

CONNEX in ACTION: Stories of Support

The CONNEX Support Unit provides direct, multidisciplinary negotiation support in response to requests from governments of developing countries in preparing for and conducting negotiations of new and existing projects.

TAILOR-MADE SUPPORT

The scope, shape and content of support are tailored to the requirements of the specific cases at hand. This tailoring is always done in close consultation with the requesting government. For example, a country that was about to negotiate a mining convention approached CONNEX with a request for legal support. After consulting with the client country, it was agreed that the scope of assistance needed to include financial analysis as well as technical expertise in the specific mineral to be extracted.

It was also agreed that CONNEX would provide a multidisciplinary team of experts to the country who would be part of the negotiation rounds and draw up a mining convention that aligned with national, regional and international laws. The team would also develop the legal instruments attached to the mining convention; provide advice regarding the optimal legal and fiscal structure for the country in the convention; as well as draft and prepare all auxiliary contracts.

SUPPORT IN THE TENDERING PROCESS



CONNEX is able to provide comprehensive support throughout the tendering process. Recently, a country approached CONNEX for support in issuing a call for tenders on two projects—one greenfield, one brownfield. For the greenfield project, CONNEX assisted the country in evaluating the geological data and then provided support, including the review and revision of tender specifications, which informed the decision of whether the tender made sense at that stage.

For the brownfield project, CONNEX provided an analysis of the market conditions under which international investors would be interested in the project.

CONNEX Values Confidentiality

For confidentiality reasons, stories of countries where CONNEX currently provides support are kept anonymous.

RENEGOTIATION SUPPORT

CONNEX also offers support in the context of renegotiations. A country approached CONNEX with a request concerning a leading global mining company operating a project that is the single largest contributor to the country's GDP. The company was not fulfilling its contractual obligations—both financial and developmental—to the country. The company had also exploited deposits differently than had been agreed. Renegotiations were requested, and the government required support in monitoring compliance review and revising the financial model for the project.

SUPPORTING GOVERNMENT POLICY PRIORITIES

By making sure that governments have access to multidisciplinary teams whenever they need to negotiate complex investment contracts, The CONNEX Support Unit helps host countries derive maximum benefits for development—economic, social and environmental—from commercially viable investments. In 2017, a country reached out to CONNEX to work with them on the largest mineral project in the country. This project was initially negotiated—and shortly thereafter amended—following a period of particular turmoil in the country. In addition to the time that had passed between the initial negotiation and amendment—more than a decade—the governance landscaped had changed significantly, and the company managing the project had sold it to another investor, further complicating the situation. The government sought to renegotiate a contract that reflected the current governmental policies, ensuring equitable sharing of the benefits. This project is ongoing, and CONNEX is providing support that spans the preparatory work that is necessary during the pre-negotiation stage and extends to support during negotiation rounds.

Imprint:

Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH.

Registered offices Bonn
and Eschborn, Germany

Friedrich-Ebert-Allee 36 +40
53113 Bonn
Germany

T +49 228 44 60-0

F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1 – 5
65760 Eschborn
Germany

T +49 61 96 79-0

F +49 61 96 79-11 15

E info@giz.de

I www.giz.de

Contact:

CONNEX
Support Unit Secretariat
Potsdamer Platz 10
10785 Berlin, Germany

E support@connex-unit.org
I www.connex-unit.org

Design:

MediaCompany – Agentur
für Kommunikation GmbH

Photo sources:

Dirk Ostermeier/GIZ