

## 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!

Sincerely,

Your Sector Programme Extractives and Development

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### DID YOU KNOW...?



## ICMM Publishes New Guide for Reducing Scope 3 Emissions



In December 2023, the ICMM published guidelines to help mining and metals companies set effective short, medium and long-term targets for reducing their Scope 3 emissions. The guideline places particular emphasis on transparency and the involvement of suppliers, customers, investors and regulatory authorities in setting targets. It is based on the current legislation of the EU, the US, the UK, Canada and Australia as well as the guidelines of the United Nations High Level Panel of Experts on net zero emissions commitments by non-governmental entities.

Scope 3 emissions account for up to 95% of a company's total emissions in the mining and metals industry. In September 2023, the ICMM already published guidance on accounting and reporting Scope 3 emissions, which provides a standardized framework for mining and metals companies

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to calculate and disclose their emissions in the value chain. The new guidance for target setting builds on these accounting and reporting principles.

[To the guidance](#)

# ICMM Members Commit to Comprehensive Nature Conservation

Leading global mining and metals companies pledged on January 17 to take urgent action to protect the environment and biodiversity. By 2030, ICMM members, representing one third of the global industry, want to ensure that the extraction of raw materials can no longer take place at the expense of nature. To achieve this goal, the ICMM members have developed a 5-point plan together with representatives from civil society, science and indigenous peoples. The commitments contained therein apply to the natural areas of land, freshwater, oceans and atmosphere. Their protection is to be ensured both through direct activities along the value chain and through indirect measures that contribute to systemic change.

[Read more](#)



## One Year on from Germany's Supply Chain Act: Civil Society Draws a Positive Interim Conclusion



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concerns of smaller companies and made it clear that due diligence obligations may not be outsourced or passed on to suppliers.

One year after the German Supply Chain Act came into force, civil society is seeing the first positive effects. The Supply Chain Act Initiative, the Clean Clothes Campaign and the CorA network have observed that companies are intensifying their human rights risk management, while those affected, human rights organizations and trade unions are beginning to make use of the complaints mechanism. It is also important that the responsible Federal Office of Economics and Export Control (BAFA) has addressed the

Since January 1, 2023, the Supply Chain Due Diligence Act (LkSG) has for the first time made it mandatory for German companies with at least 3,000 employees in Germany to comply with human rights and environmental standards in their supply chains. Since the beginning of this year, companies with at least 1,000 employees have also been subject to the LkSG. Meanwhile, a European regulation is about to be finalized.

[Read more \(German\)](#)

# Council of the EU and European Parliament Reach Agreement on the EU CSDDD

On December 14, the Council and the European Parliament reached a provisional agreement on the Corporate Sustainability Due Diligence Directive (CSDDD), which aims to improve the protection of the environment and human rights in the EU and worldwide.

The agreement defines the scope of the directive as large companies with more than 500 employees and a global net turnover of more than 150 million euros. It will apply to non-EU companies if they have a net turnover in the EU of more than 150 million euros three years after the directive comes into force. The Commission will publish a list of non-EU companies that fall within the scope of the Directive.

Financial services will be temporarily excluded from the scope of the directive. A review clause makes it possible to revise this based on a sufficient impact assessment.

Among other things, the Supply Chain Directive will oblige large companies to adopt and implement a transition plan to mitigate climate change to the best of their ability. In the case of violations of the Directive, those affected, including trade unions and civil society, will have a five-year period to bring civil action. For companies that do not pay the fines imposed in the event of a violation of the Directive, the provisional agreement provides for several injunctive measures and takes into account the company's turnover in order to impose fines (i.e. a maximum of 5% of the company's net turnover).

However, as the German liberals (FDP) reject the law in its current form, it is still unclear whether the deal will be passed in the Council of the EU or with which amendments.

