

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

EXTRACTIVES AND PUBLIC FINANCES

» Going for Gold: Russia, sanctions and illicit gold trade

RESPONSIBLE RAW MATERIAL SUPPLY CHAINS

» Sustainable Global Supply Chains: New Report

» OECD & WikiRate Study on Monitoring Corporate Disclosure

EXTRACTIVE ECONOMIES

» IGF Releases 2021 Annual Report

» Russian Diamonds and the War in Ukraine

» REGO West Africa implements training for state gold assayers from the Mano River Union (MRU)

EXTRACTIVES AND ENVIRONMENT

- » Successful Minamata meeting against toxic mercury
- » Strengthening capacities on rehabilitation of mines – an experience from West Africa

BATTERY RAW MATERIALS

- » McKinsey forecast on lithium mining and new EV production technologies
- » Lithium consumption has quadrupled since 2010

EXTRACTIVES AND GENDER

- » WRM Evaluation of the OECD Forum 2021
- » Gender Responsive Policies in Artisanal and Small-Scale Mining

JUST TRANSITION

- » The Energy of Freedom: Solar energy, modern slavery and the Just Transition

UPCOMING EVENTS

- » The Future of Resource Taxation under the Africa Mining Vision
- » GIZ at the OECD Forum on Responsible Mineral Supply Chains
- » German Day during the Investing in Mining Indaba 2022
- » X4D at Indaba 2022: New Mining Technologies and the Future of Work

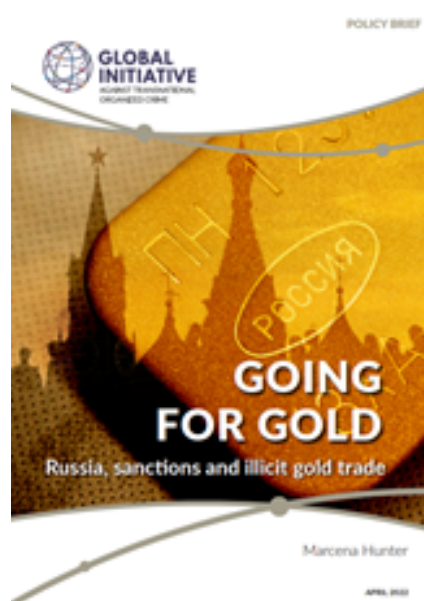
PAST EVENTS

- » Workshop on Responsible Mine Closure
- » X4D at the Berlin Energy Transition Dialogue Conference

DID YOU KNOW...?

Extractives and Public Finances

Going for Gold: Russia, sanctions and illicit gold trade



© Global Initiative

The Global Initiative against Transnational Organized Crime published a policy brief about possibilities on sanctions against Russia's illicit gold trade. As gold finds itself increasingly cut off from foreign currency and financial systems, illicit gold markets and gold laundering are one way Moscow (and other sanctioned actors) could seek to generate profits and move finances across borders. The wheels of the global illicit gold market are well oiled and offer a variety of economic options to an increasingly beleaguered Moscow, along with other sanctioned actors.² It is therefore critical to understand the potential for using criminal networks to move and launder gold to evade sanctions. Developing targeted responses to tackle abuse of gold markets will not only be critical to maximize the effectiveness of responses, but also to minimize unintended harms.

[Read the policy brief here »](#)



Responsible Raw Material Supply Chains

Sustainable Global Supply Chains: New Report

The international [Research Network Sustainable Global Supply Chains](#) published the first report of its new annual series on the topic of supply chains. The network, which was initiated by the Federal Ministry for Economic Cooperation



© Sustainable Global Supply Chains

[You can find the report here »](#)

and Development (BMZ), currently comprises about 100 internationally leading scientists from all over the world. The report presents new research highlights, provides a forum to debate controversial supply chain topics, and identifies policy-relevant research gaps for the network's future work. Besides general supply chain policy questions, the report focuses on transparency requirements and binding due diligence obligations. It examines, how these requirements will affect countries that export raw materials and labor-intensive goods produced under problematic environmental and social conditions. At the same time, the report is an invitation to participate in the discussions on how investment, production and trade will be reorganized in a global economy that has to respond to geopolitical challenges.

