

## The Integrated Mineral Resource Initiative (IMRI)

Over recent years, the world's commodity markets have been highly volatile. Supposedly reliable commodity suppliers, especially in the rare earth elements (REE) sector, have introduced export restrictions, resulting in significant price increases and even economically motivated scarcities in some cases. Moreover, new market participants from the emerging economies have triggered an unexpectedly strong demand for raw materials.

Transparent commercial conditions which are clear and comprehensible for all stakeholders are of fundamental importance for a sustainable raw materials sector, however. The German government is therefore actively committed to free and fair world trade.

This commitment applies to Mongolia as well. With the prospect of a boom in the extractive industry, the country has yet to establish the right conditions to achieve sustainable growth in the raw materials sector and utilise the benefits for development. With its three components – 'Good Economic Governance in the Mineral Resources Sector', 'Capacity Building for Sustainable Economic Policy', and 'Promotion of Cooperation in the Mineral Resources Sector' - the **Integrated Mineral Resource Initiative** launched by Germany's Federal Ministry for Economic Cooperation and Development (BMZ) is contributing to a broad-based sustainable growth in Mongolia.

## Contact

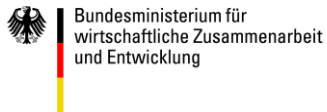
Integrated Mineral Resource Initiative  
Chingeltei district, United Nations Street 5/1,  
4<sup>th</sup> khoroo, 38<sup>th</sup> building, 3<sup>rd</sup> floor  
210236 Ulan Bator, Mongolia

T +976-7011 7704  
F +976-7011 7705  
E [imri@giz.de](mailto:imri@giz.de)  
I [www.giz.de](http://www.giz.de)

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## Integrated Mineral Resource Initiative

## IMRI Mongolia



## Mongolia – the Eldorado of the steppes

With a population of 2.7 million and an area five times that of Germany, Mongolia is located between China to the south and Russia to the north. The country not only has rich gold and copper deposits but also huge coal reserves as well as molybdenum, fluor spar, zinc, uranium, lead and petroleum.

The International Monetary Fund expects its gross domestic product to see 25% real growth in the year 2013. Per capita income is projected to more than double from the current figure of US\$5,000 to US\$12,000 by 2021.

Resource-rich countries such as Mongolia stand in contrast to highly industrialized countries such as Germany, which, as a resource-poor, high-wage country, can only compete globally by virtue of technical innovations. The German economy is almost totally dependent on imports not only for energy but also for metals and minerals.

Germany's success in exporting its high-tech and cutting-edge products, and thus its society's prosperity, depend on a smooth supply of raw materials at reasonable prices.



## The Integrated Mineral Resource Initiative (IMRI) A Partnership for Sustainable Development

The initiative brings together three federal ministries (the Federal Foreign Office (AA), the Federal Ministry of Economy and Technology (BMWi) and the Federal Ministry for Economic Cooperation and Development (BMZ), three implementing organisations (GIZ, the Federal Institute for Geosciences and Natural Resources, BGR, and the Physikalisch-Technische Bundesanstalt, PTB) and the private sector in a partnership for the first time.

The Integrated Mineral Resource Initiative (IMRI) focuses on supporting Mongolia's efforts to build a broad economic policy strategy that is centred on the mining sector. It aims to improve the institutional and economic policy conditions that enable investment and revenue in the raw materials sector to be used for sustainable economic growth, with the full involvement of the Mongolian and foreign private sector in this process.

### IMRI Services

- ✦ Capacity building for organisations and institutions, focusing on governance and government transparency in the raw materials sector, e.g. in cooperation with EITI
- ✦ Advisory services for the public and private sectors on Corporate Social Responsibility (CSR)
- ✦ Privatisation and IPO advisory services, advice on PPPs
- ✦ Promotion of capital markets and German investment; private equity investment advice
- ✦ Development of upstream supply and service clusters for the mining sector
- ✦ Advisory services and capacity building for Mongolian SMEs, with a focus on human resources, finance, organisation and quality management

- ✦ Advice on using the revenue from the mineral resources sector for development; assistance with the establishment of a Sovereign Wealth Fund
- ✦ Development of Mongolia's quality infrastructure and reduction of systemic deficits in relation to standardization, accreditation, certification, metrology and audit systems
- ✦ Analysis of a best practice value chain in the strategic metals sector (including rare earth metals), with a focus on relevant quality infrastructure services, standards and compliance assessment
- ✦ Development of calibration services at the Mongolian Agency for Standardization and Metrology (MASM)
- ✦ Advisory services for the Mineral Resources Authority of Mongolia (MRAM), with a focus on the development of viable and objective resource sector analyses and strategy papers
- ✦ Preparation of inventories and sector analyses of (selected) mineral deposits and sites
- ✦ Compilation of economic data for mineral resources.

