



# 2023 ANNUAL REPORT

**Extractives Global  
Programmatic  
Support (EGPS)  
Umbrella Trust Fund**



Administered by  
**THE WORLD BANK**  
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## TRUST FUND BASIC DATA

<b>Trust Fund Name</b>	Extractives Global Programmatic Support (EGPS) Umbrella Trust Fund
<b>Trust Fund Numbers</b>	
EGPS-1	TF072347 / TF072699 / TF072710
EGPS-2	TF073398
<b>Associated Trust Funds</b>	
CSM ATF	TF073585
ASM ATF	TF073719
<b>Donors/Partnership Council Members</b>	
EGPS-1	Australia, Belgium, Canada, European Commission, Finland, Germany, Netherlands, Norway, Switzerland, and United Kingdom
EGPS-2	Belgium, European Commission, France, Germany, Netherlands, Norway, Switzerland, and United Kingdom
<b>Associated Trust Funds</b>	
CSM ATF	Germany, Netherlands
ASM ATF	Belgium
<b>Trust Fund Managing Unit/ Global Practice</b>	Infra Energy Extractive Industry  Energy and Extractives Global Practice (GEEXI)
<b>Trust Fund Manager</b>	Sven Renner
<b>Practice Manager</b>	Naomi Johnson
<b>Trust Fund End Disbursement Dates</b>	
EGPS-1	October 31, 2022
EGPS-2	April 30, 2026
<b>Associated Trust Funds</b>	
CSM ATF	October 31, 2025
ASM ATF	April 30, 2026
<b>Progress Reporting Frequency</b>	Annual

## DONORS

### Belgium

Federal Public Service (SFP) Foreign Affairs,  
Foreign Trade and Development Cooperation



### European Commission

European Commission Directorate-General for  
International Partnerships (INTPA)



### France

Ministère de l'Europe et des Affaires  
étrangères



Direction Générale du Trésor



### Germany

German Federal Ministry for Economic  
Cooperation and Development (BMZ)



Deutsche Gesellschaft für Internationale  
Zusammenarbeit (GIZ) GmbH



### Netherlands

Ministry of Foreign Affairs of the Kingdom of  
the Netherlands



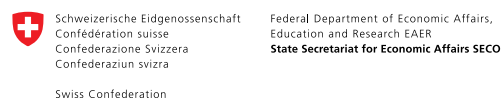
### Norway

Norwegian Agency for Development  
Cooperation (Norad)



### Switzerland

Swiss State Secretariat for Economic Affairs  
(SECO)





## ABBREVIATIONS AND ACRONYMS

<b>AMLA</b>	African Mining Legislation Atlas
<b>ASM</b>	artisanal and small-scale mining
<b>ATF</b>	associated trust fund
<b>CSM</b>	Climate-Smart Mining (initiative)
<b>CSO</b>	civil society organization
<b>EGPS</b>	Extractives Global Programmatic Support
<b>EITI</b>	Extractive Industries Transparency Initiative
<b>ELLED</b>	extractives-led local economic diversification
<b>ESG</b>	environmental, social, and governance
<b>FY</b>	fiscal year

<b>GDP</b>	gross domestic product
<b>GHG</b>	greenhouse gas
<b>IFC</b>	International Finance Corporation
<b>KEITI</b>	Kyrgyzstan Extractive Industries Transparency Initiative
<b>MEMR</b>	Ministry of Energy and Mineral Resources (Indonesia)
<b>MSPI</b>	Multi-Stakeholder Partnership Initiative
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PWYP</b>	Publish What You Pay
<b>SDG</b>	Sustainable Development Goal
<b>TF</b>	trust fund

*All dollars are U.S. dollars unless otherwise indicated.*

# INTRODUCTION

The responsible development and management of mining and hydrocarbon resources continues to play a crucial role in supporting poverty reduction and fostering inclusive, sustainable growth and development. The Extractives Global Programmatic Support (EGPS Multi-Donor Trust Fund) is dedicated to promoting good governance and sustainable and ethical mining practices to maximize the economic, social, and environmental benefits for developing countries.

EGPS remains committed to promoting gender equality in the extractives sector and continues to support governments in developing and adopting policies, as well as taking actions to mainstream gender equality in the extractives sector.

In fiscal year 2023 (fiscal 2023), EGPS has made significant progress in addressing challenges within the extractive industries. Forty-five percent of EGPS funds have been dedicated to enhancing transparency, particularly through support for the Extractive Industries Transparency Initiative (EITI). This commitment has resulted in substantial advancement, with EGPS country-specific activities predominantly concentrated in Africa, while global and regional initiatives account for 35 percent of the total portfolio.

One notable feature of EGPS's portfolio in fiscal 2023 was its strengthened direct support of civil society organizations through a grant provided to the National Resource Governance Institute (NRGI) designed to build capacity for civil society engagement in extractive governance. This grant has facilitated advocacy for the transparency of extractives sector contracts and licenses, leading to notable achievements.

An important milestone during fiscal 2023 was the completion of the EGPS-2 Trust Fund's midterm review to evaluate its performance and guide the program's strategy and operation going forward. Recommendations pointed at the need to align EGPS's next phase (EGPS-3) more stringently with countries' evolving needs and adjust its portfolio to shifting global priorities. Discussions with donors on design of EGPS-3 were initiated during fiscal 2023.

EGPS-3 will be even more closely guided by the Paris Agreement and tap opportunities for developing countries that emerge from the global energy transition agenda. The importance of mining industry in the energy transition was first highlighted in the EGPS financed report "The Growing Role of Minerals and Metals for a Low Carbon Future" in 2017. Today, it is widely acknowledged and unanimously agreed upon that the increasing demand for minerals and metals creates opportunities for developing countries.

But opportunities do not stop there. The energy transition is producing a multitrillion-dollar market, most of it related to renewable energy infrastructure and its mineral value chains. Our research shows that the global South can capture larger market shares of mineral value chains, and that the World Bank can help create the enabling conditions in which the energy transition translates into opportunities for developing countries.

In response, during fiscal 2023, the World Bank with support from G7 countries started preparing the Resilient and Inclusive Supply-Chain Enhancement (RISE) Partnership as a new component under EGPS-3. RISE is designed to create enabling conditions, including high environmental, social, and governance standards, with the purpose of facilitating private capital investment in infrastructure and manufacturing, creating jobs, diversifying countries' economies, and making them more resilient. EGPS-3 including RISE will become operational during fiscal 2024.

The other side of mining in the climate change context is coal mining. Coal is still a major source of energy worldwide despite efforts to transition to cleaner alternatives. EGPS supports the World Bank's Just Transition for All Initiative, which aims to help countries transition away from coal by focusing on governance structures, the welfare of communities, and repurposing former mining lands and coal-fired power plants. In fiscal 2023, the World Bank continued preparations for the Global Coal Transition Program, an initiative aimed at supporting countries in transitioning away from coal and toward cleaner and more sustainable energy sources by supporting the phaseout of coal, promoting renewable energy, and supporting affected communities.

EGPS is creating impact from the ground up while also shaping the global agenda. All activities undertaken by EGPS are financially supported by donors, and the program's strategy is guided by donors. I wish to thank the governments of Australia, Belgium, Canada, Finland, France, Germany, the Netherlands, Norway, Switzerland, and the United Kingdom, and the European Commission for their support during fiscal 2023.



**Demetrios Papathanasiou**  
Global Director  
Energy and Extractives Global Practice  
Infrastructure Practice Group

# EGPS at a Glance

## WHAT IS EGPS?

The Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund is a partnership between the World Bank and sovereign partners.<sup>1</sup> Its aim is to help resource-dependent developing countries manage their oil, gas, and mining resources to support poverty reduction and boost inclusive, sustainable growth and development.

EGPS funds projects that advance good governance, including transparency, institutional capacity, local economic diversification, and sound regulatory frameworks, while ensuring social and environmental sustainability. The program has a strategic focus toward supporting poor and fragile or conflict-affected countries in the governance of their oil, gas, and mineral resources.

EGPS's efforts are aligned with several Sustainable Development Goals (SDGs), including SDG 1 (End Poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Infrastructure, and Infrastructure), SDG 10 (Reduced Inequalities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals). Those alignments reflect EGPS's involvement in mitigating environmental impacts, promoting inclusive community participation, and maximizing the economic, social, and environmental benefits of mining, particularly in the context of the energy transition.

EGPS has evolved through two phases and is entering a third (figure 1).

Figure 1 • EGPS-1, EGPS-2, and EGPS-3.



Source: EGPS.

<sup>1</sup> The governments of Australia, Belgium, Canada, Finland, France, Germany, the Netherlands, and Norway, Switzerland, the United Kingdom, and the European Commission.



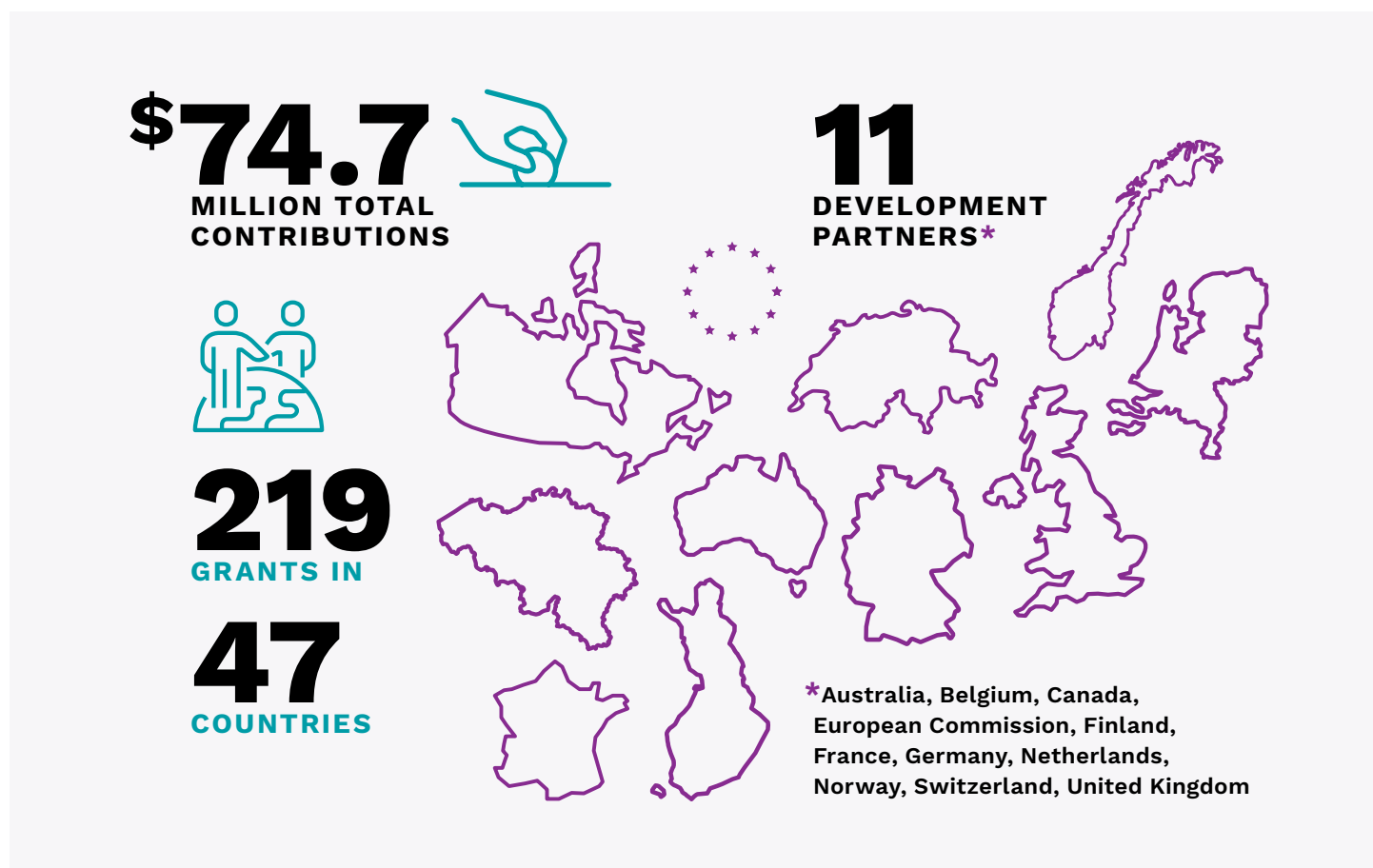
## HOW DOES EGPS WORK?