OECD & WikiRate Study on Monitoring Corporate Disclosure

Accessing company reporting on mineral supply chain due diligence

The OECD and WikiRate published a study on corporate disclosure and company reporting on mineral supply chain due diligence. The study analyses the disclosure practices as per Step 5 of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of a global sample of companies using minerals and metals in their supply chains. The study reveals major shortcomings in disclosure related to implementation, especially on how companies use due diligence practically to identify and mitigate risks. In part, this suggests growing pains as companies move beyond compliance-based approaches typically focused on risks to the company, to a due diligence framework that emphasizes progressive improvement to address adverse impacts external to the company, including through responsible engagement in complex operating environments. Improving on this dimension is critical to enhancing the positive contribution of mineral supply chains to development in mineral producing and trading countries.



© OECD

[Read the study here »](#)



Extractive Economies

IGF Releases 2021 Annual Report

The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) published its 2021 Annual Report, outlining an engaging year that saw the Secretariat achieve important milestones amid the ongoing pandemic. While COVID-19 continued to hamper travel and



© IGF

in-person gatherings, the Secretariat was able to work remotely with members and other stakeholders to make progress on several fronts related to some of today's most pressing global issues. Highlights from 2021 include:

- Costa Rica, El Salvador, and the United States joining the IGF, bringing its membership to 79 countries.
- Publishing the flagship Guidance for Governments: Environmental Management and Mining Governance.
- Hosting the 17th Annual General Meeting (virtual).
- Organizing 15 webinars with 3,600+ attendees.
- Conducting 12+ workshops with 1,000+ participants.
- Welcoming the Government of the Netherlands as a new core funder.

[Access the report here »](#)

Russian Diamonds and the War in Ukraine

New IPIS report with focus on the Kimberley Process



© IPIS

The International Peace Information Service's (IPIS) new report provides background and analysis on several aspects of the Russian diamond sector, what links it has to Russia's invasion of Ukraine, and how the international business and political community is seeking an adequate response to the challenges this raises. The report starts with a brief presentation of what kind of actor Alrosa is, followed by its responsible sourcing track record. A fourth section analyses the various direct and indirect linkages between the Russian diamond sector and the invasion of Ukraine. The state of affairs with regard to the governmental and corporate response to this situation is presented in the following two sections. This report ends with an analysis of how this crisis will considerably impact the Kimberley Process, the international conflict diamond certification scheme, even though this body is unlikely to take any action on the matter.

[Mehr erfahren »](#)

REGO West Africa implements training for state gold assayers from the Mano River Union (MRU)



© ReGo West Africa

Properly assessing the quality of gold and setting a justified price is not possible without appropriate tools and, in particular, in-depth expertise regarding quality criteria. Therefore, twelve junior government gold assayers of the MRU countries (Côte d'Ivoire, Guinea, Liberia and Sierra Leone) participated in a one-week human capacity development measure at the University of Mines and Technology (UMaT) in Tarkwa, about eight hours by car from Accra, which was designed and conducted by experts of the highly specialized UMaT.

The objective was to sustainably improve the reliable evaluation of gold according to existing quality criteria in the four partner countries and thus ensure professional performance through capacity building and internalization. In turn, this should help to ensure that appropriate prices are charged for gold produced in the country, which will strengthen the revenue side and the negotiating power of government authorities in the face of international buyers.

The training covered all facets of the complex topic of gold production, processing and evaluation and consisted of various theoretical units on gold production processes from mine to bar, mathematical formulas and chemical compositions, as well as information on the global gold market and daily price determination by the London Bullion Market Association. The theoretical knowledge could be tested in practice in the laboratory and on various special machines. In addition, the twelve gold testers were able to visit an artisanal gold mine, where gold ore is mined by hand at a depth of 700 meters and roughly processed directly on the surface. This was the first time that some of the participants were able to personally experience the extreme conditions of artisanal gold production, which certainly had a lasting impact on their perspective of the lower end of the supply chain.

During the training and in the aftermath, the participants have expressed very positive views on the quality of the teaching, the tools available and the new, useful insights, and some have expressed a desire to pursue longer-term training at UMaT, which also offers regular multi-year master's degree programs. The task of the newly trained gold assessors is now to write a detailed report on the training and present it to their sending institutions in order to pass on the newly gained knowledge

internally.

The training took place within the framework of the EU co-financing of the project Regional Governance of Natural Resources in West Africa (ReGo), which is mandated by the BMZ to work on a more sustainable design of the mining sector in the MRU. The co-financed component aims to improve the management of the still largely informal artisanal and micro-mining sector for gold and diamonds and to strengthen the regional implementation of the Kimberley Process for the certification of diamonds.



