

# SECTOR PROJECT



## GERI - Global Extractive Resources Initiative

### Background

The extractive industry is currently investing some 200 billion US dollars every year around the globe in new operations, with about half of the investments targeting developing countries.

Not in all developing countries, however, resources have been mined to the benefit of the local population. On the contrary, in some countries mining seems to have an adverse effect on growth and development. The so called resource curse is usually coupled with corruption and inappropriate economic policies. It takes effect where the mining sector still generates profits for slim elites in otherwise rundown economies.

But countries like Botswana, Chile and Peru show that mineral resources have a great potential to boost economic and social development

Economic performance and fight against poverty during the past decade in these countries was essentially based on extractive industries. To make extractives work for development requires good governance, transparency and proper administration by enabled and efficient government institutions. It also calls for infrastructure, qualified workforce and an adequate regulatory framework. These are important preconditions for an extractive sector that can hold its own

against global competitors and act as a driver of national development. This is where the Global Extractive Resources Initiative (GERI) comes in.

### Program

The Global Extractive Resources Initiative was launched in 2012 by the Federal Ministry of Economic Cooperation and Development (BMZ) to implement German technical cooperation in the mining sector. Its areas of work and regional orientation are guided by the strategy papers of the German Development Cooperation. Special attention is given to three topics:

- Environmental & social sustainability in the extractive sector
- Transparency and public finance
- Stimulation of the sector in cooperation with the private sector

On behalf of the Federal Ministry of Economic Cooperation and Development (BMZ), GERI

- identifies areas of cooperation, designs cooperation projects and implementation plans in partner countries on a demand-driven basis
- offers short term consultancy on specific subjects, such as legal or technical consultancy
- funds cooperation projects to give advice and support reforms in the

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mining sector

## GERI is characterized by

- high Flexibility
- wide range of technical and administrative expertise
- quick response to demand
- active involvement of the private sector

GERI is carried out by BGR and GIZ jointly.

## Current Results and Outlook

**Mining sector Assessment MSA:** The project aims at providing updated and thorough information on the mining sector in selected developing countries and targets private industry. The work is carried out in cooperation with the World Bank. It consists of a comparative, systematic and comprehensive assessment of the mining sector in a number of African countries and aims at lowering investment impediments and unleashing development potentials of the sector.

**B2B platforms:** GERI is preparing information platforms designed to facilitate business opportunities for small



On behalf of

**BMZ**



Federal Ministry  
for Economic Cooperation  
and Development

and medium size enterprises, mainly on the local level.

GERI currently funds and operates three bilateral cooperation projects in the extractive sector in Africa:

**Burundi:** Strengthening the capacities of the Ministry of Energy and Mines. The project targets the implementation of a mineral deposits inventory and a digital mining cadastre.

**Mozambique:** Advisory to the Ministry of Energy and Mines for the setting up of an efficient licensing process with special regard to environment, health & security and mine closure. Activities mainly target capacity development.

**Tanzania:** Advisory to Ministry of Energy and Mines concerning the communication policy and strategy in the gas sector.

In November 2013, a GERI scoping mission to South Sudan revealed a substantial need of support in the extractive sector. The present safety situation however requires a delay of activities.

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