### EGPS fulfills its mission through several means:

- Collaborating with development partners on grants implemented by the World Bank
- Providing grants for technical assistance to resource-rich countries to leverage their natural resources and achieve sustainable socioeconomic development
- Managing an active portfolio of about \$66.3 million, with an average annual disbursement of about \$6 million in the fiscal years between 2016 and 2023 (\$10.22 million disbursed in fiscal year 2023)
- Delivering global knowledge products, training sessions, and consultations to catalyze meaningful change within countries
- Collaborating across World Bank country management units to deliver comprehensive support, capture synergies, and develop innovative and integrated solutions at scale
- Serving as the primary funding facility for the implementation of the Extractive Industries Transparency Initiative (EITI), which provides vital support to promote transparency and accountability in the extractive industries

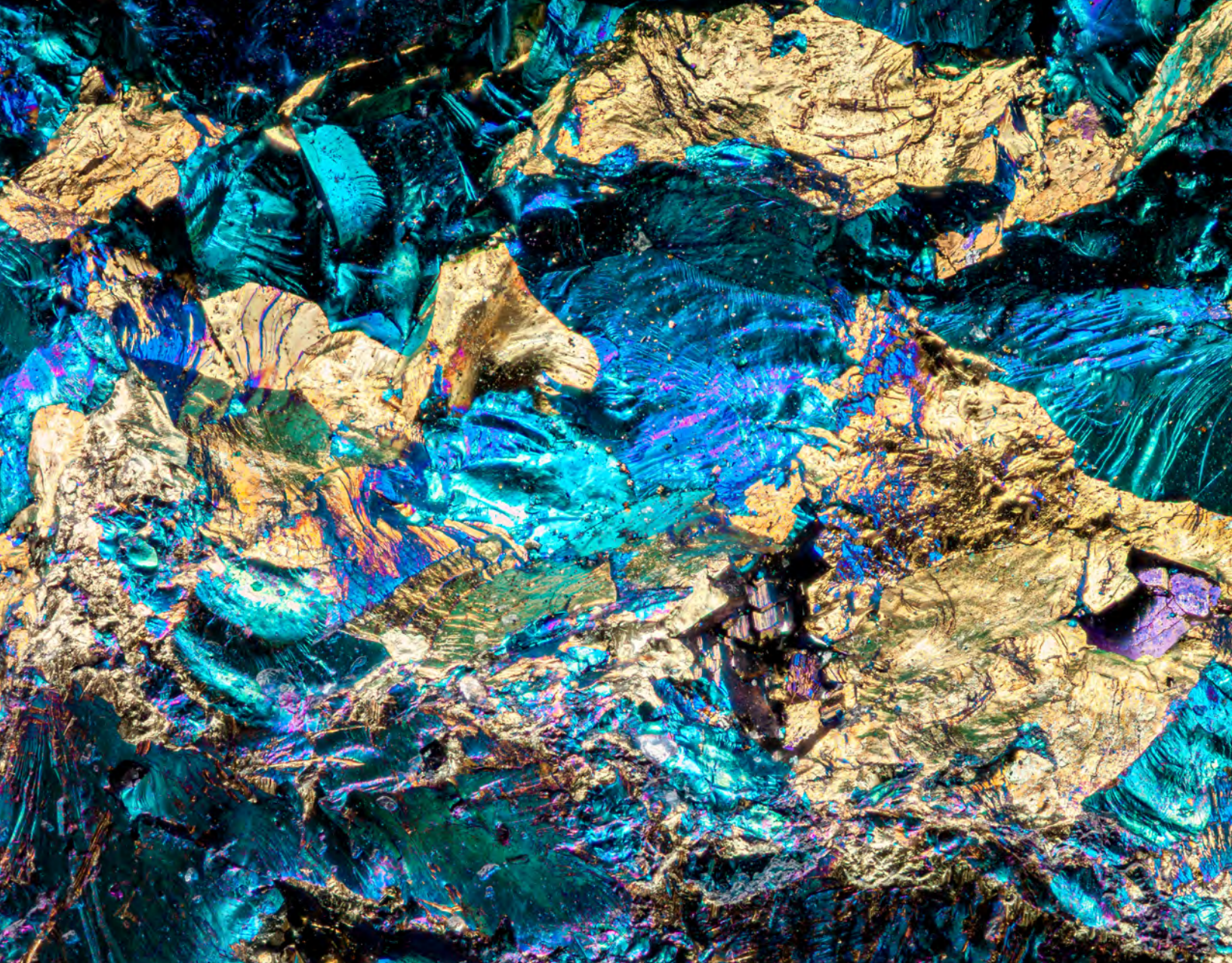
EGPS receives \$74.7 million in contributions to support 219 grants in 47 countries (figure 2).

Figure 2 • EGPS by the Numbers.



Source: EGPS.





## EGPS PROGRESS AND EFFORTS SINCE 2015

- **EITI implementation:** Twenty-nine countries have achieved or maintained satisfactory or meaningful progress in implementing the 2016 and 2019 EITI Standard.
- **EITI mainstreaming:** Fifteen countries achieved their goal to implement EITI mainstreaming.
- **Capacity building:** Capacity-building activities have enhanced the ability of civil society organizations in 17 countries to advocate for transparency and accountability, while government institutions in the extractives sector have been strengthened through 44 training workshops.
- **Extractives sector management:** Eighty pieces of knowledge work have been produced on transactions, policies, regulations, and impending challenges.
- **Gender equality:** Thirteen activities have supported governments in developing and adopting gender equality policies for their extractives sector.
- **Government actions for environmental performance and community engagement:** Four governments have updated laws, regulations, and procedures or taken steps for improvement.



Figure 3 • Components and Themes of EGPS-2.

EGPS-2 STRUCTURE



Source: EGPS.  
Note: CSO = civil society organization.



# The EGPS Portfolio

The Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund helps resource-rich developing countries manage their oil, gas, and mining resources to support poverty reduction and boost inclusive, sustainable growth and development. EGPS's work focuses on a portfolio of four key components:

## COMPONENT 1:

Revenue transparency and efficiency of public management systems

- A total of \$26 million (45 percent) of the total EGPS allocation from both EGPS-1 and EGPS-2 was allocated to Component 1 as of June 30, 2023, covering 58 country-specific activities (\$22.8 million, 88 percent) and 6 global activities (\$3.2 million, 12 percent).
- Of EGPS's allocation for the implementation of the Extractive Industries Transparency Initiative (EITI), \$8.3 million (32 percent) went to 15 African countries.
- In fiscal year 2023 (fiscal 2023), \$1.2 million in new financing was allocated to three countries (Republic of Congo, Papua New Guinea, and Ukraine) for EITI implementation.

## COMPONENT 2:

Evidence-based, effective regulation and institutional strengthening

- EGPS allocated \$15.4 million to extractive industries reform, including improvements in policy, legal, and regulatory frameworks and in the strengthening of institutions.
- EGPS has a robust, geographically diverse Component 2 portfolio, with 72 grants at the end of fiscal 2023. Sixteen new grants (\$3.1 million) were approved in fiscal 2023 to six countries: Argentina, Republic of Congo, Arab Republic of Egypt, Papua New Guinea, Senegal, and Uzbekistan. The Republic of Congo is a new country receiving EGPS funding.

## COMPONENT 3:

Local value and economic diversification

- Component 3, representing \$4.9 million in financing at the end of fiscal 2023, comprises 18 grants for nine country-specific activities and nine global activities.
- Four new grants for \$1.4 million were approved in fiscal 2023: one country-specific activity in Uzbekistan and three global activities.

## COMPONENT 4:

Local community benefits for all and mitigating impacts on local ecosystems

- The total financing for Component 4 is \$11.24 million, with \$2.6 million allocated in fiscal 2023.
- Four new country-specific grants were allocated to Component 4 in fiscal 2023 (Argentina, the Republic of Congo, and Senegal with the Republic of Congo receiving EGPS funding for the first time).





## ASSOCIATED TRUST FUNDS

Two separate associated trust funds exist under the EGPS umbrella: one for climate-smart mining and the other supporting artisanal and small-scale mining (ASM). The scope and results frameworks of the associated trust funds are aligned with those of the overarching umbrella trust fund. Associated trust funds allow interested donors to support very specific areas under the umbrella:

### Climate-Smart Mining

The Climate-Smart Mining (CSM) Initiative helps resource-rich developing countries benefit from the increasing demand for minerals and metals while ensuring that the mining sector is managed in an environmentally responsible way. CSM supports the sustainable extraction and processing of minerals and metals to secure supply for clean energy technologies by minimizing the social, environmental, and climate footprint along the value chain.

- The fund became effective in February 2021, with initial funding of \$2 million from the Netherlands.
- In addition to \$3 million preferenced for CSM activities by the Netherlands, the European Commission and Switzerland under EGPS, the CSM Associated Trust Fund received a total of \$3.2 million from the Netherlands and Germany.
- Four grants totaling \$2.93 million support CSM activities.

### Artisanal and Small-Scale Mining in the Sahel

ASM provides direct jobs to 44 million people in 80 countries and contributes to the livelihoods of an estimated 134 million people who work in industries that support the sector. In the Sahel, the sector is the second-largest source of employment after agriculture. Supported by the World Bank and Belgium, the EGPS ASM Sahel Associated Trust Fund (EGPS ASM Sahel) will contribute to sustainable development and poverty reduction in resource-rich developing countries in the Sahel region (Burkina Faso, Cameroon, Chad, The Gambia, Guinea, Mauritania, Mali, Niger, Nigeria, and Senegal). EGPS ASM Sahel will help state and nonstate actors manage their mineral resources in a transparent, sustainable, inclusive, and gender-sensitive manner.

- The fund became effective in December 2021 with a contribution of \$2.3 million from the government of Belgium.
- One grant for \$1.4 million was approved (Multistakeholder Partnership Initiative for Improved ASM Gold Mining).
- The implementation of ASM activities will commence in the next fiscal year.

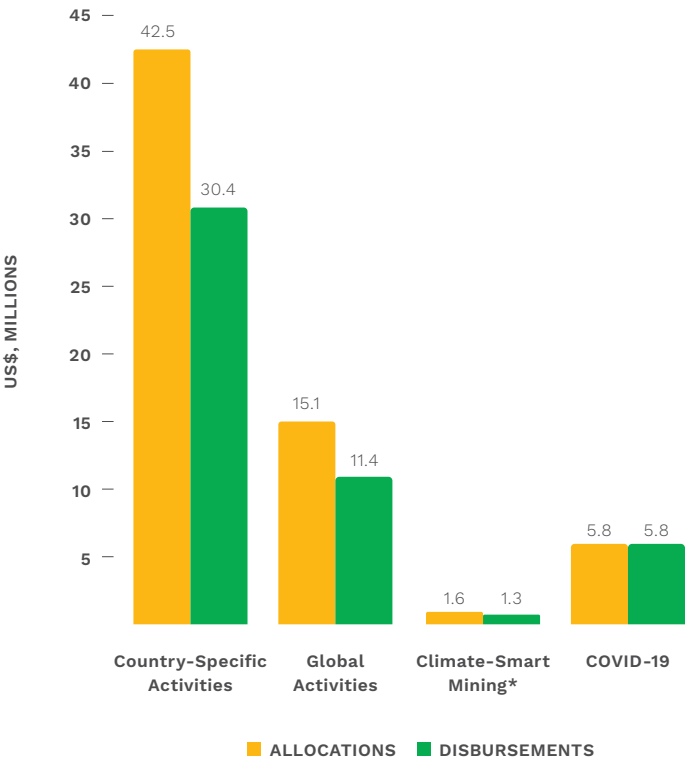


EGPS PORTFOLIO ALLOCATION

EGPS has conducted 14 proposal selection rounds (7 under EGPS-1 and 7 under EGPS-2), resulting in 160 grants approved by the EGPS Partnership Council as of June 30, 2023. The cumulative value of grants to date is \$66.3 million. Two proposal selection rounds were conducted in fiscal 2023 under EGPS-2 (Round 13 in October 2022 and Round 14 in February 2023). With post-review approvals, 22 grants totaling \$8.9 million were awarded funding and added to the EGPS portfolio.