Extractives and Environment

Successful Minamata meeting against toxic mercury

Under the motto #makemercuryhistory, the members of the Minamata Convention met at the end of March. The convention is a treaty under international law to curb the Mercury Releases. At the five-day meeting in Bali, it was agreed to make the assessment of the effectiveness an integral part of the Minamata Convention, to amend the list of phase-out of mercury-containing products, and to emphasize the importance of incorporating a gender perspective in the Convention's activities. Also in the area of artisanal and small-scale gold mining, where mercury causes health and environmental damage, progress was made and further decisions were taken.

[Find out more »](#)

Strengthening capacities on rehabilitation of mines – an experience from West Africa

Responsible closure and rehabilitation of mines is crucial for a sustainable mining sector. According to the definition of the [World Bank](#), rehabilitation of mines means the “return of land to a stable, productive, and self-sustaining condition after considering beneficial uses of the site and land”. Despite the fast-growth of the mining industry in West Africa and its considerable negative impacts, rehabilitation is not yet high on the agenda of stakeholders as it is perceived to take place far in the future.

However, it is crucial to put forward the topic of mine closure and rehabilitation now, to include rehabilitation into the plans of mines and the government from Day 1. The GIZ programme Regional Resource Governance in West Africa (REGO) has supported partner governments in doing this. In Guinea, a roundtable discussion gathered mining sector stakeholders to discuss needs and vision for rehabilitation, following the boom in the bauxite sector.

In Côte d'Ivoire, mining and environmental authorities requested GIZ's support for strengthening the government's capacity to monitor rehabilitation of the country's industrial gold, manganese and nickel mines, as well as its numerous artisanal gold mining sites. In response, together with the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF), the REGO program brought together 25 officials from three government institutions for a training on international best practices on rehabilitation. The participants discussed the national vision for rehabilitation, the monitoring process, technical requirements for rehabilitation and options for financial guarantees, as well as restoring social, economic and cultural impacts. These topics cut across key issues of good governance in mining, from transparency and consultation to sustainable livelihoods beyond the life of the mine.

The training was based on the IGF's mining ESIA (environmental and social impact assessment) tool. Mine closure and rehabilitation form an important part of the tool which allows users to carry out a gap analysis between best practices and current legal requirements and practices on the ground. Drawing on the results of this analysis, over the course of the three-day training, the participants developed a draft roadmap for actions to improve the Ivorian legal framework and monitoring processes.

“The workshop allowed us to learn about the techniques of rehabilitation of mining sites, and the methods of estimating the costs of rehabilitation. The next step would be to provide practical guidance on evaluating the costs of rehabilitating the various components of a site, in order to justify the release of funds into the escrow account for rehabilitation and closure” says Mr Bakary Ouattara, Head of the Environmental Service at the Directorate General of Mines and Geology.

In the virtual event “*Responsible mine closure: Insights and options of support of the German development cooperation*” on 30 March, the **REGO programme and IGF shared the experience** from partnering to deliver the training in Côte d’Ivoire. The lively exchange allowed presenters and participants to discuss successes and challenges, such as questions regarding stakeholder representation and the gap between regulatory framework and implementation often present in various themes of resource governance, including rehabilitation.

Roman Ambühl, Technical advisor, REGO Guinea

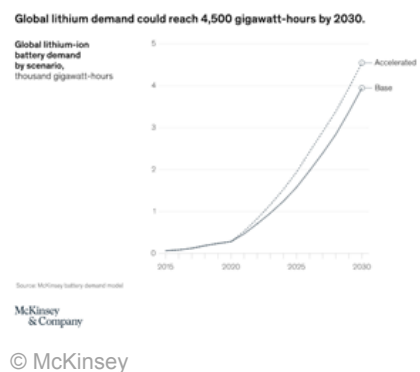
Kaisa Toroskainen, Technical advisor, REGO Côte d’Ivoire



Battery raw materials

McKinsey forecast on lithium mining and new EV production technologies

McKinsey published a forecast about lithium mining and the impacts of new production technologies on the global electric vehicle (EV) revolution. They predict that over the next decade, the production of Lithium-ion (Li-ion) batteries will continue to grow at an annual compound rate of approximately 30%. By 2030, EVs, along with energy-storage systems, e-bikes, electrification of tools, and other battery-intensive applications, could account for 4,000 to 4,500 gigawatt-hours of Li-ion demand. McKinsey anticipates that, with technology development and proof of concepts, more geothermal lithium-brine operations will appear on the global map, with some original equipment manufacturers and automotive companies already supporting even less advanced assets. Overall, McKinsey expects that the world will manage to secure enough lithium for the upcoming EV revolution if actions are taken on every level of the lithium-value chain by funding new technologies, exploring new projects, and early warning of manufacturers’ requirements.



