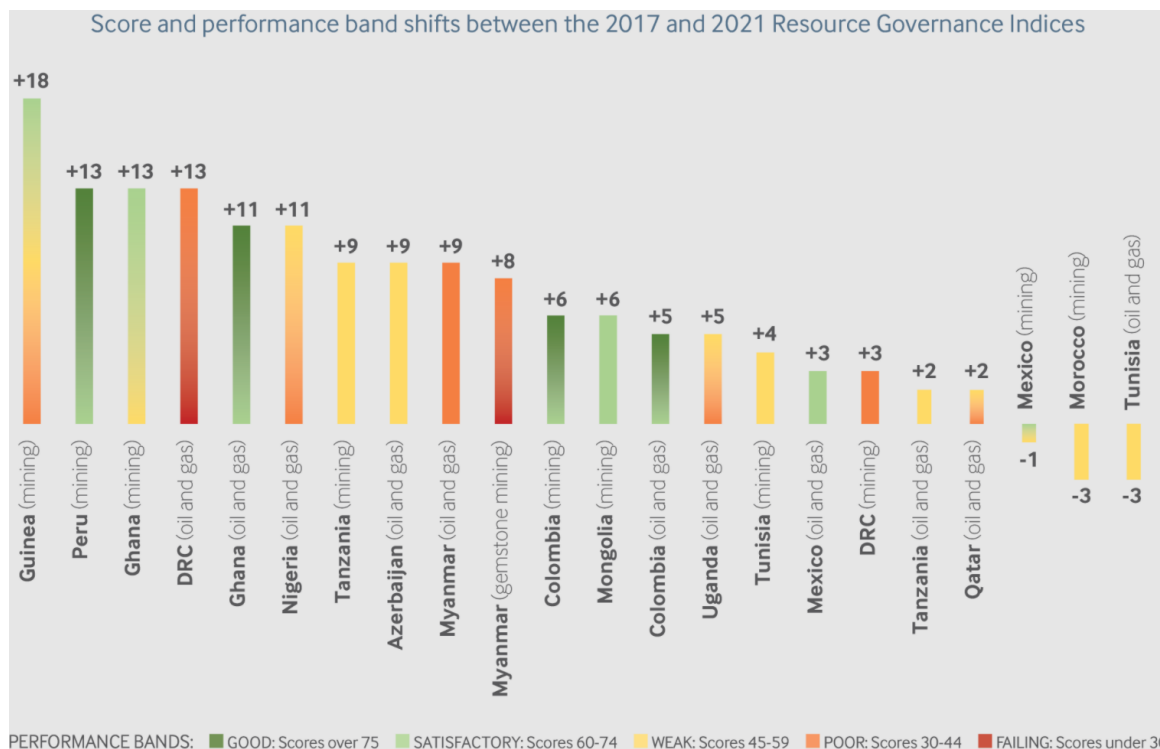


Extractive Economies

Release of the 2021 Resource Governance Index

Report of the Natural Resource Governance Institute (NRGI) analyzes the extractive sectors in 18 countries

NRGI's comparative analysis of findings from the 2021 Resource Governance Index has arrived! NRGI researchers have analyzed the results of oil, gas and mining assessments in 18 countries and are now sharing what the data say about score trends, anticorruption, civic space and the energy transition. They have found that resource governance has improved in some countries, but remain concerned about countries' ability to prosper from critical minerals needed for the energy transition as well as potentially risky bets that governments are making on fossil fuels. Check out the findings, recommendations and informative graphics [here](#).



New issue of the MinSus newsletter

In the latest newsletter issue of the regional project for the sustainable management of mining in the Andean countries (MinSus) you can learn more about the mining of raw materials for the energy and mobility transition. For example, lithium and copper are the focus of some contributions, but also gender justice or human rights in the mining sector and many other topics feature among the articles. It's worth taking a look!

» [Get the latest issue here!](#)

» [Subscribe to the MinSus newsletter here!](#)



Extractives and Environment

New publication on the issue of improperly disposed drill cuttings

BGR study focuses on drill cuttings in Egypt, Nigeria and Uganda.



© BGR

The study was carried out by our “Extractives and Development” sector programme at the German Federal Institute for Geosciences and Natural Resources (BGR) and Fichtner Water & Transportation engineers. With a special focus on the BMZ-partner countries Egypt, Nigeria and Uganda, the study aims at identifying and outlining:

- current technical and regulatory practices and procedures for the proper disposal of drill cuttings,
- the global distribution of improperly disposed cuttings, and
- possible entry points for development cooperation to address the issue.