Of the 160 grants, 115 are country specific. These cover 47 countries and account for \$42.5 million in funding (65 percent of the EGPS total). Another 42 grants are global or regional in scope; they account for \$15.1 million, or 23 percent of EGPS funding (figure 4). Two global grants for CSM and emergency response to artisanal mining communities affected by COVID-19 account for \$1.6 million and \$5.8 million, respectively.

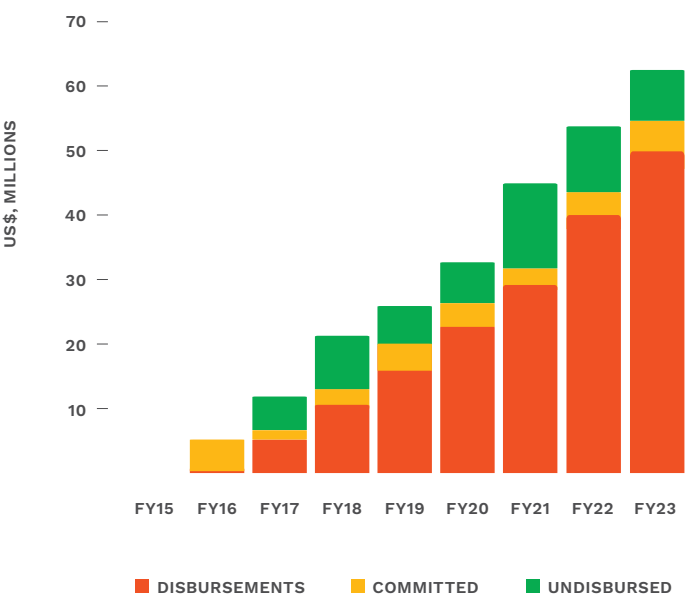
Figure 4 • Cumulative EGPS Allocations and Disbursements by Category as of June 30, 2023



\* Climate-Smart Mining includes funds preferred and grants financed solely by EGPS.

Source: EGPS.

Figure 5 • EGPS Disbursement and Commitments, FY15–FY23



Source: EGPS.

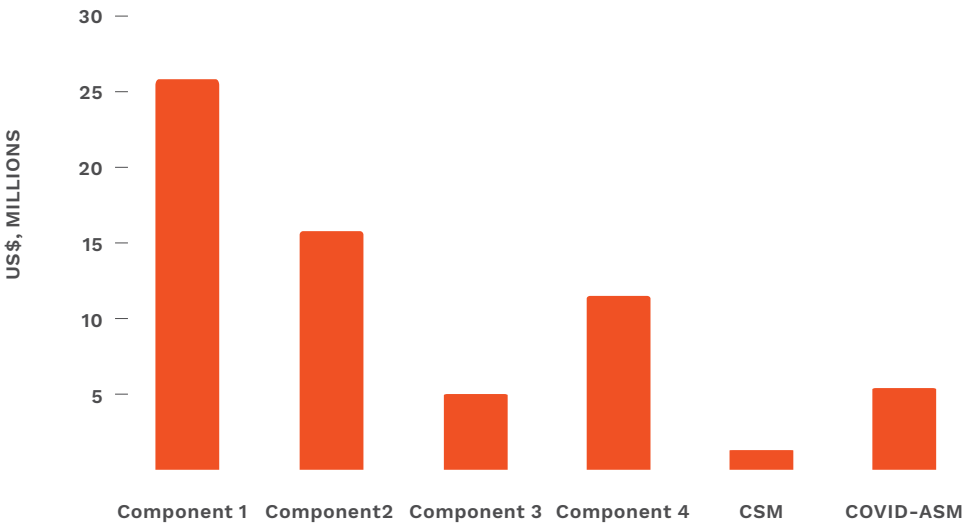
With COVID restrictions lifted, EGPS operations have continued to improve, with \$10.2 million disbursed in fiscal 2023, a 26 percent increase from the previous year (figure 5).

The increase is mainly due to a push to complete activities and close grants under EGPS-1, which closed in October 2022. About 45 percent of allocations under EGPS-1 were allocated to Component 1 activities to enhance transparency in extractive industries, the core of which is support for the EITI (figure 6).

Figure 7 illustrates the geographical allocation of EGPS funding. Most country-specific activities were carried out in Africa (21 percent). Global and regional activities (including those dedicated to COVID-19 and CSM) make up 35 percent of the total EGPS portfolio.

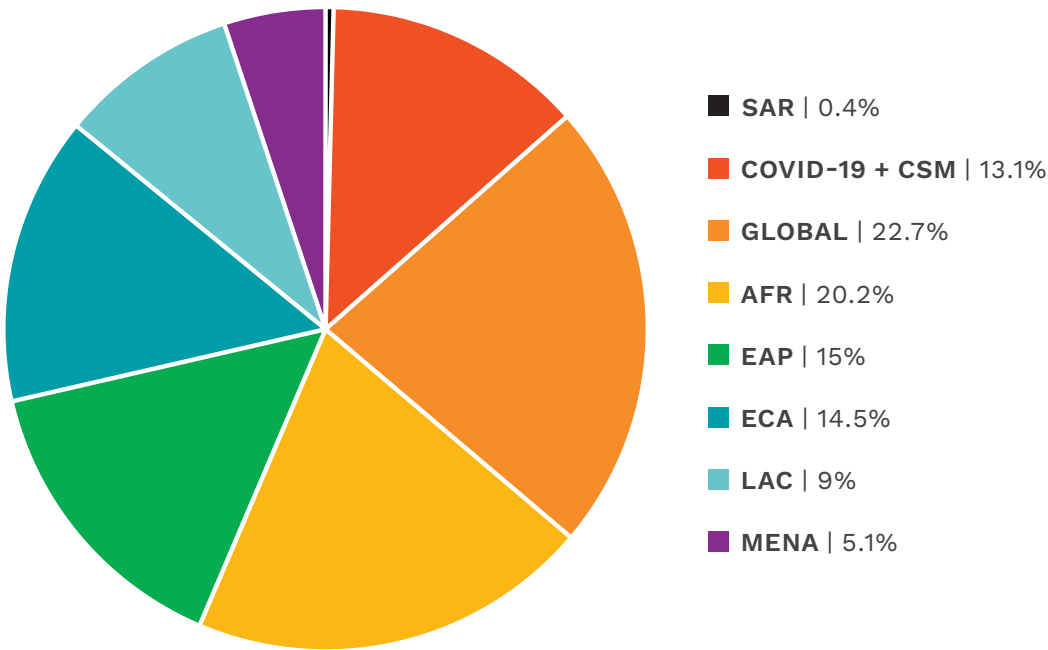


Figure 6 • EGPS Cumulative Allocation by Component as of June 30, 2023



Source: EGPS.  
Note: Includes supervision and reflects the cumulative allocation for EGPS-1 and EGPS-2 (Rounds 1 to 14, COVID-19 emergency response, the Emergency Response Artisanal Mining Communities Impacted by COVID-19, and CSM). CSM = Climate-Smart Mining Initiative.

Figure 7 • EGPS Cumulative Allocations by Region as of June 30, 2023 (US\$, millions)



Source: EGPS.  
Note: AFR = Africa; COVID-19 + CSM = COVID-19 emergency response window and Climate-Smart Mining; EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; SAR = South Asia.

**Table 1 • EGPS-1 Donor Contributions Received FY15–FY23 as of June 30, 2023 (US\$, millions, equivalent)**

Donor Name	FY15	FY16	FY17	FY18	FY19	FY20	Total FY15–FY23	Pending**	Total Commitments
Australia	3.82	2.89	1.51	2.05	0	0	10.27	0	10.27
Belgium	0	0	0	1.32	0.48	0.46	2.26	0	2.26
Canada	0	0	4.56	0	0	0	4.56	0	4.56
European Commission	0	0	2.67	0	2.85	0	5.52	0	5.52
Finland	0	2.25	0.19	0	0	0	2.44	0	2.44
Germany	0	0	0.34	0.29	0.32	0.33	1.28	0	1.28
Netherlands	0	0	0	1.29	0.73	0.50	2.52	0	2.52
Norway*	0	2.10	1.41	0	0	0	3.51	0	3.51
Switzerland	0	1.53	1.08	0	0	0	2.61	0	2.61
United Kingdom	0	0	2.04	1.66	0	3.03	6.72	0	6.72
<b>Total Net Contributions</b>	<b>3.82</b>	<b>8.77</b>	<b>13.80</b>	<b>6.61</b>	<b>4.38</b>	<b>4.318</b>	<b>41.69</b>	<b>0.00</b>	<b>41.69</b>
Add Investment Income							1.36		1.36
Less Administration Fees							(1.07)		(1.07)
<b>Net Investment Income (Gain/Loss)</b>							<b>0.29</b>		<b>0.29</b>
<b>Total Net Contributions</b>							<b>41.98</b>	<b>0.00</b>	<b>41.98</b>

\* Contribution preferenced for pillar 1 (EITI).

\*\* Based on the current exchange rate.

EGPS's revenues come from donor partner contributions, including pledges not yet received but being processed by the donor. EGPS is in a sound financial situation. Contributions of \$41.69 million under EGPS-1 had been received as of June 30, 2023 (table 1). The total contributions for EGPS-2 stand at \$37.08 million, of which EGPS had received \$31.99 million as of June 30, 2023 (table 2). EGPS continues to pursue fundraising efforts with donor partners for possible additional contributions.

**Table 2 • EGPS-2 Donor Contributions Received FY20–FY23 as of June 30, 2023 (US\$, millions, equivalent)**

Donor Name	FY20	FY21	FY22	FY23	Total FY20–FY23	Pending*	Total Commitments
Belgium	0	2.43	0.49	0.42	3.34	0.93	4.27
European Commission	0	0	2.83	0	2.83	0	2.83
France	0	2.26	0	1.12	3.68	2.20	5.88
Germany	0	2.80	0.24	0.20	3.23	0.11	3.34
Netherlands	1.00	0	0	0	1.00	0	1.00
Norway	1.71	1.17	0.56	0.97	4.41	1.86	6.26
Switzerland (SECO)	2.51	3.86	1.09	2.02	9.47	0	9.47
United Kingdom	2.25	1.79	0	0	4.03	0	4.03
<b>Total Net Contributions</b>	<b>7.46</b>	<b>14.59</b>	<b>5.21</b>	<b>4.73</b>	<b>31.99</b>	<b>5.09</b>	<b>37.08</b>
Add Investment Income					0.99		0.99
Less Administration Fees					(0.29)		(0.29)
<b>Net Investment Income (Gain/Loss)</b>					<b>0.70</b>		<b>0.70</b>
<b>Total Net Contributions</b>					<b>32.69</b>	<b>5.09</b>	<b>37.78</b>

\* Based on the current exchange rate.







