

Sustainable Mining for Economic Growth

The Afghan mining sector offers great economic potential which could significantly boost growth in the country. In order to fully leverage this potential, the German Government is assisting Afghan actors to make mining activities transparent and conducive to innovation in the long term.



Situation

Afghanistan has a wealth of commodities: copper, lithium, iron, rare earths, gold and cobalt. The country could become one of the world's leading commodities exporters if it sustainably mined its deposits. Tax revenues from such mining activities could even enable Afghanistan to end its reliance on international financial donors.

However, deposits are not being mined sustainably. Inspections are not carried out transparently, and, if they are issued at all, prospecting licences are rare. Only a small number of international companies are currently active within Afghanistan's extractive sector. The collection of official data and registration of revenues are not carried out comprehensively and the Afghan Ministry of Mines and Petroleum does not have a full overview of activities, being limited in its personnel, organisational and administrative capacities.

AT A GLANCE



Activities in capital Kabul.

Programme: Promoting good governance in the Afghan extractive industry

Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ)

Partner: Afghan Ministry of Mines and Petroleum

Implementing organisations: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Provinces: Kabul

Programme objective: Transparency and inspections within the mining industry help to regulate state revenues, promote investment and combat corruption in the long term.

Overall term: May 2013 – November 2018

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- Fact sheet: Sustainable Mining for Economic Growth (<http://ez-afghanistan.de/sites/default/files/2017-MinGov-EN.pdf>)

Objective

The project seeks to ensure that mining activities are carried out in a transparent and structured manner to ensure that state revenues are properly fed back into the development of the country and investing in the mining industry becomes a more lucrative prospect.

Measures & Results

The delivery of technical and administrative training in a number of provinces is enabling mining inspectors to fulfil the administrative and monitoring duties with which they have been tasked by the Ministry of Mines and Petroleum. Staff from the Ministry of Mines and Petroleum are also being trained in how to correctly process licence applications and apply mining sector regulations in an exemplary manner.

Additionally, transparency standards are already being implemented to combat corruption in the mining sector and ensure that mining activities are properly controlled. The Afghan Government is also working towards full membership of the *Extractive Industries Transparency Initiative* (EITI). The initiative promotes cooperation between the extractive industry, the state and civil society and seeks to trace and publish revenues from the extractive sector. This helps to create a more stable and effective investment climate in the mining sector. The dialogue emerging between a range of actors and the increased transparency ultimately boost public confidence in the state. By training Afghan experts and organising visits to foreign mines, the programme is also helping the Afghan Government to implement international standards and ensure transparency in order to enable Afghanistan to attain EITI membership in 2018.

CONTACT

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