Thus, the study contributes to the systematic recording of an acute environmental and health risk, which potentially affects people's livelihoods. The results provide different actors with

an additional knowledge base to develop needs-based solution strategies. The study is directly linked to the achievement of several SDGs and especially to the just transition debate, gaining increasing momentum. As part of the search for more inclusive green transition pathways for countries economically dependent of their oil and gas resources, cutting residues from historic and orphaned oil and gas wells must definitely be included in this debate.

» [More information](#)

» [The BGR study](#)

The resource intensive growth of renewables in numbers

A new report by the IEA

The International Energy Agency (IEA) has published their report on renewables 2021. The report is an analysis on the sector, based on current policies and market developments. It forecasts the deployment of renewable energy technologies in electricity, transport and heat to 2026, while also exploring key challenges to the industry and identifying barriers to faster growth. Despite the rising costs for key materials used in renewable energy technologies, additions

of new renewable power capacity are forecast to rise to 290 gigawatts in 2021, surpassing the previous all-time high set in 2020. By 2026, global renewable electricity capacity is forecast to rise more than 60% from 2020 levels leading to a continuing high demand for raw materials.



Renewables 2021

Analysis and forecast to 2026

© IEA

[To the report »](#)

Beyond emissions reductions: climate change and mining

Research by the Responsible Mining Foundation (RMF)

Commendable and important as mining companies' commitments to become carbon-neutral are, emissions reduction is only one element of a responsible response to climate change. Conspicuously missing from current efforts is action to assess and address climate-related risks on people and environments impacted by mining – essential for a just transition. Recent research by RMF reveals that the majority of assessed large mining companies cannot demonstrate they have considered how climate change may exacerbate the impacts of their operations on communities, workers and the environment. Climate change is already aggravating mining-related risks to water, biodiversity, forests and health, and these are expected to worsen without adequate responses by the companies concerned.

[Find out more »](#)

A New Hydrogen World

Article by the Stiftung Wissenschaft und Politik (SWP)

The global implications of a switch to hydrogen (H₂) are far-reaching, as hydrogen will, at least in part, gradually replace the oil and gas trade, and new international trade flows will emerge. In addition, hydrogen will transform the industry, and its use will have disruptive effects that reshape the economic geography. Policymakers are being called upon to make far-reaching, fundamental decisions that will decisively shape the contours of the hydrogen world. Germany and the European Union (EU) should consider the geo-economic and political consequences when setting the course.

[To the article »](#)



Li-ion battery recycling: China to remain key recycling centre

Lithium-ion (Li-ion) battery recycling is not expected to take off before 2030, according to a new report by Wood Mackenzie. The current scale up of electric vehicles (EV) points to a high demand for Li-ion batteries. Being relatively young the supply chain struggles to keep up. This makes recycling of Li-ion batteries an important option. But recycling is very complex and not easily done with the new EV batteries. Additionally, since the EVs have a longer lifespan it will take up to 15 years until the batteries will be available for recycling. Nevertheless, the recycling sector is scaling up but will not be sufficient in 2030. China will benefit from its existing recycling sector and proximity to production plants and will remain the most important location for battery recycling, according to the article.

[To the article »](#)



Extractives and Human Rights

Children's rights in the cobalt supply chain

How companies can protect children in artisanal small-scale mining (ASM)

Save the Children and The Centre for Child Rights and Business published a [study on children's rights in the cobalt supply chain](#) and how companies can protect them. The sharp increase in demand for cobalt, large parts of which are mined in the DRC, supports the growth of the industrial and artisanal mining of cobalt in de DRC. The report clearly shows how working conditions and inadequate wages paid to parents in the ASM sector multiply the risks of poverty for children and youth: poor living conditions, inadequate health care and education, child labour and other forms of violence against children, and the general lack of fair employment opportunities. To ensure that the mobility transition is not happening on the backs of children, actors in the downstream supply chain must act. Against this backdrop, the study recommends various measures for actors in the cobalt supply chain, and companies in particular, to take.

[To the report »](#)

New „community-smart“ consultation and consent processes in natural resource governance

RESOLVE, Landesa, CI, and CSRSM launch global project to bolster “Community-Smart” consultation and consent processes in natural resource governance. The five-year initiative aims at strengthening inclusive natural resource governance by working directly with local communities and government; harnessing market and community demand for “community-smart” agreements and commodities; and developing, testing, amplifying and scaling tools for global use. The project will be informed and driven by Indigenous Peoples’ and local communities’ rights, knowledge, experiences, and expectations.