# COMPONENT 1

## Revenue Transparency & Efficient Public Management

Building reliable data for effective resource governance

### SUMMARY OF COMPONENT 1 PORTFOLIO

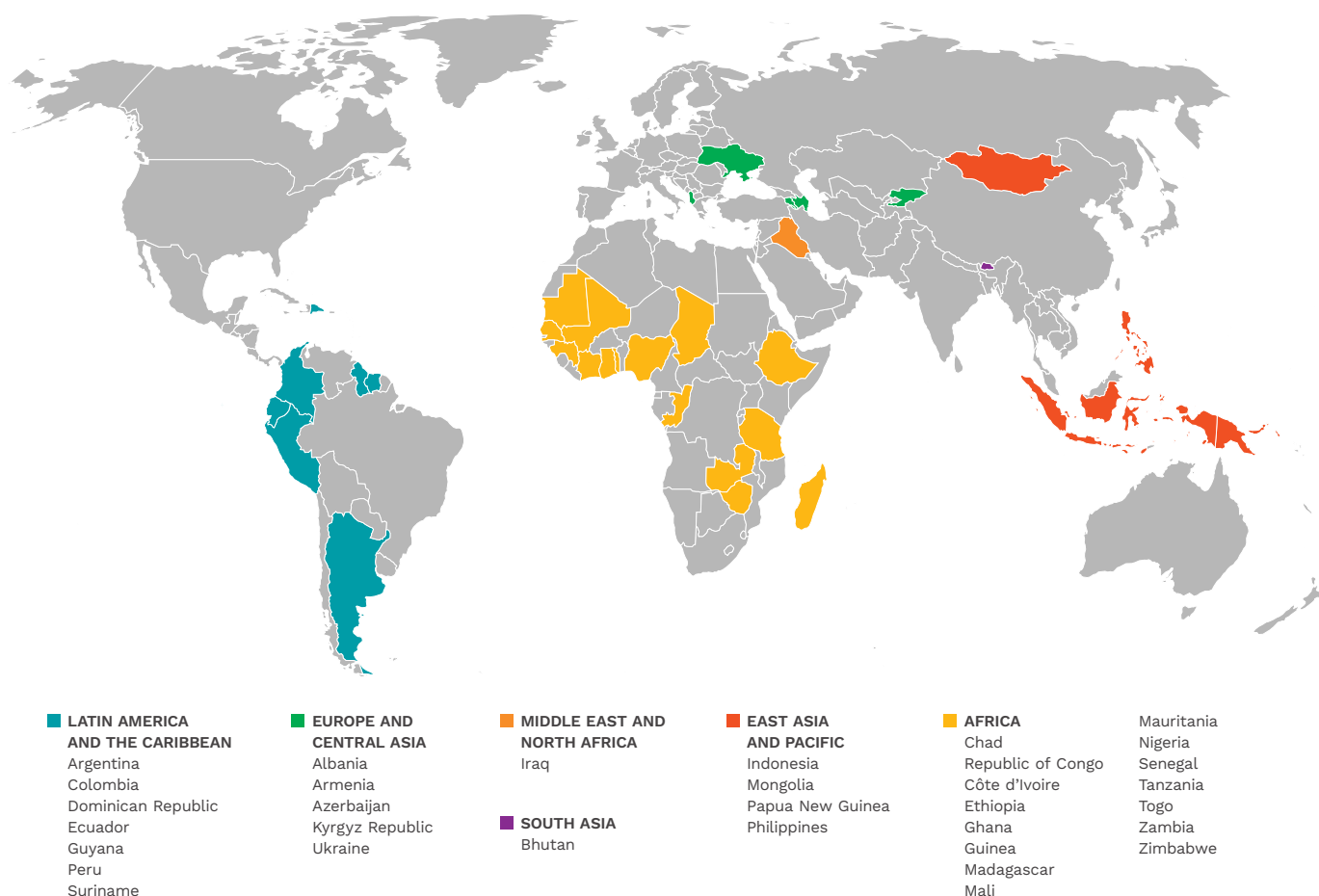
- Of the total EGPS allocation from both EGPS-1 and EGPS-2, \$26 million (45 percent) was allocated to Component 1 as of June 30, 2023, covering 58 country-specific activities and six global activities.
- A total of \$3.2 million (12.4 percent) was allocated to six global activities.
- A total of \$1.2 million in new financing was allocated to three countries (Republic of Congo, Papua New Guinea, Ukraine) in fiscal year 2023 (fiscal 2023) for EITI implementation.
- Three country-specific grants were completed in fiscal 2023 (Madagascar Mining Velirano Technical Assistance; Zimbabwe—Supporting EITI Scoping and Potential Implementation; Kyrgyzstan—Enhancing Transparency in the Governance of Extractives).
- Twenty-three grants are ongoing.

*Note: Activities and budgets refer to both EGPS-1 and EGPS-2.*

**Figure 8 (opposite) • Global Presence of EGPS-1 and EGPS-2.** Projects implemented in fiscal 2023 span four broad component themes: civil society participation, EITI mainstreaming, automated data disclosure, and integration of EITI with other sustainability priorities for countries.

## OVERVIEW

Transparency and accountability as well as a well-functioning domestic resource management are essential for an inclusive and sustainable extractives sector. Component 1 focuses on revenue transparency and the efficiency of public management systems. EGPS provides financial and advisory support to governments of resource-rich low-income and lower-middle-income countries in their implementation of the Extractive Industries Transparency Initiative (EITI) and the broader transparency agenda.



2023 allocations by region for EGPS-1 and EGPS-2 are (see figure 8):

- Africa: 15 countries; \$8.3 million, 32.1 percent
- East Asia and Pacific: 4 countries; \$5.3 million, 20.5 percent
- Europe and Central Asia: 5 countries; \$4.3 million, 16.4 percent
- Latin America and the Caribbean: 7 countries; \$3.8 million, 14.5 percent

- Middle East and North Africa: 1 country; \$1.0 million, 4 percent
- South Asia: 1 country; \$0.06 million, 0.2 percent
- Global: 6 grants; \$3.2 million; 12.4 percent

The EITI Standard has been an effective tool to promote transparency in resource-rich countries and provides a template for multi-stakeholder dialogue for sector policies. The EGPS program has provided resources for the World Bank and its partners to implement projects to meet those objectives.



# HIGHLIGHT STORY

**Implementing the Civil Society Strategy in the Extractive Industries: by the National Resource Governance Institute (NRGI)**

In fiscal 2023, the Natural Resource Governance Institute (NRGI) received a grant from EGPS to build capacity for civil society engagement in extractive governance. A third of the grant was passed on to Publish What You Pay (PWYP) to support advocacy activities in three priority regions (anglophone Africa, francophone Africa, and Eurasia). The grant is funding advocacy for the transparency of extractives sector contracts and licenses and related issues such as strengthening the use of contractual information by civil society. The government of Kazakhstan, in response to the diligent advocacy efforts of civil society, took a historic step by granting public access to previously undisclosed oil and mineral contracts.

Outputs for fiscal 2023 include *Unfinished Business: Contract Transparency in the Extractive Industries Transparency Initiative*, a report by the NRGI, Oxfam, and PWYP that surveys the 57 EITI-implementing countries to understand the extent of their contract disclosure practice. The briefing highlights trends,

areas of insufficient disclosure, and best practices (it is available in English and French at the NRGI's website, [resourcegovernance.org](https://resourcegovernance.org)).

In addition, an innovative tool called #Disclose TheDeal was developed ([disclosethedeal.org/eiti-country-tracker/](https://disclosethedeal.org/eiti-country-tracker/)). This interactive tracking tool provides valuable insights into the performance of EITI countries, quantified using key contract transparency metrics.

Thanks to the grant support from EGPS, the NRGI and the civil society constituency contributed strongly to the refinement process of the 2023 EITI Standard.

Collaboration between the PWYP and NRGI, with support from EGPS, resulted in the largest-ever PWYP Africa Conference; 180 members (plus another 47 remote participants) and partners joined for three days of relationship-building, reflection, and strategizing ahead of the 2023 EITI Global Conference.





The innovative #DiscloseTheDeal tool tracks EITI performance through contract transparency metrics.

Source: Publish What You Pay, [disclosethedeal.org/eiti-country-tracker](https://disclosethedeal.org/eiti-country-tracker)



Participants in the Publish What You Pay Conference, Senegal 2023. Source: Publish What You Pay



# Mainstreaming Implementation of the Extractive Industries Transparency Initiative

In the implementation of the EITI Standard at the national and subnational levels, EGPS seeks to ensure long-term sustainability of transparency reforms. Mainstreaming is the key avenue to sustaining the EITI. It consists of making transparency an integral feature of extractive industries' governance and management. Many EITI implementing countries have made progress and are increasingly making information required by the EITI Standard available through systematic government and corporate reporting systems (databases, websites, annual reports, portals).

Mainstreaming requires that governments incorporate principles of transparency into their national regulations and administrative processes, a vital step toward efficiency and sustainability of the EITI. Data disclosure becomes timelier, stakeholder dialogue more meaningful, and policy decisions, such as budget preparation, more effective. As such, EGPS has provided support for countries to adopt systematic disclosures of EITI data but also enable government agencies beyond the national EITI Secretariat to take ownership to improve their ownership to collect, use, and share EITI data under their purview through information portals and other open data initiatives to support sector management.

Several aspects of transparency are shared below, using examples from fiscal 2023 projects. Transparency is present in managing subnational transfers, maximizing oil revenues through legal reforms, and decentralizing data systems so governments can better control mining activities and benefits.



# Support to EITI Implementing Countries in Fiscal 2023

Embedding transparency in national administration has been a long-term process for Armenia and the Kyrgyz Republic. Both countries are overcoming a legacy of corruption and distrust toward their mineral wealth practices. They are focusing on mainstreaming the EITI, establishing trusted multi-stakeholder groups to guide policy development, and reaching out to communities to build capacity and awareness.

Because the EITI is more impactful if implemented in broader reforms, EGPS is increasingly integrating its grants into broader World Bank engagements. Component 1 grants have supported countries in meeting transparency-related milestones and triggers in the World Bank's budget-support programs and development policy operations. The projects below link the EITI with gender equity (Mali), citizen participation (Indonesia), social externalities (Chad), governance of extractives (Mongolia), and engagement of artisanal and small-scale miners in environmental and social improvements (Ghana).

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## **ARMENIA:** A Focus on Effective Multisector Dialogue

Armenia's mining sector is a significant contributor to the country's exports (41.5 percent of exports in 2020) and GDP (5.5 percent in 2021). However, it has been characterized by low social acceptance and lack of trust between civil society organizations, the government, and private enterprises. Since signing up to the EITI Standard in March 2017, Armenia has committed to undertake important institutional and legal reforms.

EGPS supported the preparation of four EITI reports covering 2016–21, the creation of an online reporting system for industry and government agencies to electronically collect and disclose EITI data, and the design and inclusive consultations for a new national mining policy in May 2023.

Through the EGPS Extractive Industries Transparency Initiative Support Project, Armenia piloted EITI Standard recommendations that have since become requirements, including contract disclosure, gender-disaggregated data on employees, and disclosure of environmental payments. Another flagship achieve-

ment has been Armenia's "beneficial ownership disclosure." Based on the successful rollout of beneficial ownership data on the mining sector, the government amended legislation to require other sectors to disclose similar information.

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## **KYRGYZ REPUBLIC:** Enhancing Governance in the Mining Sector

Governance reforms in the Kyrgyz Republic are being implemented to strengthen the mining sector, attract investment for new projects, and ensure community support. The EGPS project is assisting with these reforms, which were initiated through the Kyrgyzstan Extractive Industries Transparency Initiative (KEITI) in 2014.

Based on the recommendations from a mining sector diagnostic, the EGPS project finances the exchange of international best practices, generates expert policy analysis, and fosters stakeholder dialogue to underpin reforms in the governance of the extractives sector.

The scope of work covers several aspects of governance, including efficient and nondiscriminatory licensing; regulation that meets high operational and environmental, social, and governance standards; and appropriate benefit-sharing arrangements at both the national and subnational levels. KEITI consultations at the subnational level will ensure inclusive participation of women.

The project produced five studies that outlined actions to help the Kyrgyz Republic improve governance in the mining sector by strengthening both the licensing system for subsoil resources and reporting and disclosures by state-owned enterprises. Other parts of the action plan include raising the transparency of local revenue distribution from extractive industries, increasing civil society organization (CSO) participation in extractive industries, and analyzing gaps in and barriers to EITI mainstreaming. The recommendations of the reports are incorporated into the KEITI Work Plan 2023–24 and are covered in capacity-building events across the country.

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## **REPUBLIC OF CONGO:** Improving the Oil Sector Regulatory Framework

The Republic of Congo is the third-largest crude oil producer in Sub-Saharan Africa. However, the country's petroleum wealth has not translated into sustainable development, and oil revenues have been declining. To reverse this trend, the Congolese



government (supported by the International Monetary Fund) initiated a structural reform program to improve revenue mobilization, revenue governance, and transparency.

The EGPS grant is providing complementary resources to an International Monetary Fund structural reform program to improve revenue governance and transparency in line with recommendations from EITI reports. The assistance will help the Republic of Congo to improve revenue mobilization with technical assistance for the deployment of best practices in regulatory design and application for the implementation of a value added tax system to capture revenue from upstream activities and petroleum subcontractors with the establishment of a process of external audits of oil production costs declared by oil companies. Moreover, the EGPS project is helping the Congolese government prepare a legal framework for integrated gas value chains and the operation of domestic and export markets related to services such as transport, storage, and processing of natural gas.

