

Germany's Sustainable Raw Material Diplomacy

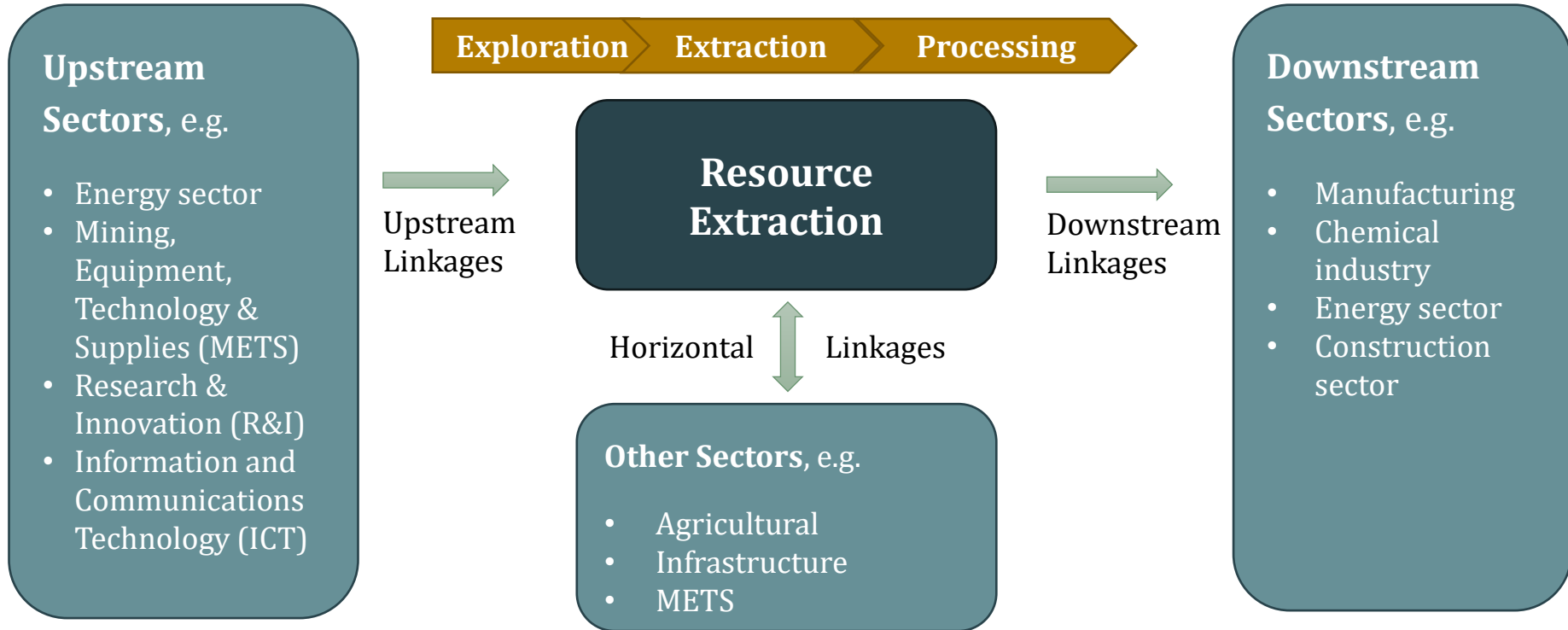
Partnerships for Local Value Creation



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Stiftung Wissenschaft und Politik
German Institute for
International and Security Affairs

Value creation – “Linking the mining sector”



Conditions for Value Creation

Geological factors	mineral deposits, quantity and quality
Political factors	(geo)political stability, institutional framework, incentives for vertical and horizontal linkages
Economic factors	access to (green) energy, transport and communication infrastructure, domestic market conditions and integration into regional markets
Immaterial factors	qualified work force, exploration capacity, (technology) know-how and R&I

Types of (German) Raw Material Cooperation (1/2)

Bilateral Cooperation

(1) Raw Material Partnerships

- strategic selection
- Germany: comprehensive and attractive offers, combining private and public sector projects
- Partner country: transparency & standard setting ambition

(2) Selective Cooperation (project-based)

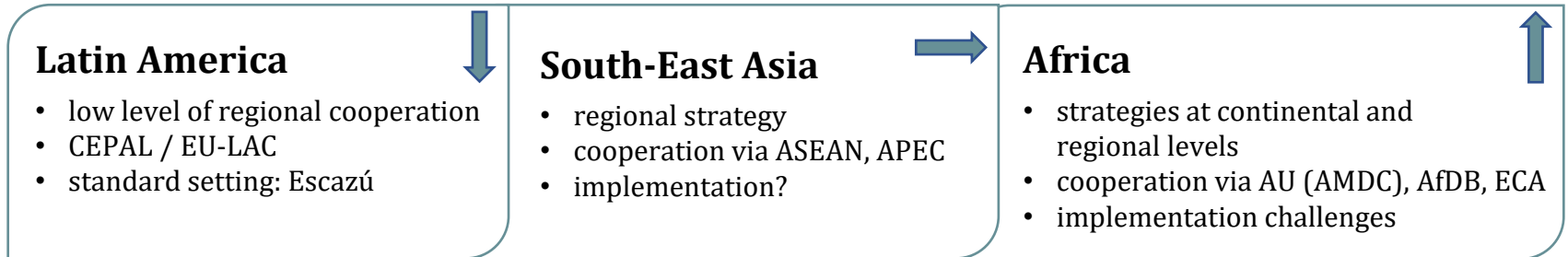
- context-specific
- support “de-risking”, good governance and local value creation
- projects for *(a)* transparency & good governance, *(b)* mining sector upgrading, *(c)* industrialisation & infrastructure

Types of (German) Raw Material Cooperation (2/2)

Support for Regional Approaches

- different levels of regional cooperation
- establishing common standards
- implementation of industrial projects & infrastructure development (energy, transport)

Simplified overview:



Financing Raw Material Cooperation

Mining and Metals sector:

- German foreign trade promotion instruments, national raw material fund (*Rohstoff-Fonds*) and EU-CRMA
- Private sector commitment needed
- G7/MSP ⇒ joined raw material fund

(Regional) Infrastructure:

- Global Gateway and G7-PII
 - ⇒ increase international coordination (incl. China)
 - ⇒ strengthen cooperation with regional development banks

Policy Recommendations

- Raw Material Partnerships considering interests of extracting countries
⇒ linkages and “low hanging fruits”
- Distinction between *comprehensive partnerships* and *selective cooperation*
- Amplify support for regional approaches
- Public/private financing and international coordination

Thank you!

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