

Extractives and 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 and Development 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!

Kind regards,

Your Extractives and Development Sector Programme

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DID YOU KNOW...?



UNU-Flores/SV RuE: New Factsheet „Just Transition: the environmental justice aspects of coal mine closure“

Researchers at the UNU-Flores project "Sustainable Transformation in Coal Regions of the Global South: Challenges from a Resource Nexus Perspective - (NEXtra Core)" prepared together with the SV RuE the factsheet: "Just Transition: the environmental justice aspects of coal mine closure." How to make the transition from fossil to renewable energy equitable is a central question for climate protection policy. Regarding the closure of coal mines, the focus is often on economic and social aspects, while environmental dimensions are usually given less consideration in that debate. However, inadequately planned closures and improper closures of coal mines and pits lead to environmental damage and associated social and ecological costs. Therefore, a just transition in the extractive sector also means preventing or reducing negative environmental impacts. The new fact sheet briefly overviews typical environmental risks, related governance challenges, and ways to support reducing and mitigating such risks through international cooperation in the mining sector.

[Learn more](#)

Final report of the study of contaminated sites at the former "La Ciénaga" mine in northern Peru

On 14 March, the final report of a research project on the environmental investigations and remediation options for the La Ciénaga mining tailings was presented at the Peruvian Ministry of Energy and Mines (MINEM).

The study, commissioned by BGR, examined the characterisation of the tailings in terms of their mineralogical and geochemical composition as well as their environmental risks and social impacts. In addition, the various options for their rehabilitation, including the potential for reprocessing (secondary mining), were analysed.



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The presentation and subsequent discussion of the results and options for future action was attended by the Director of MINEM's Directorate General of Mining, Jorge Enrique Soto Yen, technical staff from MINEM, representatives from the Geological Survey of Peru (INGEMMET) and the parastatal company Activos Mineros S.A.C (AMSAC), which is in charge of closing mining waste sites in Peru. By collecting representative data for a robust decision-making basis for rehabilitation and/or reprocessing, BGR aims to promote the creation of an exemplary model for sustainable management and rehabilitation of mining waste in the Andean region.

[More information](#)

First steps towards aligning data collection on water and energy consumption of mining companies in Chile and Peru



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As part of a South-South cooperation of the MinSus regional project on the method comparison of mining statistics between Chile and Peru, representatives of the Chilean Copper Commission (COCHILCO) and the Peruvian Directorate General of Mining and Sustainability participated in an international workshop in Santiago.

The aim of the project is to include water and energy consumption statistics for Peruvian mining in the official statistics (Mining Statistical Report and Consolidated Annual Declaration) by 2024, as is currently the case in Chile. In the workshop, the methodology of COCHILCO statistics in Peru was presented and discussed with a view to possible implementation and harmonisation. Representatives from Ecuador and Argentina also participated in the workshop. The project aims to enable comparisons between the mining statistics of the different countries in the Andean region.

[More information](#)

An international workshop analysed experiences in shared-use water infrastructure in mining investments

The workshop "Mining investments in multipurpose infrastructure: the case of water infrastructure", organised by ECLAC, the Chilean Ministry of Mining, and the MinSus-GIZ project, was held at ECLAC headquarters in Santiago (Chile), and was aimed at public sector officials from the Andean region.

The event promoted an exchange of experiences to analyse the challenges in the design and implementation of infrastructure projects that aim to meet both, the water



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demand of the mining sector and that of the stakeholders in the territory. Several cases of desalination and wastewater reuse projects were presented, and aspects of engineering, financing, regulation, stakeholder coordination as well as socio-environmental issues that should be taken into consideration for their viability were discussed.

To find more information about this and other recent activities and publications of the MinSus project, access the new issue of its newsletter [here](#).



Report: Due diligence systems fall short of robust risk management in extractive sector

Two Swiss-based independent research organisations have reported a few trading companies active in the extractive sector are disclosing financial data that others in the industry still claim needs to be kept confidential. This is one finding from the 2023 edition of the Extractive Commodity Trading Report, which assesses ESG policies and practices of a sample of companies trading oil, gas, minerals or metals. The new report, produced by the World Resources Forum (WRF) and the Responsible Mining Foundation (RMF), uses public data to assess 25 companies' public disclosure and due diligence on corporate governance and risks of human rights abuses, illicit financial flows and environmental damage in their supply chains. The report finds that while there has been no marked shift towards more responsible practices since the previous assessment in 2021, most companies show some improvement. Key findings of the report are: Most due diligence systems fall far short of robust risk management; little effort has been made to improve effectiveness of due diligence systems; some companies are debunking the myth that public disclosure harms competitiveness and anti-bribery and corruption systems rarely supported by practical measures.