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### **ARGENTINA:** Mainstreaming Mining Sector Data Collection and Dissemination

In Argentina, mining regulation is largely handled by provincial governments, most of which lack digital support systems for storing and sharing information. With little digital information available, the paper-based manual processes of reporting and decision-making are slow and labor-intensive.

EGPS is helping Argentina's federal government expand access by the provincial governments to the Open Community Information System on Mining Activity (SIACAM), a digital information platform that covers economic, geological, geographical, social, health, and environmental data on mining.

Beginning in December 2021 with Salta Province, where major lithium projects are being developed, the project has applied a bottom-up approach by supporting deployment of a digital information system to generate and publicize mining sector data in accordance with provincial regulations and the EITI Standard. The integrated digital platform consists of three modules for reporting and managing the following: (a) socioeconomic impacts of mining, (b) collection of license fees, and (c) mining royalty payments. The project coordinates those efforts with the national government and is integrating best practices from Chile and Peru while considering potential for replicability in other Argentinian mining provinces.

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### **MALI:** Strengthening Transparency in the Mining Sector and Supporting Female Mining Entrepreneurs

Mining is a significant segment of the economy in Mali, an essential source of growth stimulated by foreign direct investment, and a major source of livelihoods in rural areas. In the past two decades, the sector's growth has positioned Mali as the third-largest gold producer in Africa, and the eleventh globally. Mining production (primarily gold) has more than doubled in the past ten years to an average of 50 metric tons annually. The World Bank has supported reforms that have increased investment in Mali's mining sector and improved related economic indicators. The Bank is now building capacity among women in artisanal and small-scale mining (ASM) and CSOs.

During fiscal 2023, EGPS's project in Mali strengthened transparency in the mining sector and supported female entrepreneurs to establish a knowledge-based exchange platform for CSOs and women in ASM. The project also strengthened the administrative capacities of the ministries of mines and of economy and finance in the areas of licensing, surveying, mining law, taxation, and corporate governance.

EGPS financed a census study of CSOs operating in the extractives sector and built an exhaustive database of such organizations. Capacity-building training sessions for 50 CSO staff members covered the EITI framework and best practices for mining governance, while a series of outreach events empowered civil society members to advocate for transparency through EITI implementation.

Leadership training and coaching programs provided to 12 women in senior management positions in the mining sector led to the establishment of the National Association of Women in Mining.

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### **INDONESIA:** Support for EITI Transition and Mainstreaming

EGPS is helping the government of Indonesia as it makes the transition toward an effective transparency mechanism for the extractive industries.

Indonesia has been an EITI implementing country for a decade and achieved meaningful progress in 2019. The government has been fully financing its EITI operation since 2018 and recently transferred the responsibility for coordinating EITI implementation to the Ministry of Energy and Mineral Resources (MEMR) and the

Ministry of Finance. The Indonesia EITI Transition and Mainstreaming Support Project has two components: strengthening participation and collaboration among EITI stakeholders and implementing EITI mainstreaming.

In fiscal 2023, Indonesia made substantial progress on promoting stakeholder engagement and outreach. Stakeholder engagement events have continued to reach wider audiences through the dissemination of EITI reports and thematic events. Thematic policy dialogues are held in a hybrid format, with audiences across the Indonesian archipelago accessing the MEMR's online platform (an average of 641 viewers per event). The events covered a broad set of topics, such as regional endowment funds for resource-rich regions, gender equality in extractive industries, and the country's Just Energy Transition.

Other highlights include the development of an EITI stakeholder engagement and communication strategy, the EITI International Board's acceptance of Indonesia's partial data mainstreaming application, and an assessment that identified the steps necessary to implement Indonesia's EITI Mainstreaming Roadmap. A prototype Extractive Data Portal has been developed to streamline data collection and optimize reporting.

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### **CHAD:** Promoting Transparency and Social Externalities in the Extractives Sector

Greater transparency and accountability in extractives are central to the World Bank's country program in Chad. The work under the EGPS grant builds on previous efforts by expanding transparency reforms over the use of mining revenues for social programs and women's empowerment, the climate change impacts of extractives, and better tracking and performance of spending. Transparency efforts focused on data collection and analysis with surveys on the exploitation of gold in the regions of Batha, Mayo-Kabbi Ouest, and Guéra, and on the exploitation of natron in the regions of Borkou and Lac.

A broad training and dissemination program engaged stakeholders and strengthened the capacity of CSOs, nongovernmental organizations, and the media to understand data on Chad's extractives sector. Solid information on the local impacts of extractive activities was prepared for local audiences. Digital and internet platforms, workshops, a new database, and a stakeholders' forum helped increase dissemination.

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### **GHANA:** Landscape Restoration and Small-Scale Mining

Mineral resources are critical for national growth in Ghana. Together, minerals, agriculture, and forestry account for more than 20 percent of Ghana's GDP and are a major source of revenue and local livelihoods. Mining of precious minerals is estimated to employ about 8 percent of the labor force and represents an important source of income for almost 1 million households in the most vulnerable rural communities. Gold alone provided approximately 40 percent of Ghana's export earnings in 2019 and accounts for more than 90 percent of gross mineral revenues, of which artisanal and small-scale mining accounts for a third.

ASM in Ghana comprises both a formal segment of about 1,000 registered small operations and an informal segment. Informal operations are estimated to account for an even higher number of businesses and workers—and for the entirety of Ghana's diamond production.

EGPS support for landscape restoration and small-scale mining is part of a \$103 million project of which \$75 million is financed through an International Development Association credit. The intention of the cross-cutting project is to collectively address challenges in agricultural productivity, forest landscape management, and small-scale mining in the interest of sustainable and inclusive development of scarce natural resources.

Implementation of the EITI has generated stronger accountability in revenue collection and governance of industrial-scale mining, but the ASM segment has not been included in these efforts until now.

The EGPS grant has supported the implementation of the EITI in Ghana to promote formalization and accountability. This includes stakeholder consultations, awareness raising, and information technology system upgrades to enhance revenue collection and community dialogue. The project also maps small-scale operators and their performance, informing environmental management and financial tracking efforts. Additional resources will be available through 2026 to sustain EITI implementation and improve revenue capture from the ASM industry using web-based reporting tools.

# COMPONENT 2

## Effective Regulation & Strengthening of Institutions

Managing extractive resources and wealth through evidence-based laws, stakeholder collaboration, and capacity building

### SUMMARY OF COMPONENT 2 PORTFOLIO

- EGPS has a robust, geographically diverse Component 2 portfolio, with 72 grants (63 Bank-executed grants and 9 recipient-executed grants) at the end of fiscal year 2023 (fiscal 2023).
- The Component 2 portfolio amounts to \$15.4 million.
- Sixteen new grants, for a total budget of \$3.1 million, were approved in fiscal 2023.

Grants for fiscal 2023 fall into three thematic areas: policy reform (nine grants), energy access and gender equity (two grants), and a just transition away from coal (four grants).

*Note: Activities and budgets refer to both EGPS-1 and EGPS-2.*



## OVERVIEW

The extractives sector's contribution to social and economic development is largely determined by policy, legal, regulatory, contractual, and fiscal frameworks, and by institutional capacity to implement and enforce those frameworks. Under Component 2, EGPS assists governments by assessing the performance of the extractives sector; supporting the development of evidence-based, inclusive, and transparent policies; designing efficient legal frameworks; and strengthening institutional capacity to enforce reforms.

This component includes activities that relate to the other three EGPS components. It includes assistance for specific reforms such as sector transparency, regulation of shared infrastructure, local benefits, environmental protection, regulation of mine closures, decommissioning of oil rigs, and closing the gender gap.



# HIGHLIGHT STORY

## The African Mining Legislation Atlas: Strengthening the Ability of African Countries to Realize the Benefits of Mineral Wealth

Countries gain control of their mineral and energy resources through effective laws, regulations, and contracts. They do this by applying the best models available. The African Mining Legislation Atlas (AMLA) collects all legal bodies and organizations related to the mining sector and allows for comparisons and provides guidance to policy makers toward a regulation according to best practices. A second leg of the program trains young African law practitioners and law students.

Initiated by the World Bank's Legal Vice Presidency in 2013 with funding from EGPS, the AMLA project is implemented in partnership with the African Legal Support Facility of the African Development Bank and the African Union Commission, in coordination with several African universities.

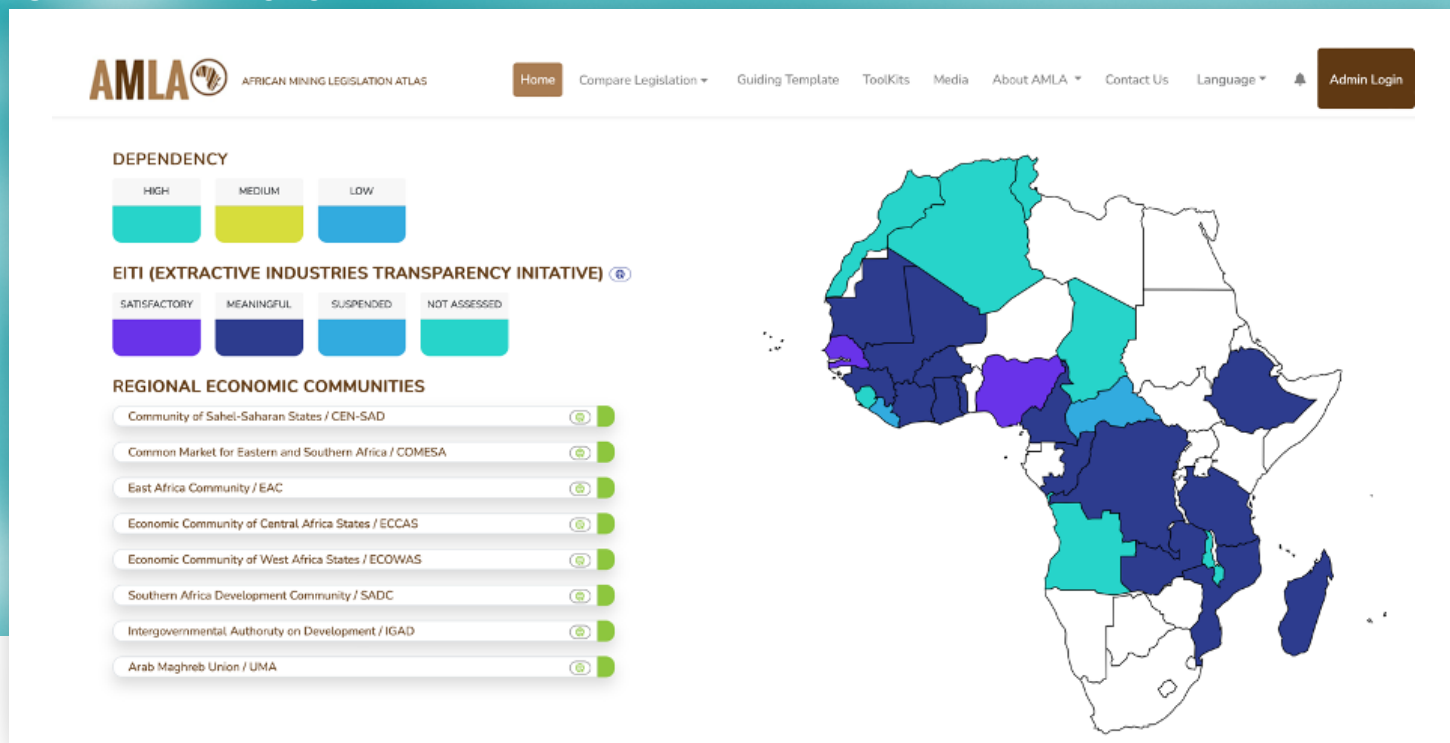
Phase 1 of the program consisted of three core activities:

- **Creation of the AMLA platform** ([a-mla.org](http://a-mla.org)), a free, one-stop online resource for Africa's mining legal framework (mining codes, regulations, and related legislation) with interactive features to provide comparative data.
- **Production of the Mining Legislation Guiding Template** ([a-mla.org/en/guidingtemplate](http://a-mla.org/en/guidingtemplate)), an annotated document that outlines a menu of legislative solutions to assist countries in preparing or revising mining laws. It covers over 200 topics, followed by sample provisions drawn from current mining laws within Africa.
- **Capacity building through training of African law students, lawyers, and mining professionals.** This includes annual AMLA capacity-building workshops, where students from all over Africa are invited for training in mining legislation. Students who excel are selected as legal research trainees. In that capacity, they conduct research on mining laws and upload them to the AMLA platform. Each year these new cadres expand the capacity of mining law professionals across the continent.

