



GIZ self-financed measure

Initiative for a responsible, sustainable and resilient supply of raw materials

Background

Economic, environmental, and human rights policies face a structural dilemma regarding raw materials: the viability of future generations can only be ensured through decarbonisation and a functioning circular economy. There is no alternative to increasing resource efficiency, service life, reusing secondary raw materials (recycling) and install the necessary changes in product designs.

However, the increasing demand for raw materials cannot be met only by economization and recycling in the foreseeable future. **The new technologies in the energy, transport and digital sectors require a considerable amount of primary raw materials.** The International Energy Agency (IEA) estimates that the average total demand for minerals for clean energy technologies will quadruple compared to 2020 levels by 2040 in order to achieve the Sustainable Development Goals.

Most of these raw materials are mined and processed outside of Europe. Therefore, cooperation with partner countries is of strategic ("critical") importance for a successful energy and mobility transition in Germany and the EU.

The high demand already leads to a significant expansion of the mining sector in numerous partner countries. **However, the extractive sector is often associated with conflicts, human rights violations, environmental damage, and corruption.** Profits from raw material production rarely reach the population in so-called developing countries and emerging economies.

The role of GIZ

GIZ can and must support its partner countries in structuring the extraction and processing of raw materials socially and environmentally just to ensure that the extraction of the required primary raw materials becomes a driver for sustainable development in mining regions and does not further increase the negative impacts on the environment and people. **To this end, GIZ is working with its partners to develop strategies for greater sustainability along the raw materials supply chain.**

Sustainable development related to the extractive sector also depends on coherent development, foreign and economic policies. The policies need to constructively address the tension between the development needs of resource-rich partner countries and local security of supply, effectively regulate and strengthen corporate responsibility, and promote solutions for the transparent traceability of supply chains of responsibly mined raw materials.

An important element of successful raw materials foreign policy is cooperation with actors in resource-rich partner countries. **However, the perspectives of developing countries and emerging economies does not yet adequately inform the development of regional and global policies as well as development strategies.**

There is a lack of concrete approaches for the operational implementation of raw material cooperation on an equal footing and long-term development prospects.

Objective | Raw Materials Initiative

GIZ supports selected partner countries in developing solutions for sustainable development with reference to the extractive sector and in feeding requirements for the implementation of raw materials cooperation into the political discourse through its expertise in supporting change processes and its networks on the ground. In this regard, regional multi-stakeholder exchanges and political dialogues are carried out with stakeholders from politics, society, the private sector, and research institutions in partner countries as well as in Germany and Europe.

Implementation | Raw Materials Initiative

The Raw Materials Initiative is being implemented with GIZ's own funds along two fields of action:

- (1) "Partner perspective";
- (2) "Sustainability along raw materials supply chains".

Various activities contribute to achieving the goal of the raw materials initiative in both fields of action.

(1) Field of action "partner perspective"



- *Regional multi-stakeholder exchanges in Africa, Asia, and Latin America:* solutions for sustainable development related to the extractive sector of developing countries and emerging economies are developed with stakeholders from politics, the private sector, civil society, and academia.
- *Dialogue and expert events:* positions and contributions to the operationalization of raw materials cooperation on an equal footing are fed into the political discourse on raw materials foreign policy by actors from partner countries.

(2) Field of action "Sustainability along raw materials supply chains"



- *Scientific publications:* the Raw Materials Initiative supports relevant research work on international raw materials cooperation as an instrument for a sustainable and resilient supply of raw materials as part of a cooperation with the German Institute for International and Security Affairs (SWP).
- *Development of concrete solutions:* development of criteria for the introduction of universal standards and digital traceability of mineral raw material supply chains from the mine to the final product

Impact

The intended impact of the Raw Materials Initiative is to **establish long-term responsible and resilient raw material extraction, processing, and recycling. Moreover, it seeks to strengthen traceable supply chains** that are based on equal raw material cooperation and underpinned by effective state and civic control as well as binding corporate due diligence obligations. This promotes sustainable development in resource-rich countries and secures the supply of raw materials for the energy and transport transition.

Responsible raw materials are an essential building block for the circular economy and decarbonisation to secure the livelihoods of future generations.

Imprint

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