[Continue reading](#)

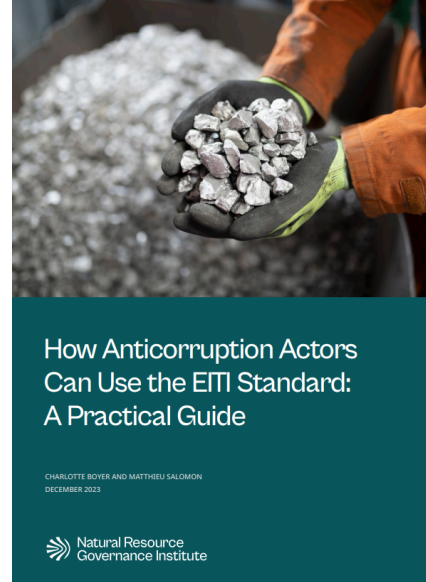


## NRGI Publishes Guide and Tool for Using the EITI Standard

A new guide from the Natural Resource Governance Institute, co-financed by the GIZ sector programme Extractives and Development, is intended to simplify the practical use of the EITI Standard 2023. Specifically, the updated guide is aimed at anti-corruption actors such as civil society, journalists, EITI multi-stakeholder groups (MSGs) and government enforcement agencies - and shows how the

innovations of the EITI Standard 2023 can support their efforts. Five objectives were identified that can be particularly promoted with the updated EITI Standard:

- 1. Setting anticorruption targets**
- 2. Ensuring transparent and fair licensing processes**
- 3. Identifying corruption in the negotiation and enforcement of companies' obligations**
- 4. Scrutinizing management of the state's share of resources and revenues**
- 5. Supporting a corruption-free energy transition**



© NRGI

The tool is an adaptable seven-step guide that helps users to diagnose existing corruption problems in a specific sector (oil and gas or mining) and then create and implement action plans for reform. At the beginning of the process, users can also decide whether they want to engage the support of an independent researcher for steps 2 (review of existing data) and 4 (diagnosis of persistent corruption).

[To the guide](#)

[To the tool](#)

[To the EITI Standard 2023](#)

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## DRC and Zambia plan joint battery precursor factory

The governments of Zambia and the DRC are planning a joint battery precursors factory. The plans for this project have been taking shape since 2023, although many details are currently still being kept under wraps or have not been clarified at all. For example, it is not known whether an initial feasibility study has already been completed or whether it will be published. A possible cooperation agreement between the countries also remains unpublished. Meanwhile, the plan is to source the raw materials required for production - nickel, manganese and cobalt - exclusively from the two countries. With an annual production volume of around 100,000 tons of NMC (622) precursors, the plant planned to date would also be quite large by international standards. This volume would require around 48,000 tons of nickel, 15,000 tons of manganese and 16,000 tons of cobalt per year. These amounts exceed current capacities in terms of both mining and refining, which is why the start of production could be several years away. One of the biggest points of contention for the project, however, appears to be the question of the production location, with the DRC favoring the special economic zones in Kinshasa, while Zambia prefers the Sub-Saharan Gemstone Exchange Industrial Park.

[Continue reading](#)

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## Kremlin uses Wagner to launder billions of USD in African gold



## The Blood Gold Report

How the Kremlin is using Wagner to launder billions in African gold

December 2023

Blood Gold

According to the Blood Gold Report, the Kremlin has made more than 2.5 billion US dollars from the (illegal) trade in African gold since the start of the Russian invasion of Ukraine.

In the Central African Republic, a Wagner front company has obtained exclusive rights to the Ndassima mine, the country's largest gold mine, in return for propping up an authoritarian regime. In Sudan, "the Russian company" controls a large refinery that has allowed Wagner to become the main buyer of unprocessed Sudanese gold, with multiple reports of Russian military transport planes bringing processed gold out of the country. With Wagner-linked companies operating in the two countries already subject to international sanctions, Kremlin actors are using complex smuggling routes and internal corporate cover-up tactics to

©The Blood Gold Report

move large quantities of blood gold from Africa to Russia and the United Arab Emirates, where it can be mixed with other legal sources of gold and converted into cash.