The AMLA platform makes available the mining codes of 53 African countries, amendments to those codes, mining regulations and related legislation, a tool for comparing specific provisions country by country, and interconnectivity with a repository of mining contracts (figure HS.1). The platform and online content are designed to be fully accessible to all sector stakeholders and to eliminate any form of prohibitive participation requirements. User-friendly improvements were made to the AMLA platform over FY23. An AMLA capacity-building workshop in fiscal year



Figure 9 • African Mining Legislation Atlas Platform.



Source: AMLA.

2023 (fiscal 2023), hosted by the World Bank and the University of Pretoria, offered in-person and virtual training, as well as visits to mines and mining communities for 10 students, four of them women, from across the African continent. Thirty trainers participated in the event on a pro bono basis. The project also developed a capacity-building training manual to be used to conduct future training.

Knowledge products produced in fiscal 2023 include the *Local Development and Community Engagement in Mining Projects* toolkit and the *State Equity Participation in Mining Companies* toolkit. Both are accessible at [a-mla.org/en/toolkits](https://a-mla.org/en/toolkits).

The program's positive assessment highlighted examples such as the number of students who secured employment with law firms and participated in the negotiation of fairer deals with mining companies. Other students undertook work with their governments to reform mining laws and codes; many are helping nongovernmental organizations address environmental protection and fair compensation for affected communities.



(Top) AMLA capacity-building workshop participants at a diamond mine in Pretoria; (bottom) AMLA and the Pretoria capacity-building workshop participants. Source: World Bank

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## IMPROVING POLICIES IN THE CAUCASUS AND MADAGASCAR

EGPS has a long history of supporting policy reforms in the Caucasus. The South Caucasus region contains rich mineral resources. In Soviet times, it was an important supplier of minerals. Following the breakup of the Soviet Union, the mining sector underwent structural changes; many mines closed and mineral processing could not compete against more efficient firms outside the region. The governments of both countries are now modernizing their roles in mining.

Armenia's mineral resources include copper, gold, steel, zinc, magnesium, and molybdenum. In 2016, extraction industries made up 17.9 percent of the country's total industrial production, and mineral exports accounted for 26.4 percent of total export revenues. The mining industry directly employs some 9,000 workers concentrated in rural areas, amounting to approximately 0.8 percent of the country's total employed population.

Despite the potential for growth in the sector with the rising need for critical minerals, the mining industry has been a contested subject in Armenia. The country has lacked a clear sector policy. Historically, there has been a strong public distrust of mining activities, largely fueled by the lack of publicly available information, miscommunication between stakeholders, and the fact that most mines originated in the Soviet era and operated under weak environmental and social standards.

EGPS's **Armenia Mineral Sector Policy Grant II** built on an initial grant (2018–20) that yielded major reports on the mining sector related to economic assessment, environmental and health assessment, and COVID-19's impact on the sector. Over 2021–22, those reports underpinned a new national sector policy. Eight packages of legal amendments emanated from the project through a process that engaged hundreds of stakeholders and included 22 roundtables, focus groups, and townhall meetings in Yerevan and the country's mining regions. The [Armenia Mining Policy](#) was adopted in May 2023.

Georgia's mining sector is characterized by significant deposits and investments in manganese, copper, and gold, as well as small and medium-size quarrying operations (primarily marble and construction materials). Through the **Georgia Mineral Potential Project**, EGPS advanced earlier World Bank support by building capacity in environmental, social, and economic aspects of the mining sector, as well as on the Extractive Industries Transparency Initiative



## Taking Control of the Extractives Sector through Policy Reform

In fiscal 2023, EGPS projects pursuing policy reform fell into three subcomponents: better governance of the mining sector through reforms of existing policies, improvements to tax collection procedures, and establishing new government policies to guide sustainable mining practices and support social inclusion and benefits. These themes are illustrated by the examples below.



(EITI). EGPS provided additional support to assess the country's geological potential by improving communication, deepening stakeholder engagement, and building capacity in preparation for increased exploration. EGPS's engagement resulted in four initiatives: a communication strategy with an action plan; creative support for investor-focused marketing materials; digitization and colorization of more than 200 geophysical maps; and training on geodata management and environmental best practices for staff of the mineral resources agency.

The region is now at a turning point. Externally, the mining sector is undergoing a radical transformation as demand for critical minerals rises with the spread of low-carbon technologies. This has seen the prices for some minerals rise sharply and prompted a search for new mineral investment opportunities. At home, governments are recognizing the need to reform and reposition the mining sector to meet new mineral demand and fully capture the economic benefits of investment.

A new EGPS project, **South Caucasus Mining Needs Assessment (Contribution to the Economy)**, focuses on raising awareness throughout the South Caucasus about the sector's potential to contribute to sustainable economic and social development. Because of strife in Georgia and Azerbaijan, the project is currently focused on Armenia, though it will carry benefits for the whole region. So far, results suggest that the sector's size could double in the coming 15 years, but much effort remains to be done at the policy level to confirm this estimate and promote responsible investment. A scoping mission to Azerbaijan provided an opportunity to discuss options for collaboration with the government, which is already active in reforming the sector and supporting both a private entity (AngloAsian) and a public entity (AzerGold).

Through the EGPS project **Madagascar Mining Technical Assistance**, the Madagascar Ministry of Mines and other stakeholders began charting a new, sustainable path for the country's mining sector informed by lessons from international experience in the design of transparent mining policies oriented toward sustainable development.

Successive versions of the country's national development policy document—the *Plan Emergence Madagascar*—have featured mining prominently. The objectives assigned to the sector are to increase its contribution to GDP and its benefits for the population. With this broad policy goal in sight, an initial reform of the mining code was initiated in November 2019. The reform raised concern among the private sector and civil society because of its possible impacts on both

the business climate and environmental and social standards.

In December 2019, Madagascar's president confirmed the need for technical assistance from the World Bank to provide expertise and lessons from the international experience as part of the design of key sectoral reforms. A consultation with stakeholders from government, the private sector, civil society organizations, and international partners and donors identified the following priority needs : (a) assistance in designing mining policy, legal, regulatory, and fiscal frameworks; (b) studies on the contribution of mining to the economy; (c) analytical work to promote the future exploitation of strategic minerals in a sustainable way; and (d) assistance in streamlining the EITI.

The results from EGPS support, in concert with other efforts, include a new mining code, now fully promulgated after years of interruptions. The mining sector can now be considered on a new workable path of development. The mining registry officially reopened for new permitting after a moratorium on licenses; gold exports resumed after a halt centering on repatriation issues; and a new decree on gold mining and supply chain has been adopted. The EITI produced reports in a timely manner and now has a legal basis allowing it to receive funding from donors and the government. The Bank's technical assistance generated analytics, expertise and policy engagement support that were essential in this time period.

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## STRENGTHENING TAX ADMINISTRATION

Effective tax administration is critical for mobilizing resources for needed public investment. To perform their role and improve methods for applying and collecting taxes on mining, tax authorities must be able to address complex subjects such as transfer pricing and transparency of beneficial ownership; they must create user-friendly taxpayer portals and understandable procedures for tax collection, administration, and enforcement.

EGPS has supported two projects dealing with tax administration: one focusing on curbing mining tax erosion in Africa and the other on challenges of taxation in an increasingly digitized oil and gas industry.

Since the late 1990s, revenues from extractives have risen in resource-rich developing countries, but so has the sense that they remain below their potential. A 2015 report from the African Union identified extractives as a major source of revenue losses from Africa. Similarly,



a 2020 report from the United Nations Conference on Trade and Development on illicit financial flows from Africa estimated that the continent lost \$40 billion from extractives exports in 2015.<sup>1</sup>

These conclusions have driven changes to national mineral legislation and regulations. Twenty-six African countries have changed their mineral laws since 2010, mirroring changes in Latin America (Peru, Chile), Central Asia (Kyrgyz Republic), and elsewhere.

The EGPS project **Africa Mining Tax Collection Administration Support**, developed in collaboration with the African Union and the High-Level Panel, is addressing the erosion of the tax base of extractives, particularly mining. The project is providing analytical work to help regional African organizations address find ways to improve tax collection.

Among the barriers to be addressed are regulatory gaps related to the volatility of commodity prices, inadequate processes and systems to map out and manage commodities and company tax risks, and suboptimal institutional capacities, coordination, and collaboration.

EGPS is supporting development of specific guides and systems for three minerals critical for the energy transition. This initiative is developing templates to assess, process, and audit payments and producing risk maps for selected commodities. As these activities proceed, the project is also engaging with the Economic Community of West African States and the West Africa Tax Administration Forum.

In fiscal 2023, EGPS grants supported **Tax Challenges of the Digitalization of the Oil and Gas Sector: A Developing and Emerging Economies' Perspective**. Digital technologies are at the core of the oil and gas industry's transformation. But digitalization requires collaborative models across the value chain, with potentially important effects on government tax revenue. Reliance on physical taxpayer presence to establish a legal basis for taxation can allow profitable firms to pay little tax. International tax reforms do not specifically address oil and gas operations, and little to no research is available on the extent and potential fiscal impact of the digitalization of oil and gas operations. The report from the EGPS-funded initiative investigates the challenges associated with taxing oil and gas activities in a digitized world and on the economic impact and administrability of emerging tax schemes in capacity-constrained petroleum producing countries.

The issue paper “Taxing Digital Oil and Gas Operations” was completed in October 2022 and released in March 2023. The authors found that most of the economic gains from digitalizing oil and gas operations result from increased production and reduced costs. The efficiency of the source country’s fiscal regime (and its tax law) plays a big part in determining how the digital benefits are shared between the host government and the oil and gas companies. Overall, digitalization should have a positive effect for oil companies and host governments. However, while encouraging and facilitating digitalization, governments should continue to strengthen their capacity to limit base erosion generally, and address digitalization risks specifically.



Source: World Bank

1 “Africa Could Gain \$89 Billion Annually by Curbing Illicit Financial Flows,” News, UNCTAD, September 28, 2020, <https://unctad.org/news/africa-could-gain-89-billion-annually-curbing-illicit-financial-flows>.

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## SETTING UP NEW POLICIES FOR SUSTAINABLE MINING AND SOCIAL BENEFITS

EGPS supported projects in Peru and Papua New Guinea that resulted in updated legal frameworks and policies to advance modern mining practices and sustainability in the context of national development.

With **Support for Improved Management of Mining and Sustainable Development**, EGPS supported Peru's initiatives to update the regulatory framework for sustainable use of mineral resources.

From 2008 to 2018, Peru witnessed an average economic growth rate of 5 percent. Poverty was reduced thanks to improved macroeconomic management and increased investment, particularly in the mining sector. Then the country underwent an exceptional moment of political instability, with the president's resignation in 2018 and the closure of Congress in 2019. Against this background, public and private investments have slowed, including in the mining sector, the main contributor to GDP growth.

Despite its importance to the Peruvian economy, the mining sector faces major challenges in governance and environmental and social sustainability. Local economic benefits in the "resource-rich economic corridors," or mining regions, remain limited. The sector still lacks a clear, demonstrative case of territorial development with transformational impact on the well-being of people living in the mining regions.

To correct this problem, the project assessed best-practice regulatory reform. Dissemination of the results through consultative workshops with key stakeholders informed discussions within the government about possible improvements to the regulatory framework. These led to an assessment that focused on subnational fiscal capacity and stakeholder mappings; soil and subsoil natural resources; environmental, demographic, socioeconomic, and administrative characteristics; access and quality of infrastructure and basic public services; and related economic activities, productive links, and value chains.