[To the full report](#)

Countries' reporting fails to tell full story of mercury pollution

A [recent study](#) of baseline mercury emission estimates by artisanal gold mining reported by 25 countries found that these estimates rarely provide enough information to tell whether shifts in the rate from one year to the next were the result of actual change or data uncertainty. Key variables—like how the country determines the amount of its gold production—can result in vastly different baseline estimates. Yet, countries often don't report this range of possible estimates. According to the study, about 15 million artisanal and small-scale gold miners around the world risk their lives every day facing hazardous working conditions that include constant exposure to mercury—a potent neurotoxin. The hazardous gold mining process that employs mercury also accounts for roughly 40%

of all man-made mercury emissions, making it the largest source of this type of pollution, UN data show.

[More information](#)



EU Critical Raw Materials Act and 5th technical CRM assessment



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The European Commission proposed a comprehensive set of actions to ensure the EU's access to a secure, diversified, affordable and sustainable supply of critical raw materials. Critical raw materials are indispensable for a wide set of strategic sectors including the net zero industry, the digital industry, aerospace, and defence sectors. The Regulation and Communication on critical raw materials adopted on March 16 leverage the strengths and opportunities of the Single Market and the EU's external partnerships to diversify

and enhance the resilience of EU critical raw material supply chains. The Critical Raw Materials Act also improves the EU capacity to monitor and mitigate risks of disruptions and enhances circularity and sustainability.

In addition, the results of the fifth technical assessment of critical raw materials for the EU was published on March 16. While two have been deleted, six new CRM were added to the list, among them Copper, Nickel and Manganese. The list has now grown from 30 to 34.

[Read the press release of the CRMA](#)

[Read the study 2023 CRM assessment](#)

SWP Comment: The EU and the Negotiations for a Binding Treaty on Business and Human Rights

The European Union (EU) is seeking out new partnerships and to strengthen existing ones, particularly with Global South states, to enhance its open strategic autonomy. This includes a

resilient supply of raw materials for its twin transition to a digital and green economy. Hosting many transnational corporations, several of these partners advocate for a binding international standard to regulate business and human rights beyond the non-binding United Nations Guiding Principles (UNGPs). Thus, the EU should establish a mandate and actively engage in the negotiations for a Binding Treaty on Business and Human Rights (BHR) to consolidate its image as a defender of human rights internationally. Multilateral negotiations enable dialogue and mutual cooperation that regional and national laws on supply chain due diligence do not, and thus risk acceptance by international partners once implemented. This poses a challenge for mutual cooperation, which is necessary to achieve corporate accountability.

[Continue reading](#)



NRGI: A Just Energy Transition Must Involve and Empower Women

A just transition that empowers women and respects their rights is possible. To attain this crucial outcome, members of the international community, donors, private and public sector actors, and civil society organizations must decisively commit to enabling, supporting and learning from women-led organizations and many others already building this inclusive pathway. In this new NRGI blog article, posted on March 8 – International Women’s Day – women’s empowerment and women’s rights are taken into account in regard to a just energy transition.

[Continue reading](#)

IGF: Exploring the ILO’s Gender-Disaggregated Data on Mining Employment

Fundamental structural changes are unfolding in the mining sector, but it remains unclear how exactly they will affect gender dynamics in the sector. A lack of gender-disaggregated data is a major obstacle to developing policies and initiatives that will create meaningful progress on gender equality in mining.

To address this data gap, the Women and the Mine of the Future (WMF) project is working to better understand the profile of women working in the large-scale mining sector and its supply chain around the world. WMF is a partnership involving the International Women in Mining (IWIM), the

[Find out more](#)



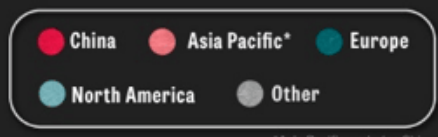
Where are clean technologies manufactured?