[Learn more about the project »](#)



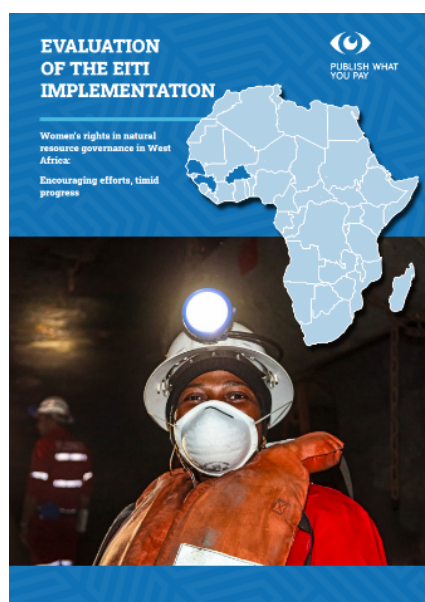
The need for baseline data for women in mining

The new project “**Women and the Mine of the Future**”, implemented by IGF, IWIM, ILO and UNDP, seeks to achieve (more) gender equality in the mining sector. But where to start, when you don’t know where you stand? That’s why the project focuses in its first phase on data collection since there is a massive lack of data on women in mining. Studies are conducted in 12 countries and at the end of the first phase country reports will be launched to assess policies and data related to employment and skills in the large-scale mining sector.

[Find out more »](#)

Evaluation report of the EITI implementation concerning women in mining

PWYP report on implementation in Burkina Faso, Guinea and Senegal



© PWYP

In 2019, the Extractive Industries Transparency Initiative (EITI) Standard incorporated a number of requirements making the process more gender sensitive. Three years on, how well have these new requirements been implemented in Burkina Faso, Guinea and Senegal? Have they encouraged more consideration of women’s rights in the natural resource extractive industry? What has changed for women? Such questions were the focus of a **study carried out by Publish What You Pay (PWYP)** coalitions in these three countries. The assessment is mixed: the requirements are having a definite impact on the debate, but there is still little concrete progress. The report suggests a number of ways to improve the implementation of the requirements and strengthen the role of the EITI in promoting women’s rights.



Extractives and Digitalisation

New publication: New Tech, New Deal - Country Cases DRC & Burkina Faso

Together with the IGF, SP X4D has been working on the New Tech, New Deal project over the past years. After the **general report** has been published and presented in September 2021, the **specific country cases on DRC and Burkina Faso are now online**.

- **Impact of New Mining Technologies on Local Procurement in the Democratic Republic of the Congo (French).**

The specific case study in the DRC deals, among other things, with the following question:

- what do new technologies mean for local procurement in the DRC's mining sector?
- how can the government help local suppliers take advantage of opportunities presented by

new technologies and avoid the risk of losing business?

■ [Impact on New Mining Technologies on Large-Scale and Artisanal Mining in Burkina Faso \(French\)](#).

The specific case study in Burkina Faso addresses, among other things:

- Impact of new technologies in the mining sector on labor and productivity in both LSM and ASM in Burkina Faso
- Recommendations for action to meet future challenges

For more information on New Tech, New Deal and all previous publications (e.g. Technology Impacts Review & Country Case Chile) click [here](#).



Past Events

EPRM Webinar on 14 December 2021

On 14 December 2021, the [European Partnership for Responsible Minerals](#) (EPRM) hosted an online event on the work of the EPRM as part of its members meeting. Three [EPRM-funded projects](#) for responsible artisanal and small-scale mining (ASM) presented their activities and lessons learned. The project presentations were followed by a panel discussion facilitated by the International Institute for Environment and Development (IIED) with LuNa Smelter (smelting company), Gemcorp (investment management firm), Heimerle + Meule Group (refinery), and Cisco (technology company) on their company due diligence, company project engagement and their best practices.

Technology trends and implications in mining

01 December 2021, online



© IGF

On Wednesday, 1 December 2021, the IGF hosted a webinar to explore how technologies in mining can generate new or better types of shared benefits for both host governments and mining communities. The discussion focused on drones, geographic information systems, and other technologies that have become integral to the mining sector. Panelists assessed the potential for the mining sector

to widen and deepen shared benefits by sharing its digital infrastructure so that communities can use it for their own benefit.

The event was co-hosted by the IGF, CONNEX, and the GIZ project "Extractives for Development" (X4D).

[More information »](#)



Did you know...?

Did you get a new smartphone for christmas?

Recycle or sell the old one!

100.000 iPhones contain gold worth 35.000 €!

A smartphone is too valuable to rot in your drawer.

More information [here](#).



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