In Mali, Russian mercenaries are paid in cash by a military junta that receives most of its tax revenues from a small number of international mining companies - USD 10.8 million per month, according to US intelligence. The Canadian company Barrick Gold - the country's largest taxpayer - paid 206 million US dollars to the junta in the first half of 2023 alone.

[Find out more](#)

## Publish What You Pay (PWYP) publishes contract transparency digital tracker

PWYP has published a new online tracking tool that assesses EITI countries in terms of their contract transparency in the extractive sector. It uses the following four indicators:

- 1. Is the disclosure of oil, gas and mining contracts required by law?***
- 2. Is there a public list of all the contracts?***
- 3. Are contracts signed after January 1, 2021 being published?***
- 4. Are contracts signed before January 1, 2021 being published?***

[Find out more](#)





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## Women miners call for changes to Peru's new ASM policy

At the "Titicaca Mining Expo 2023" in Puno, the National Network of Women in Artisanal and Small-Scale Mining (RNM-MAPE) called for changes to Peru's new ASM policy that address the challenges they have identified. These include in particular:



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- 1. Ongoing gender inequality in the ASM sector and the lack of recognition of women, in particular those engaged in manual labor selecting gold.***
- 2. The fact that The National ASM policy issued in 2022, though a significant achievement, has not yet demonstrated a positive impact for women in the sector.***
- 3. The absence of a gender-focus in the projects to implement the new ASM Policy, and the need to include mining women in training programmes and public consultation processes.***
- 4. The urge to work in a collaborative way to confront gender violence, especially in the Puno region.***

The 2023 Titicaca Mining Expo was organized by the regional government and the national Department of Energy and Mines to promote best practices in ASM and advance regional development by formalizing the sector. Representatives from the Ministry, mining companies, civil society organizations, cooperatives and associations participated. The document containing the demands of the RNM-MAPE was presented as a petition to a representative of the Directorate for the Formalization of Mining (DGFM).

[Read more](#)

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## "Mother-Boss" concept empowers women in DR Congo's ASM sector

The National Network of Women in Mining (Renafem), set up by founder and President Annie Sinanduku Mwange, is campaigning for women's rights in the mining sector in 26 provinces of the DRC. At the same time, Mwange and its civil society organization Asefa are running an education and training programme in some mining towns, which is helping to change gender dynamics and improve health and safety in the mining environment. The program ranges from building toilets near mines to educating men about sexual harassment and women's rights. The Mother Boss concept has proved to be particularly successful. With the help of loans from neighbors and family members, around 250 women have now been able to acquire mining pits in which they then decide independently on the hiring of workers. However, as such loans are associated with high interest

rates, Mwange is working with her organization to organize cooperatives in order to share resources and create more formal structures that attract investors.

[Find out more](#)



## Wealth Minerals and BASF start cooperation for the development of lithium projects in Chile

Wealth Minerals and BASF have agreed to collaborate on the extraction, processing and refining of lithium and other substances in the Salares de Atacama and Ollagüe in northern Chile. The details of this collaboration also depend on some clarifications from the Chilean government in connection with the national lithium strategy announced in early 2023. According to the two companies, the cooperation aims to promote the application of the best social and environmental standards in the early stages of the battery materials value chain, in line with Chile's national lithium strategy, global sustainable supply targets and end customer expectations in this area.



© New Mobility News

Wealth Minerals holds mining concessions on over 60,000 hectares. Preliminary estimates by Wealth Minerals indicate that the combination of the Atacama and Ollagüe salt pan projects could produce more than 200,000 tons of lithium carbonate per year, including processing into higher value products.