China along with the rest of the Asia Pacific region, accounts for approximately 75% of global manufacturing capacity across seven clean energy technologies.

Based on the IEA's 2023 Energy Technology Perspectives report, the [visualization published by Visual Capitalist](#) breaks down global manufacturing capacity by region for mass-manufactured clean energy technologies, including onshore and offshore wind, solar photovoltaic (PV) systems, electric vehicles (EVs), fuel cell trucks, heat pumps, and electrolyzers.

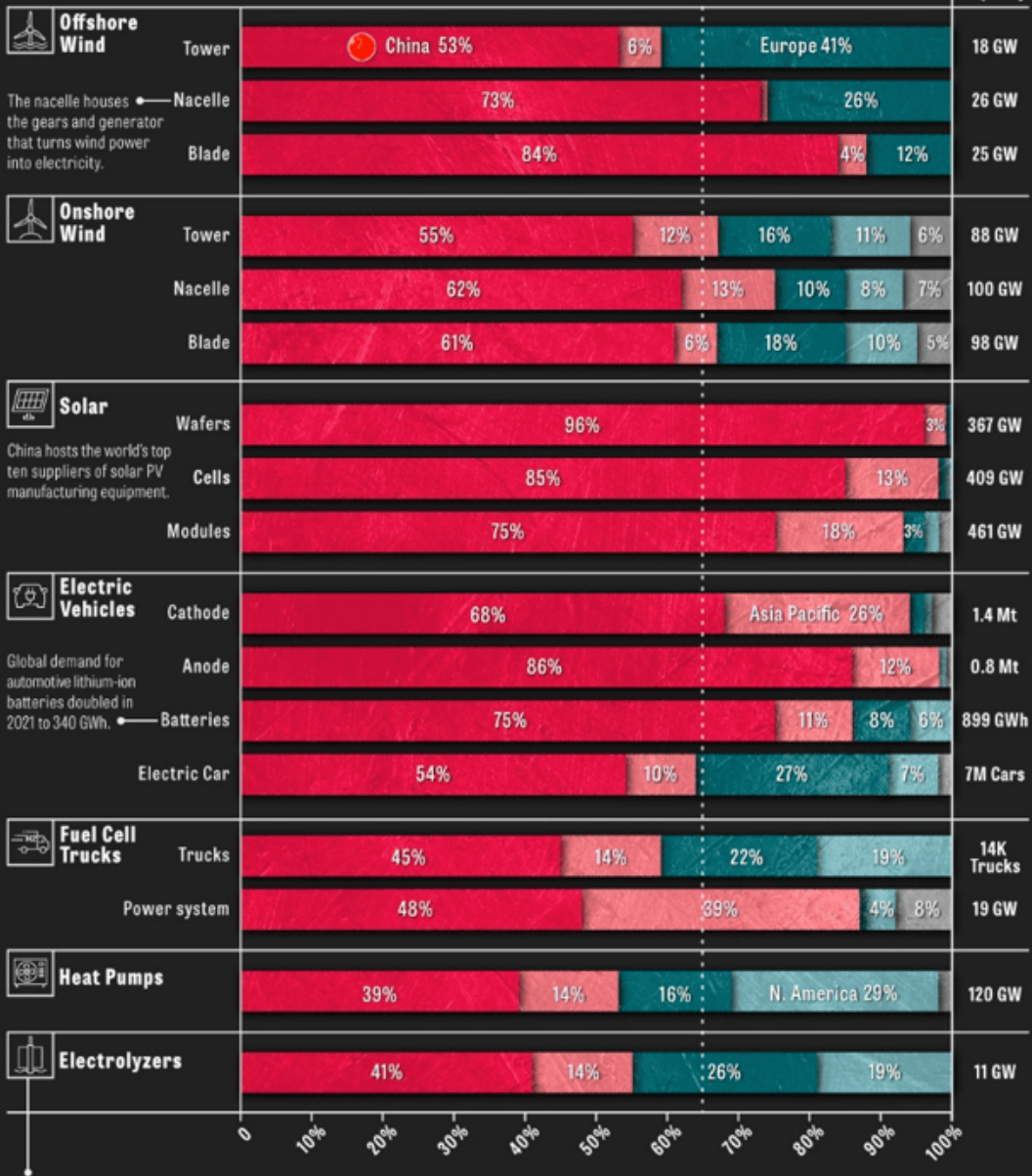
WHERE ARE CLEAN-ENERGY TECHNOLOGIES MANUFACTURED?

