

Regional Cooperation for the Sustainable Management of Mineral Resources in the Andean Region

The contribution of mining to sustainable development

Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Countries	Andean Region (Plurinational State of Bolivia, Chile, Colombia, Ecuador and Peru)
Regional Partner	United Nations Economic Commission for Latin America and the Caribbean (ECLAC)
Executing Organizations	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); German Federal Institute for Geosciences and Natural Resources (BGR)
Programme Duration	2016 – 2022 (March): GIZ's component 2016 – 2021 (March): BGR's component

standards and certification mechanisms of their supply chain that seek to address economic, social and environmental concerns.

To ensure that the mining sector supports the achievement of the Sustainable Development Goals, it is necessary to develop policies and strategies that integrate economic, social and environmental best practices along the mineral value and supply chain; respect human rights and ensure the participation of minorities and women in the decision making process; as well as promote linkages from the mining sector to the regions and communities where operations are based.

For this reason, the Federal Ministry for Economic Cooperation and Development (BMZ) has commissioned the GIZ and BGR to jointly carry out the programme “Regional Cooperation for the Sustainable Management of Mineral Resources in the Andean Region”. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) is the Programme’s regional partner.

Context and Challenges

The mining industry in the Andean countries has the potential for contributing to economic growth and social development as well as the environmental big push in pursuit of sustainable development, in line with the imperatives of the 2030 Agenda.

Currently, the Andean economies face risks that urge thinking of a transition towards a new development style, in which the 2030 Agenda and its 17 Sustainable Development Objectives (SDGs) are leveraged as a common language and viewpoint. Climate change risks are pushing forward a global energy and transportation transition, for which minerals are key. Large quantities of minerals and metals such as lithium and copper will see a surge in demand which may benefit certain Andean countries. Other countries dependent on hydrocarbon and coal exports will have to prepare for market changes.

This context brings opportunities and challenges for the Andean region. On one hand, the surge in mineral demand may result in increased government revenues from the sector. On the other hand, existing challenges, such as lack of revenue transparency, socio-environmental conflicts around mine sites, and the lack of linkages to/from the domestic economy may intensify. At the same time, countries that are consumers of commodities are increasingly demanding

Approach

The programme promotes international standards to develop responsible mining practices that contribute to the climate agenda at the international level and the achievement of the SDGs at the local level. This is done through the implementation of pilot projects and the exchange of lessons learned among the regional counterparts. As a central element, the programme promotes a multi-stakeholder approach, involving governments, private sector companies, civil society organizations and multilateral institutions.

The programme’s activities are divided into three broad areas: (i) **Policies and Strategies**, (ii) **Stakeholder Governance** and (iii) **Technology Transfer and Innovation Promotion**. The close cooperation between GIZ and BGR allows for the programme to have an integrated approach that merges mining-related technical expertise with socio-economic, as well as environmental know-how.



Environmental Mining Liability, La Cienaga, Perú



Cathode Court, Mine, Northern Chile

Objective

The objective of the programme is to support the Andean countries in designing and implementing sustainable mining practices, as well as promoting transparency along the mineral supply and value chains.

Through its activities, the programme contributes to SDGs: 3, Good Health and Well-being; 5 Gender Equality; 6 Clean Water and Sanitation; 8 Decent Work and Economic Growth; 9 Industry, Innovation, and Infrastructure; 12 Responsible Consumption and Production; 13 Climate Action; 15 Life on Land; 16 Peace and Justice; and 17 Partnerships for the Goals.

Activities

(i) Policies and Strategies: the programme supports governments and companies in integrating economic, social and environmental best practices. This is done by supporting initiatives to develop and trace responsible mineral supply chains, as well as certification schemes (SDG 6, 8, 12, 13, 15, 16); improving the design and implementation of environmental impact assessments (SDG 6, 13, 15); and developing tools to increase transparency in the collection and management of mining revenues (SDG 17).

(ii) Stakeholder Governance: the programme promotes multi-stakeholder dialogues and the active participation of minorities, local communities and civil society in the decision-making process. This is done by mainstreaming human rights and gender equality approaches (SDG 5, 16); strengthening transparent and well-functioning grievance mechanisms (SDG 16); and supporting community and data-based monitoring systems that ensure equal access to information, which in turn can help develop common objectives of stakeholders in mining impacted regions (SDG 17).

(iii) Technology Transfer and Innovation Promotion: the programme promotes innovations that reduce the environmental footprint of mining activities and fosters the shared-value proposition in impacted regions. This is done by supporting new approaches to water management and energy efficiency (SDG 9,12); piloting remediation of abandoned mining sites to reduce potential health and environmental hazards (SDG 3, 6, 12, 15); enhancing the reuse of tailings and other mining waste (“secondary mining”) and rewarding innovative solutions that promote economic linkages to the sector and economic diversification.

Through regional workshops and multi-stakeholder dialogues, the programme promotes the ongoing exchange and dissemination of best practices in the three activity areas.

Impacts

- Established regional networks on transfer pricing, transparency, good governance and environmental liabilities;
- Strengthened six multi-stakeholder alliances that include government, civil society, the private sector and multilateral organizations;
- Developed strategies for the inclusion of a human rights and gender equality approach in environmental impact assessments and impact monitoring at the local level;
- Strengthened the EITI process in two countries, allowing for the success of the validation process;
- Developed two public-private partnerships to design automatized mining technologies and tailings analyses;
- Supported processes that led to improved water and energy efficiencies in mineral extraction and processing;
- Aided the remediation of five mining related environmental liabilities in Peru by training national and local authorities.

Publisher	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH German Federal Institute for Geosciences and Natural Resources (BGR) Office in Hanover, Germany Regional Cooperation for the Sustainable Management of Mining in the Andean Countries Federico Froebel 1776/1778 Providencia, Santiago, Chile T +56 (2) 2719 3900 F +56 (2) 2719 3934 giz-chile@giz.de www.giz.de/chile www.bgr.bund.de	On behalf of the	Federal Ministry for Economic Cooperation and Development (BMZ)
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Issue	February 2020		