[Read more](#)

## MinSus Engagement in Argentina's Lithium Sector

In a world with increasing demand for lithium, Argentina is a top-producing nation and hosts an estimated 10% of global lithium reserves. Large deposits of the soft, silvery-white metal are concentrated in the country's northwest provinces of Catamarca, Jujuy, and Salta. Recent discussions by the National Mining Secretariat, co-organized with the IGF and GIZ, explore policy tools to maximize the benefits from the sector. The Government has lithium pricing concerns, as transactions are largely executed in private with prices not easily accessible. This has prompted



Argentina to consider tools to avoid abusive transfer pricing practices.

GIZ has supported the Government to develop a financial model for the lithium sector in order to predict mining revenues, identify transfer pricing risks, understand the distribution of revenues between the national and sub-national levels and integrate social and environmental externalities. Furthermore, together with its regional partner ECLAC, GIZ is supporting territorial planning policies in mining regions. At the national level a roadmap to promote gender equity in Argentina's mining sector has been developed and the exchange of technological advances in lithium extraction has been promoted amongst the countries that compose the lithium triangle.

[Learn more about MinSus activities](#)



## Past Events

### UNCAC CoSP 2023: Side Event on Critical Minerals and Corruption



Bady Baldé (EITI), Susannah Fitzgerald (NRGI), Giancarlo León Collazos (General Consul of Peru in Atlanta), Brooke Stearns Lawson (USAID), Sophie Frossard (GIZ) © UNODC

The Sector Programme “Extractives and Development” (GIZ) attended the tenth Conference of the States Parties (CoSP) to the United Nations Convention against Corruption (UNCAC) that took place in Atlanta, USA, December 11 to 15, 2023. As part of the technical segment, GIZ collaborated with USAID to host and moderate a side event on critical minerals and corruption. The panel featured experts from EITI, the Financial Intelligence Unit of Peru (FIU-Peru), the NRGI, and the Center for Journalism Innovation and Development (CJID). Panelists presented their insights and introduced concrete measures to prevent and combat

money laundering and corruption in the extractive sector.

The side event was well attended, and the audience showed great interest in the topic. Speakers highlighted the importance of multi-stakeholder formats and networks to mitigate corruption risks. Meanwhile, participants expressed the necessity for a closer collaboration and creation of synergies between the governance and climate communities.

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### IGF Webinar: Closing Mines, Opening Futures: Fostering gender equality and achieving relinquishment

On January 25, the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) hosted a webinar on the topic of mine closure. Ege Tekinbas, Senior Policy Advisor in the field of Gender Equity (IGF), was the first speaker to give a presentation on the integration of gender equality in the mine closure process, especially with regard to opportunities for governments to take action. Building on this, Bobbie Foot, Head of Capability and Learning at the BHP Operating System Centre of Excellence, went into more detail on gender issues in the mine closure and transition process and illustrated these using the case study of Australia and the BHP's efforts. Finally, Rob Stevens, Senior Policy Consultant in Mine Closure (IGF), spoke about the concept of relinquishment, which is the legal transfer of responsibility (including residual risks) for a closed mine from the operator to the government or the next landowner.





## Upcoming Events

### Alternative Mining Indaba 2024

**05—08.02.2024, Double Tree by Hilton, 31 Brickfield Rd, Cape Town or Online**

Under the title "Energy Transition Minerals: Putting Communities First for an Inclusive Feminist Future", the Alternative Mining Indaba 2024 builds on last year's guiding principle "people first, not profits". Strategies to address structural inequality in the extractive industries on the African continent will be presented and discussed.

All information on the agenda and registration, whether on site or online, can be found [here](#).

### 30th Mining Indaba

**05-08.02.2024, Cape Town**

Since 1994, the Investing in African Mining Indaba has been one of the most important events for deal sourcing and corporate matchmaking in the African mining industry. This year it will be held in Cape Town from February 5-8 under the title "Embracing the power of positive disruption".

For further information about the Indaba, please click [here](#).