[Access the forecast here »](#)

Lithium consumption has quadrupled since 2010

New infographic by visualcapitalist

Since 2010, lithium consumption worldwide has almost quadrupled: it increased by 283 %. Above all,

the demand for lithium-ion batteries, which are used in e-vehicles, caused a strong increase: while 24 % and approx. 5,000 t were used for batteries in 2010, it was already 74 % with almost 69,000 t in 2021. The demand for lithium for ceramics and glass has also almost doubled, but at 13,000 t in 2021 it is far behind the demand for batteries.

[Find out more »](#)



Extractives and Gender

How inclusive and participative was the OECD Forum 2021?

Evaluation by Women's Rights and Mining



42% women
58% men

© Women's Rights and Mining

the insights, WRM recommends session organizers to integrate gender and social inclusion considerations in the content of their next sessions where relevant and to invite more panelists from mining communities and/or local organizations.

Women's Rights and Mining (WRM) published their evaluation of gender and social inclusion in the OECD forum in responsible mineral supply chains. In 2021, WRM found that partner sessions more proactively encouraged the inclusion and participation of voices than the main forum sessions. Further, the online format aided inclusion of voices from different regions, management levels, and backgrounds in the discussion through well-moderated open chat functions, anonymous Q&As, and live translation services. Most sessions made no mention of gender and ignored the different roles, responsibilities, capabilities, needs, and priorities of women and men. When gender issues were highlighted and/or concerns were addressed, these tended to be by one individual speaker within the panel. Building onto

[To the info graphic »](#)

Gender Responsive Policies in Artisanal and Small-Scale Mining

Review of IGF and Levin Sources online Event

On April 5th, the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) and Levin Sources hosted an event with leading policy experts discussing gender-responsive government actions for the ASM sector. Speakers shared experiences from government and industry and discussed the following questions:

- What is the current status of gender-responsive policies within the ASM sector?
- How has COVID-19 uniquely affected women in ASM, and what are the key lessons learned for policy-makers?
- How will a low-carbon energy transition impact women in ASM?
- Can new technologies benefit women in ASM?

[Watch the recording of the webinar here »](#)

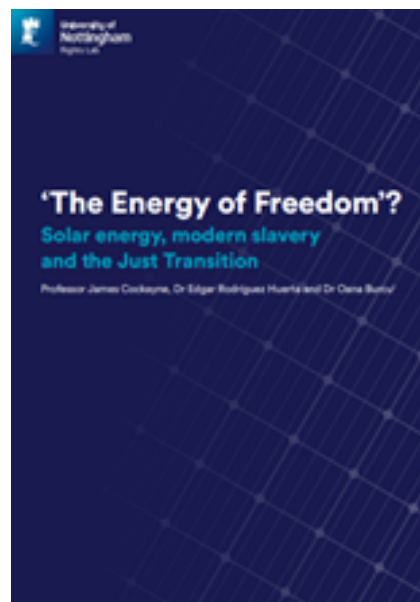


Just Transition

The Energy of Freedom: Solar energy, modern slavery and the Just Transition

New report by the *British Academy's Just Transitions within Sectors and Industries Globally* programme

The British Academy's *Just Transitions within Sectors and Industries Globally* programme published a report on the nexus between solar energy, modern slavery and the Just Transition. The report considers how the solar energy sector can best address modern slavery risks. Without a clear roadmap to transition to 'slavery-free' arrangements, the report warns, the solar market may split into 'slavery-free' and 'slave-made' value-chains, raising costs, lengthening roll-out times and slowing decarbonization – without necessarily addressing the underlying drivers of modern slavery. In response to these risks, the report sets out a new method for estimating the forced labour risk in countries' on-grid, photovoltaic (PV) solar energy production, along with ideas for international collaboration to combat that risk. Researchers, who set out a new method of measuring the risk of slavery in individual countries along with a plan for international collaboration to combat it, warn that solar energy risks being seen not as 'the energy of freedom', as Christian Lindner called it in a comment in February 2022, but rather as a driver of modern slavery.