As the market for low-emission solutions expands, China dominates the production of clean-energy technologies and their components.



*Asia Pacific excludes China

Shares of manufacturing capacity by region, 2021



Electrolyzers separate hydrogen gas from water molecules to be used for various industrial and commercial applications, including as energy for fuel cell cars and trucks.

Source: International Energy Agency Energy Technology Perspectives (2023)



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Past Events

EITI Board Meeting

On 1 and 2 March, the 55th meeting of the international EITI Board took place in Buenos Aires under the leadership of the former Prime Minister of New Zealand and current Board Chair Helen Clark. The meeting focused on debates on the revision of the EITI Standard. Particular focus was placed on issues around anti-corruption, gender and the energy transition. The German side was actively involved in this process in its role as a member of the voting group of supporting countries, and particularly advocated for making the perspectives of implementing countries visible. The next Board meeting will take place virtually on 2 May to finalise the revision process of the EITI Standard before the new EITI Standard is to be adopted at the Global Conference in (13-14 June). The Global Conference takes place every 2-3 years and is the most important event in the EITI context with over 1000 stakeholders participating. GIZ plans to be actively involved in the conference, both on the part of the sector project and on the part of various implementing commodity projects, and to share its experiences.

Conference “An Ecological Raw Materials Policy” by PowerShift

On 30 March, the conference with the title "An ecological raw materials policy - How can we shape and communicate change in times of crisis?" was held by the civil society organisation PowerShift e.V. in Berlin. In three panels, national and international civil society as well as politicians discussed the human rights and ecological impacts of mining in the light of current crises. The three main topics of the panels were human rights and environmental due diligence along raw material supply chains, resilience and raw material independence of Russia and China as well as the Critical Raw Materials Act of the European Union, which was recently presented on 14 March.



Upcoming Events

OECD Forum on Responsible Mineral Supply Chains

25.-28.04.2023, in person

The 2023 edition of the OECD Forum on Responsible Mineral Supply Chains will take place at the OECD Headquarters in Paris. The Forum will reflect longstanding and emerging priorities in fostering responsible mineral supply chains, with sessions spanning new conflict risks, corruption and environmental risks in mineral supply chains, drivers of responsible trade and systemic issues like regulatory developments and taking responsible finance to scale. A key theme will be on leveraging due diligence to foster synergies between the objectives of a responsible and reliable supply of minerals critical to the energy transition. Main Forum sessions will take place on Wednesday 26 and Thursday 27 April 2023, with partners-lead sessions organised that same week on 25-28 April 2023.

BGR workshop on „illegal gold mining“ as part of workshop series „responsible gold“

9.05.2023 at 1:00 - 4:00 p.m. (CEST), online

On behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), the Sector Programme "Extractives and Development" is organizing a workshop on illegal gold mining as part of the event series "responsible gold". The workshop will take place virtually on 9 May 2023 in German. Throughout the workshop, various actors from the gold sector in Germany exchange experiences regarding responsible gold production and sourcing. This time, the workshop focuses on illegal gold mining in Latin America and Africa. If you are interested, please register by sending an email to alexandra.bechtum@bgr.de.

Further Information

BMZ High-Level Forum on Mineral Supply Chains - Responsible Mining for the Just

31.05.-01.06.2023, in person (by invitation) and online

Representatives of various stakeholder groups will discuss responsible mineral supply chains and possible solutions at a high-level forum organised by the German Federal Ministry for Economic Cooperation and Development (BMZ) in Berlin on June 1. A side event day organised by the Sector Programme "Extractives and Development" will review the issue on a working level with several partner organisations on May 31.



Did you know...?

... that the weight of gemstones is classically expressed in carats. The origins of the word carat lie in Greek - there the term kerátion (engl.: little horn) was used for the horn-shaped fruits of the carob tree. The seeds of these legumes were used as a measure of weight because of their almost uniform weight of 0.2 grams. The word carat eventually came into German usage via the Latin carratus and the French le carat.

Source



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