### Side events at the 2024 Mining Indaba

#### **Side Event: Local Procurement meets Human Rights Due Diligence: New Demands on the African Mining Sector**

**- Organized by Mining Shared Value, Engineers without Borders Canada and GIZ**

**07.02.2024, 10:30–12:00, Southern Sun Cape Sun, Cape Town**

Mining Shared Value, Engineers without borders Canada, and our GIZ Sector Programme Extractives and Development will be exploring the impact of increasing human rights due diligence requirements on the mining sector's local procurement. The panel includes Kaisa Toroskainen from the Global Battery Alliance, Jasmine Abrahams from Ivanhoe Mines, Jeff Geipel from Mining Shared Value programme from Engineers without Borders and Rosalie Seppelt, LL.M. (UCT) from the Sector Programme Extractives and Development. Together, they'll delve into the evolving landscape of human rights due diligence and its implications for the mining industry, and provide an update on a new guidance developed in collaboration with Mining Shared Value that aims to assist mining companies in effectively reporting on their HRDD during procurement.

For further information, please click [here](#).

#### **Side Event: Managing Mineral Supply Risks for the Energy Transition**

**- Organized by IGF and Global Affairs Canada**

**07.02.2024, 13:00–14:45, Southern Sun, The Cullinan Hotel, Cape Town**

The production of critical minerals may not meet the rising demand by 2030, posing significant risks to climate targets and leading to fluctuating prices. Recognizing and understanding these risks is essential

to anticipate and navigate the challenges of the energy transition.

For further information, please click [here](#).

**Side Event: Navigating Change: Gendered impacts of Mine Closure**  
**- Organized by IGF and Germany's Federal Institute for Geosciences and Natural Resources (BGR)**

**07.02.2024, 15:00–17:00, Southern Sun, The Cullinan Hotel, Cape Town**

With the ongoing energy transition a growing number of mines are expected to close or transition. In this context, many studies show a close link between the closure of mines and the increased vulnerability among women, ranging from economic challenges to increased household and care responsibilities. Gender equitable considerations are therefore vital for women's safety, security, livelihoods, and well-being.

For further information, please click [here](#).

### **Great Lakes Mining and Investment Conference**

**13.-15.02.2024, Nairobi, Kenya**

The Great Lakes Mining and Investment Conference is organised by the International Conference on the Great Lakes Region (ICGLR), an intergovernmental organisation composed of 12 Member States in the African Great Lakes, and will take place in Nairobi, Kenya, from February 13 to 15. Its aim is to resolve the challenges at the intersection of mineral resource governance and peace and security by increasing regional cooperation and promoting sustainable development.

For further information, please click [here](#).

### **Annual PDAC Convention**

**03-06.03.2024, Toronto, Canada**

The annual PDAC Convention in Toronto, Canada will take place from March 3-6. Up to 30,000 attendees from more than 130 countries are expected to participate in educational programs, networking events, business opportunities and entertainment related to the mining sector. With more than 1,100 exhibitors and 700 speakers, it is one of the largest mining conventions in the world.

For further information about the PDAC, please click [here](#).



## **Did you know...?**

California's official byname as the Golden State is derived from the famous Californian gold rush from 1848 to 1854. Triggered by the discovery of a gold nugget on the building site for a sawmill on the New Helvetia ranch of the Swiss Johann August Sutter, precious metals worth around USD 2 billion were extracted from the ground during the USA's first gold rush. However, the mining activities had mainly negative effects on the management of Sutter's ranch and on agriculture in the region in general. Crops could no longer be harvested due to an exodus of workers and the masses of undisciplined gold seekers damaged buildings and plantations.

175 years later, California has been hit by a new gold fever as a result of the extreme weather of recent years. Forest fires, winter storms and record rainfall made the banks of the mountain streams brittle, which then washed the gold-bearing debris into the valleys. For this reason, thousands of prospectors are once again drawn to the region every year. Equipped with a metal detector, sieve and pickaxe, however, it remains a hobby for most of them. However, experienced and professional prospectors can earn up to 750 US dollars a day.

## Source

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