© University of Nottingham

[You can access the report here »](#)



Upcoming Events

The Future of Resource Taxation under the Africa Mining Vision

5th May, 10AM CET, online [EN/FR]

In the context of the Alternative Mining Indaba, the Intergovernmental Forum on Mining (IGF), the African Tax Administration Forum (ATAF) and Tax Justice Network Africa (TJNA) invite you to join them to discuss transformations in the mining sector and the need to rethink the future of resource taxation in Africa to achieve the African Mining Vision.

[To the registration](#)

GIZ at the OECD Forum on Responsible Mineral Supply Chains: Due Diligence in the Andean Region

06th May 01-02:30 pm CET, online

Within the last years, the number of due diligence frameworks has increased and so have the expectations concerning corporate action; however, in the mining sector, translating due diligence

requirements and guiding principles into practical action and positive change continues to be challenging. Gathering perspectives and inputs by different stakeholders from the Andean Region, China and Europe, this event seeks to provide a forum for discussion to overcome practical obstacles and identify opportunities for cooperation for responsible mining.

[Registration](#)



The banner for German Day 2022 features a photograph of a diverse group of people networking. The text on the banner includes: "Join us: German Day 2022", "A Mining Networking Event", "ESG, Minerals & Processing, Health & Safety", "A Southern African Perspective", and "CLICK HERE TO REGISTER". On the right side, it specifies the date and time: "10 May 2022, 2:00 PM - 4:50 PM", the venue: "The Piano Bar, 47 Napier Street, De Waterkant, Cape Town", and logos for DERA (German Mineral Resources Agency), AHK (German-African Chamber of Commerce and Industry), and the Southern African Mining Council.

German Day during the Investing in Mining Indaba 2022

10th May 2022, 2:00pm-4:30pm, @Piano Bar Venue, Cape Town

The Southern African-German Chamber of Commerce and Industry and German Mineral Resources Agency (DERA) will host the German Day. The event is an opportunity for German and South African companies in the mining industry to connect, network, and strengthen relationships. The focus will be on Environmental, Social and Governance (ESG), Minerals and Processing and Health & Safety: A Southern African Perspective.

[Find the programme and registration here](#)

X4D at Indaba 2022: New Mining Technologies and the Future of Work

11th May 08-10, @ The Cullinan Hotel, Cape Town

With the support of X4D, on behalf of BMZ, IGF conducted a series of analyses as part of the project "New Tech, New Deal. Specific mining technologies that can be expected in the future and their impact on the mining sector were identified. The project included case studies from DR Congo, Burkina Faso and South Africa. The aim of this breakfast event is to discuss the challenges and opportunities that different types of new technologies bring to the mining sector. Discussions will focus on the future of work, both directly and in mining supply chains, looking at ways to overcome potential challenges and take advantage of opportunities as they arise. The event will also discuss innovative ideas, such as the extent to which mining technologies, such as digitisation and the availability of real-time data, could provide alternative livelihoods (and therefore alternative jobs) for local communities, and what types of partnerships could be explored to use digital solutions to build community resilience.



Past Events

Workshop on Responsible Mine Closure: Insights and Support Options from German Development Cooperation

virtual workshop

Wednesday, March 30, 2022

RESPONSIBLE MINE CLOSURE

2:30 - 4:00 pm CET
on MS Teams

Insights and Support Options of German Development Cooperation



implemented by
giz



CONNEX
Support Unit



© CONNEX

On **30 March**, X4D organised a virtual workshop on mine closure with **BGR** and the **CONNEX Support Unit**. The aim of the workshop was to provide an overview of the experiences of various German development cooperation projects on the topic of mine closure. Highlights were the three parallel sessions on experiences of DC projects from the Andean region, West Africa, and Argentina. The workshop and the individual sessions were recorded and can be viewed [here](#).