The project has provided critical inputs and informed the formulation of two potential national investment programs—one to strengthen the mining sector management framework and institutional capacity, and a second to determine optimal public and private sector investment in the southern corridor to create economic opportunities for the local population. Once the government approves the investment programs, Peru will launch formally a systematic and participatory process of policy formulation to develop the new national mining policy for Peru.

**Papua New Guinea is harnessing its extractives sector** with two projects supported by EGPS. Revenue from Papua New Guinea's rich natural resources could help reduce poverty and improve the lives of the country's citizens, but 37.5 percent of the population lives below the national poverty line and is vulnerable to global commodity price cycles and natural disasters. Economic growth is erratic as the country tries to expand access and build savings from its resource wealth.

These projects build on prior World Bank support in fiscal, policy, and commercial areas critical to development of the mining and oil and gas sectors as well as the broader economy in Papua New Guinea and Pacific Island countries.

With the **Papua New Guinea Mineral and Oil & Gas Resources and Domestic Market Development**, EGPS has helped create an enabling policy environment in which to increase energy access, build climate resilience, and develop sustainable energy systems. One outcome of the project was an integrated project model for the Papua New Guinea economy. The model includes a detailed tool for analyzing macroeconomic links between the oil and gas and mining sectors, on the one hand, and the rest of the economy, on the other.

Both Papua New Guinea and Pacific Island countries are seeing growing commercial interest in their deep-sea mineral resources, both in areas under their direct jurisdiction as exclusive economic zones and on the high seas under the jurisdiction of the International Seabed Authority. Given the potential environmental impacts of deep-sea mining and the absence of laws and frameworks for risk management, the World Bank strongly endorses cautious approaches to deep-sea mining.

The government of Papua New Guinea is receiving ongoing macroeconomic modeling support from the World Bank and EGPS as part of a new Programmatic Advisory Services and Analytics work program. Through the project **Papua New Guinea and Pacific Island Countries Policy Options for the Extractives Sector and Deep-Sea Mineral Institutional Capacity**, EGPS is supporting efforts to build the target countries' capacity to manage their deep-sea mineral resources and the risks associated with their exploration. The project also advances governments' consultations with civil society and marginalized populations, including women.



# Energy Access: Utilization of Local Gas Resources during the Energy Transition

A substantial portion of fossil fuels will be replaced with renewables in the coming decades. However, natural gas still is important as a generator of state revenues and source of domestic energy for many developing countries. One way to increase the efficiency of fossil fuel-based energy is to capture gas that would otherwise be flared off in the process of oil and gas extraction. In 2022, the world flared enough gas to generate approximately 1,800 terawatt hours of energy, which is almost two-thirds of the European Union's net domestic electricity generation. This resource can offer crucial energy security to countries and provide energy access to communities.

A project sponsored by EGPS features this option for providing access to locally generated fuel in war-torn Yemen.

With the project **Yemen Flaring Abatement and Liquefied Natural Gas (LNG) for Energy Supply Technical Assistance**, EGPS is supporting the government of Yemen in improving access to energy and the supply of grid electricity. The project aims to assess the current state of the oil and gas sector, including its value chain production, processing, and transport facilities.

Civil conflict has severely reduced access to energy in Yemen, which in turn has further aggravated the already dire humanitarian conditions in the country. The provision of electricity has essentially collapsed. Six years into the conflict, only about 12 percent of the population has access to grid electricity.

In 2010–12 (before the conflict), Yemen's hydrocarbon sector accounted for almost two-thirds of government revenues and 90 percent of total exports. Because of frequent attacks on oil infrastructure, among other issues, oil production dropped from a high of 200,000 barrels a day in 2013 to 95,000 barrels a day in 2020.

The EGPS-supported project is evaluating the feasibility of capturing gas that would otherwise be flared off for power generation. Throughout this assessment, the project recognizes the importance of including women as key stakeholders. Their voices and agency will be prioritized during any environmental and social impact assessments in communities near energy projects.







# Supporting the Just Transition in Coal Regions

Coal is still the world's dominant energy source, generating over a third of global electricity. Although commitments to clean air, the pricing of carbon, and the falling cost of renewables have cut into coal's profitability, global coal production and demand reached an all-time high in 2022 and are expected to remain at that level through 2025.

Despite these setbacks and the slowed pace of energy transition, the climate change agenda remains the main global challenge of the century. EGPS supports the World Bank's Just Transition for All Initiative ([worldbank.org/en/topic/extractiveindustries/justtransition](https://worldbank.org/en/topic/extractiveindustries/justtransition)) through grants that support national, regional, and local authorities in plotting the transition away from coal, focusing on governance structures, the welfare of people and communities, and the repurposing of former mining lands and coal-fired power plants.

While technical assistance to support a just energy transition has begun in several countries, this report features a look at Indonesia and Colombia.

With **Indonesia Just Transition Support**, EGPS is supporting a cross-organization program that prepares and equips the government of Indonesia to develop a transition plan in which the loss of a coal-based economy creates new livelihoods for people and communities. The program is linked to the Indonesia Energy Transition Programmatic Advisory Services and Analytics, which guides sector policies and reforms and develops the framework for proposed investments in Indonesia's energy sector during the fiscal 2020–24 period.

EGPS-funded activities in Indonesia are using a 3x3 matrix (figure 10), developed by the World Bank during 20 years of assisting governments in managing the transition in coal regions. This approach covers the impacts of the transition on people, communities, and land in three stages—before, during, and after mine closure. In Indonesia, the outputs supported by EGPS will inform the preparation of the phase 1 aspects of the World Bank's 3x3 Just Transition Approach and contribute to the design and implementation of the government's National Energy Transition Program in the Just Energy Transition Partnership Comprehensive Policy and Investment Plan.

**Figure 10 • 3x3 Just Transition Matrix for the World Bank's Engagement in Indonesia**

Coal closure implementation	<b>Pillar 1 Institutional Governance</b>	<b>Pillar 2 People and Communities</b>	<b>Pillar 3 Environmental Reclamation Repurposing Land &amp; Assets</b>
<b>Phase 1: Pre-closure planning</b>	<ul style="list-style-type: none"> <li>• Institutional governance &amp; policies</li> <li>• Stakeholder engagement &amp; participatory planning</li> <li>• Social inclusion policies</li> <li>• Spatial planning</li> <li>• Coordination across stakeholders</li> <li>• Political economy, stakeholder mapping &amp; engagement</li> <li>• Regional economic planning</li> <li>• Energy transition planning</li> </ul>	<ul style="list-style-type: none"> <li>• Workers' policies &amp; rights</li> <li>• Assessment of short to medium term workforce transition</li> <li>• Assessment of social impacts &amp; social sustainability outcomes</li> <li>• Strengthening social protection programs &amp; service delivery capacity</li> <li>• Identification of social transition projects</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of lands &amp; assets for partial environmental remediation &amp; repurposing</li> <li>• Roles &amp; responsibilities of SOEs</li> <li>• Transfer of surface/ subsurface data &amp; assessment of legacy infrastructure</li> <li>• Fugitive methane abatement plan</li> <li>• Community participation in plans for repurposing of land &amp; assets</li> </ul>
<b>Phase 2: Closure</b>	<ul style="list-style-type: none"> <li>• Introduction of improved HSE &amp; technical closure standards</li> <li>• Special Purpose Entity (SPE)</li> <li>• Feasibility studies of transition projects</li> <li>• Social performance capacity building at regional, municipal &amp; asset levels (incl. GRM, participatory monitoring)</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of social protection programs for workers &amp; communities</li> <li>• Roll-out of re-skilling &amp; re-education/ active labor market policies</li> <li>• Mobility assistance</li> <li>• Support for broader social impacts (GBV, social tensions, alcoholism)</li> </ul>	<ul style="list-style-type: none"> <li>• Physical closure/ decommissioning to technical standards</li> <li>• Spatial planning/ repurposing options</li> <li>• Transfer of lands &amp; assets to government/ SPEs</li> </ul>
<b>Phase 3: Regional transition</b>	<ul style="list-style-type: none"> <li>• SPE coordination between government agencies &amp; investors</li> <li>• Market soundings of potential investments</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term education for jobs of the future</li> <li>• SME business/ skills development</li> <li>• Access to financing capital</li> <li>• Community Driven Development (CDD) programs</li> <li>• Smart Village investments</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental reclamation of prioritized lands &amp; assets</li> <li>• Pre-permitting of lands &amp; assets to incoming investors</li> <li>• New private sector investors</li> <li>• SPEs that finance private investment with community benefit-sharing</li> </ul>

Source: World Bank.

**Figure 11 • Indonesia's Just Transition Timeline with the World Bank, 2015–35**

2015–19	2020–21
<b>Natural Resources for Development (NR4D)</b> <ul style="list-style-type: none"> <li>• Program objective: support resource-rich regions to manage resource wealth</li> <li>• Deepen institutional knowledge and strengthen government capacity in the natural resources sector</li> </ul>	<b>NR4D Transition</b> <ul style="list-style-type: none"> <li>• Refocusing in line with global climate agenda</li> <li>• Better understanding of the policy and regulations, stakeholders, and energy issues (e.g., <i>Mining Policy &amp; Law Comparative Assessment</i>)</li> </ul>

Source: World Bank.



Several project workshops were organized in fiscal 2023, leading to reports that informed the foundational baseline for the Just Transition Program. The workshops were well attended by national and subnational stakeholders.

Moving into 2024, Indonesia is mapping its coal region options, applying knowledge from other coal regions around the world, and engaging citizen participation to advance community-driven development in the transition process. The World Bank’s engagement in Indonesia is illustrated in figure 11.

ENGAGING COMMUNITIES IN THE JUST TRANSITION IN COLOMBIA

The decline of coal mining in Colombia will require an economy that can replace 21 percent of national exports and almost 40 percent of the regional GDP in the departments (provinces) of Cesar and La Guajira. These areas are very vulnerable, and levels of poverty are above the national average, with the highest urban unemployment rates in the country. Urgent economic diversification in these regions is necessary to replace the coal economy. This can only be accomplished by building a multi-stakeholder process that engages communities.

2022–24

EGPS Support to Indonesia JT

- Mapping of coal regions, socioeconomic analytics, understanding the stakeholder
- Cross Global Practice effort (SSI, SPJ, MTI, EFI) to bring a sustained comprehensive approach

The current plans for closing major coal mines are partial and insufficient; the legal and regulatory framework for mine closure needs to be updated and enhanced in the context of an energy transition and gradual coal phasedown.

**Enhancing Opportunities for Energy Transition and Economic Diversification in Highly Dependent Extractives Regions in Colombia** is an EGPS project that supports technical assistance in mine closure planning and the energy transition in coal regions.

Mining can be leveraged to generate business opportunities outside the sector’s value chain, based on mining companies’ ability to attract investment and their acquired knowledge of the areas in which they operate. Currently, in La Guajira, resources from mining are leveraging diversification in tourism, to cite one example. The situation in Cesar is less favorable, where mines are closing in municipalities that were completely reliant on coal; this has resulted in an abrupt transition without economic reconversion alternatives in place to buffer communities’ livelihoods.

The EGPS project is providing technical assistance to the Colombian Ministry of Mines and Energy in planning mine closures and energy transition in ways that identify and assess alternative options for economic diversification, build economic resilience, and underpin evidence-based dialogue using geospatial mapping techniques. Results include capacity building for 20 government officials and a manual for preparing mine closure plans and governance. *Guidelines for Estimating Mine Closure Costs (Guia de presentación y evaluación de costos de cierre de minas y sus garantías financieras)* provides a way to determine the monetary value of identified closure activities and needed financial assurance. And a comprehensive study—*Productive Diversification and Reconversion of the Coal-Dependent Regions/Departments of Cesar and La Guajira*—resulted in a proposed just transition strategy called Reimagine Cesar and La Guajira and proposed 54 viable development projects.

LURA relies on collaborative input from mine operators

2025–35

Long-Term Program

- Potential FY25 IPF/multiphase approach
- CIF Accelerating Coal Transition Investment Plan Implementation
- Indonesia JETP Comprehensive Policy and Investment Plan Implementation

# COMPONENT 3

## Local Value and Economic Diversification

Sustainability and resilience of local communities in resource-rich developing countries

### SUMMARY OF COMPONENT 3 PORTFOLIO

- Component 3 comprises 18 grants, financing nine country-specific activities and nine global activities.
- Four new grants totaling \$1.4 million were approved in fiscal year 2023 (fiscal 2023), one of which will finance country-specific activities in Uzbekistan.
- At the end of fiscal 2023, Component 3 represented a total of \$4.9 million.

