

Regional Cooperation for a more Sustainable Management of Mineral Resources in the Andean Countries



The contribution of mining to sustainable development

Context and Challenges

The mining sector has the potential to contribute to economic growth and social development, thereby contributing to the Sustainable Development Goals (SDGs). At the same time, the sector can have adverse social and environmental impacts on its surrounding territories.

The global energy transition needed to achieve the objective of Paris Agreement will require significant amounts of minerals such as lithium and copper, as these are important inputs for low-carbon and digital technologies. Many of these minerals are abundant in the Andean region, which is already a leading global supplier. At the same time, there are countries dependent on coal exports, which will have to prepare for market changes, as demand for these resources fall.

This context brings opportunities and challenges for the Andean countries. To ensure that the mining sector promotes sustainable development, it is necessary to develop policies that integrate economic, social, and environmental best practices. Apart from strengthening environmental laws and oversight, there is a need to improve transparency of tax payments, improve the management of revenues, reduce mining related conflicts by and fostering the participation of the most vulnerable populations in the decision-making processes, and develop economic linkages to the sector.

The market is also increasingly seeking sustainability attributes, as mineral importing countries are concerned about supply chains complying with human rights and environmental standards.

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

Title	Regional Cooperation for the Sustainable Management of Mining in the Andean Countries (MinSus)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Region	Andean Region (Argentina, 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)
Overall term	2022 – 2025 (March): GIZ’s component 2021 – 2024 (March): BGR’s component

Approach

The project promotes responsible mining practices that contribute to the achievement of the SDGs. At the national and regional level, MinSus seeks to support counterparts in implementing policies and strategies that promote responsible mining practices and foster the exchange among the Andean countries. At the local level, MinSus seeks to pilot new approaches and technologies, as well as using these best practices to scale them up at the national and regional level.

As a central element, MinSus pursues a multistakeholder approach, involving the public sector, private companies, civil society, academia, and multilateral organizations.

Objective

MinSus’ objective is to incorporate social, environmental, and economic standards in mineral supply chains with a special focus on the beginning of the supply chain, namely the mining sector. The project aims to particularly contribute to the following SDGs: 3 Good Health and Wellbeing; 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.

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Activities

MinSus develops activities along the following workstreams:

Sustainable Supply Chains, by familiarizing the region with international sustainability initiatives and exploring how mine site level certification schemes can be adapted to incorporate the demands of local stakeholders to foster access to information and participation. MinSus also supports the creation of economic and infrastructure linkages to help with economic diversification in mining regions.

Transparency, by contributing, for example, to the validation and implementation of the Extractive Industries Transparency Initiative (EITI).

Governance and Institutions, by contributing to generation and dissemination of knowledge on governance frameworks in the region and promoting the exchange of best practices among the Andean countries, with particular focus on the lithium and copper subsectors.

Taxation and Revenue Management, by supporting governments to optimize their fiscal system, developing mining revenue management systems that promote efficient public spending, and designing redistribution mechanisms adapted to the country context.

Human Rights, by focusing on conflict prevention and strengthening grievance mechanisms. Among other stakeholders, MinSus works with the Iberoamerican Federation of Ombudsperson in strengthening their role in protecting human rights in mining contexts.

Gender Equality, by providing technical assistance to mining ministries in reducing the gender gap, particularly regarding employment and participation.

Mine Closure, by evaluating regional and international experiences in this area. Events, trainings, and technical study tours are implemented with representatives from the Andean region. Guides and best practices are developed and shared amongst the countries.

Environmental Mining Legacies, by providing technical assistance on the sustainable management of abandoned mines. In this context, good practice guidelines and pilots are developed to remediate environmental mining legacies, with a special emphasis on environmental risk assessments and evaluation of the potential reuse of mine waste.

Water use efficiency, Energy and Decarbonization, by promoting technologies and approaches that increase water and energy efficiency in mining processes and promoting the integration of renewable energies in the sector to reduce greenhouse gas emissions.

Innovation and New Technologies, by promoting public-private cooperation projects, and supporting innovation and entrepreneurship skills amongst students seeking to address sustainability challenges in the sector.

To learn more about the project's activities, please visit the website: www.minsus.net

Impacts

- Strengthened the EITI process in various Andean countries.
- Supported the development and implementation of the Colombian gender policy for the mining and energy sector.
- Digitalized the grievance mechanism of the Ombudsperson's Offices of Ecuador and systematized the agreements stemming from dialogue rounds after mining conflicts in Peru.
- Developed public-private partnerships to implement automatized mining technologies and tailings analyses.
- Awarded and accompanied 8 student projects on innovation and entrepreneurship.
- Developed the technical, social, and financial assessments that led to the adequate remediation of mining environmental legacies in Peru. This included the training of national, regional, and local authorities in the matter and implementation of pilot projects.
- Built capacities in the public sector on technical, environmental, and financial planning, as well as supervision on mine closure.
- Advised mining certification schemes on how these could be adapted to increase the usefulness for local actors impacted by mining.
- Developed multistakeholder partnerships on various topics that include governments, civil society, the private sector, academia, and multilateral organizations.



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