No energy transition without raw materials - X4D at the Berlin Energy Transition Dialogue Conference

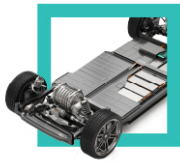
On Thursday, **31 March 2022**, the side event entitled "Resource Needs for the Energy Transition", organised by the GIZ project "Global Energy Transition Communication" together with Fraunhofer ENIQ, took place. **X4D**, represented by Lisa Fleckenstein, was invited to give a presentation on "Responsible Raw Materials for the Energy and Transport Transition". In addition to a brief presentation on the projected increase in demand for certain raw materials, the talk focused on the development dimension of the increase in demand.

[Read more about the event here](#)



Did you know...?

... that prior to the EV boom Lithium was mainly used in ceramics and glass manufacturing? For example in the coatings of glass-ceramic cooktops.

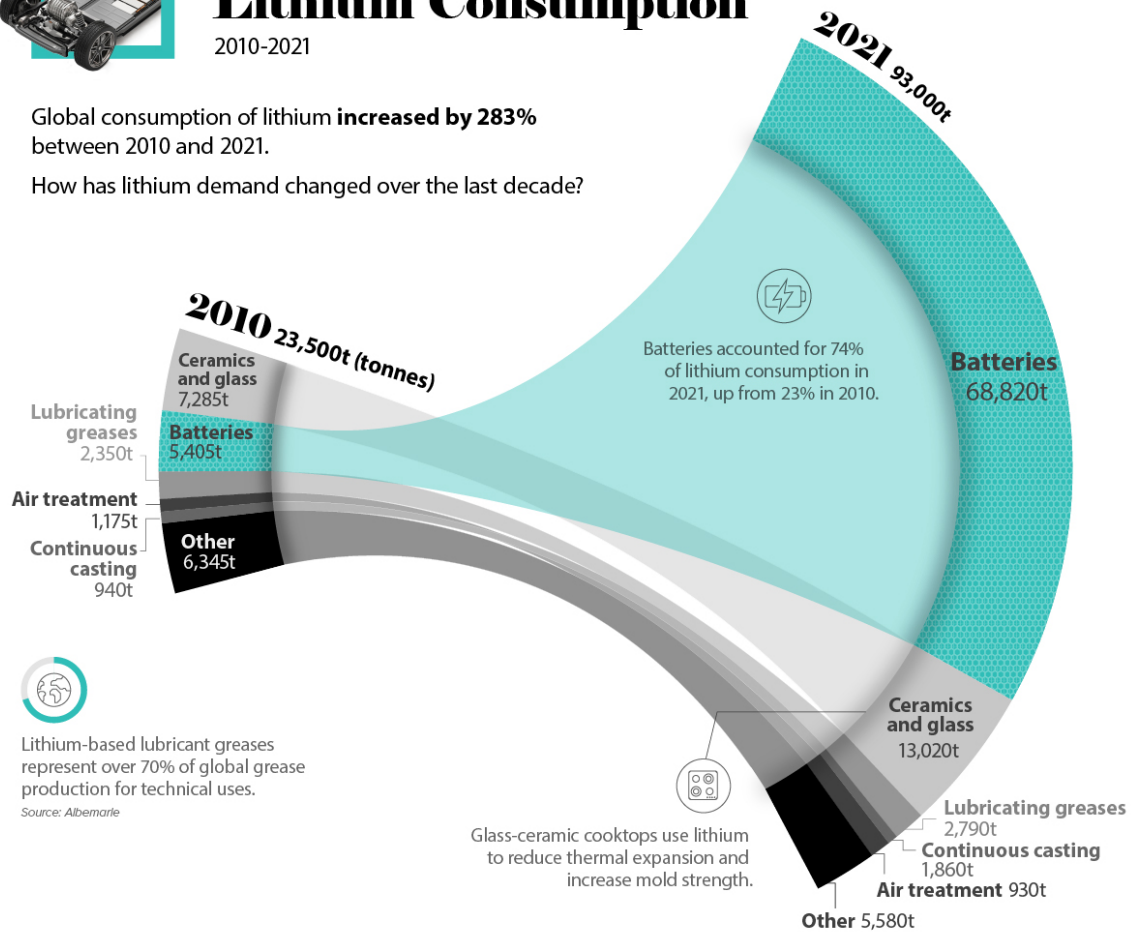


The Growth of Lithium Consumption

2010-2021

Global consumption of lithium **increased by 283%** between 2010 and 2021.

How has lithium demand changed over the last decade?



ELEMENTS

ELEMENTS.VISUALCAPITALIST.COM

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[Access the graphic here](#)



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