*Note: Activities and budgets refer to both EGPS-1 and EGPS-2.*

### Advancing Better Environmental, Social, and Economic Outcomes

Effective local economic development may require broader structural economic reforms. In such cases, it can occur only if all relevant stakeholders—including government representatives, major international companies, state-owned enterprises, and suppliers—are brought together. One way to initiate multi-stockholder discussions is to convene meetings around visual presentations of former mining facilities that are ready for reclamation. The Component 3 highlight story describes how the Land Use and Repurposing Application is facilitating community-based decisions on how to repurpose coal mines in Europe and Asia.



## OVERVIEW

Through Component 3, EGPS helps countries create local value and tap opportunities for shared infrastructure and green growth. Projects are designed to support the development of sustainable and resilient local economies in resource-rich developing countries by promoting innovation, long-term competitiveness, economic diversification, regional collaboration, and local employment and employability.





# HIGHLIGHT STORY



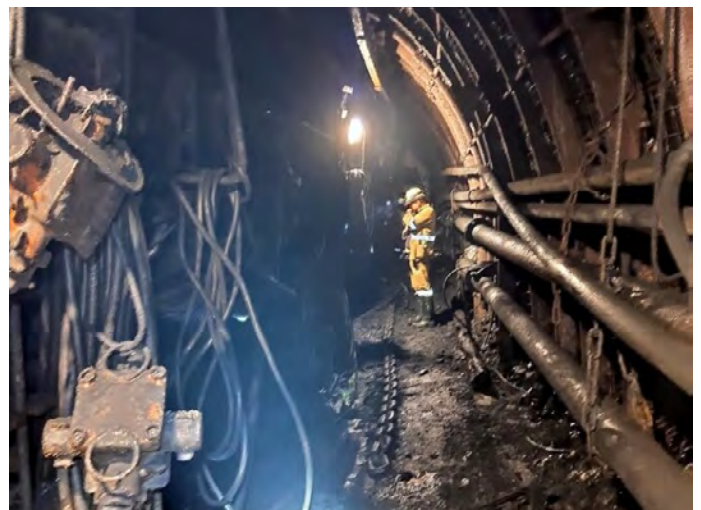
## Returning Local Value to Former Coal Mine Communities via the Land Use Repurposing Application (LURA)

**“Nothing like LURA has ever existed before, and it fulfills a critical need—for the climate as well as the local community... Until recently, many mines were closed with a minimum of effort, with bare-bones environmental and safety measures and little thought to economic revitalization or the well-being of nearby residents. As a result, numerous post-coal communities have been deprived of economic benefits to which they could have laid claim.”**

— Wolfhart Pohl

Lead environment and geosciences specialist, World Bank Fundamental to the World Bank’s Coal Transition Framework is helping post-coal communities find a path to jobs and investment while also mitigating climate change. To advance this process, a World Bank team with funding from EGPS built LURA—the [Land Use Repurposing Application](#)—a free, web-based, open-source tool that assesses coal lands’ suitability for a variety of sustainable and productive post-coal projects. LURA stores and organizes geographic, demographic, and economic data that allow stakeholders to visualize, analyze, and consider how land can be repurposed to serve their communities (figure 12).

Post-mine studies include site data from the surface (below) and underground (bottom). *Source: The World Bank.*





**Figure 12 • LURA: What–Why–How**



Source: World Bank.

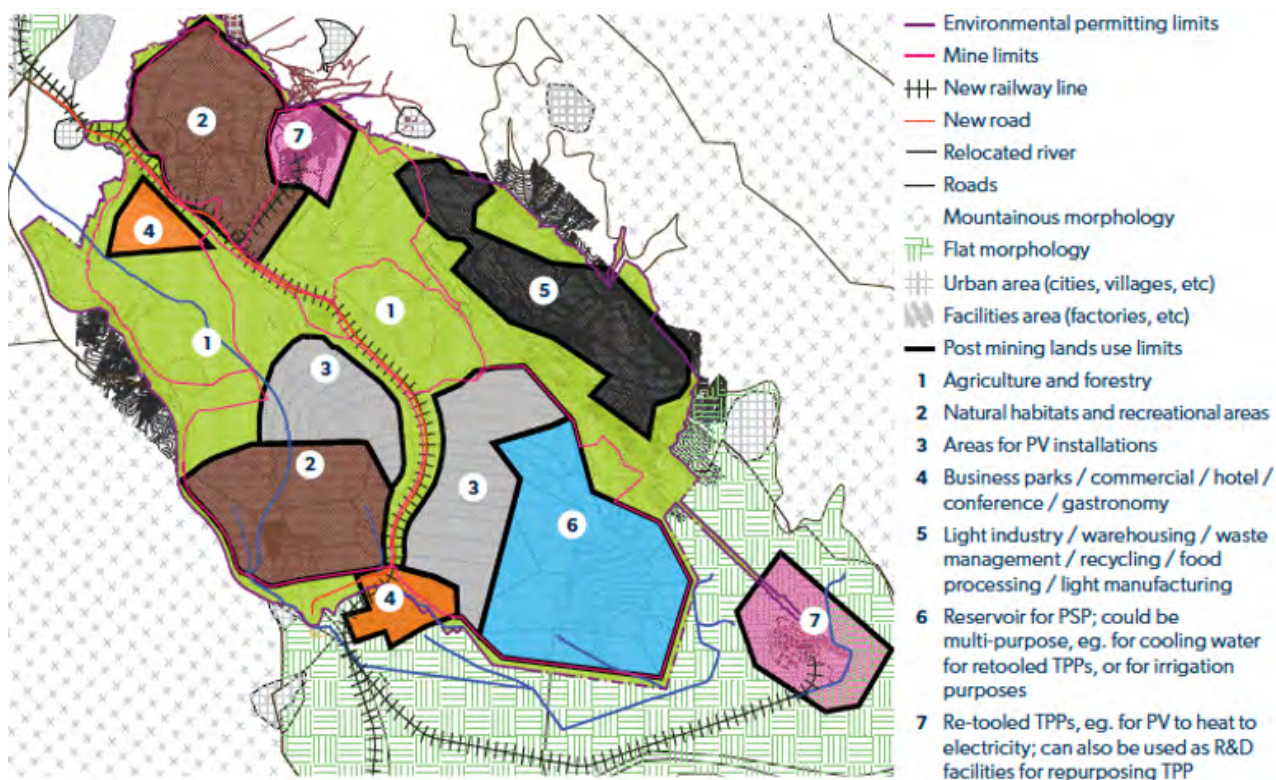
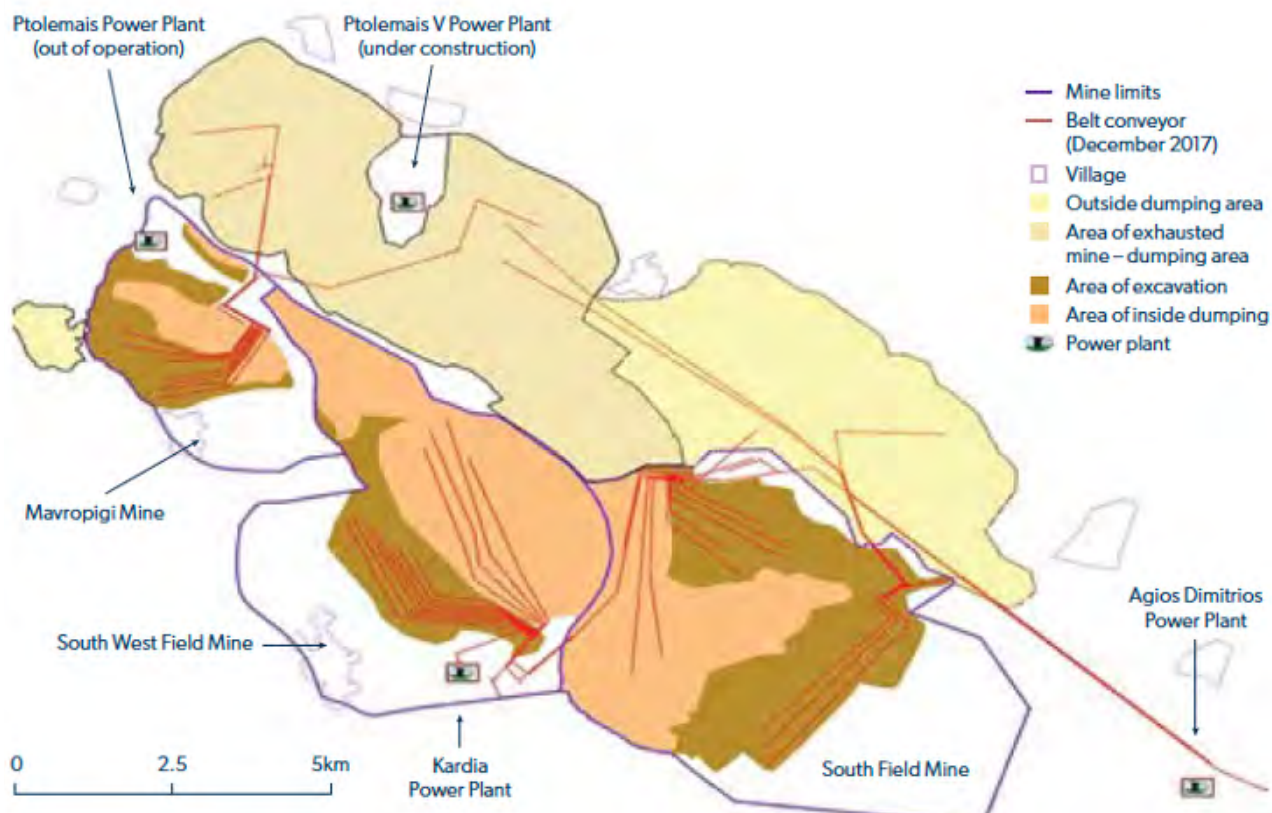
That opportunity is already unfolding in Bosnia and Herzegovina, Greece, Poland, and Serbia. It will be coming soon to large coal-producing and coal-consuming economies in South and East Asia. Research shows that post-mining lands play a key role in the shift to renewables: “There is enough space in post-mining lands to generate as much electricity with solar as all the coal and lignite power currently produced in the EU,” according to a 2019 article in *Sustainability*, “[Solar Photovoltaic Electricity Generation: A Lifeline for the European Coal Regions in Transition.](#)”

and workers, technical specialists, municipal authorities, and the community as a whole to examine a site based on five criteria: location, geotechnical risks and legacies, topographical and hydrological conditions, environmental conditions and risks, and development opportunities. The data are loaded into the geographic imaging system.

LURA then makes possible an iterative process that optimizes the interaction of community members and other stakeholders and invites participants to think and plan beyond simply achieving environmentally stable landscapes and compliance with environmental permits (figure 13). Rather than settle for a former abandoned brownfield, the LURA process leads to planning how to return former mining lands to a condition that allows for diverse land uses. Further criteria (biological, physical, chemical, socioeconomic, and financial) are developed to characterize mining lands’ repurposing potential.

Stakeholders can then consider which types of post-mining use make sense to plan for on a given parcel of land. Broad scenarios for post-mining repurposing may include many uses, often in combination: energy production and storage (such as alternative energy hubs), industrial production, or waste processing; agricultural, horticultural, or forestry; spaces for

**Figure 13 • Visualizations of the Unimproved Site and Potential Reuse Options**



Source: World Bank.



recreation and tourism; and even technology or office parks. These scenarios define the land repurposing categories for a given post-mining area and potential best uses, depending on the specifics of the area. A detailed land-use assessment has been prepared for Kosovo, with additional projects under way in Colombia, India, and North Macedonia. LURA has evolved steadily since it was introduced in 2019. During fiscal year 2023, several enhancements to functionality and user-friendliness improved the system. The detailed LURA operation manual is a working document that is constantly updated when new functionalities are added.

Other upgrades include better compatibility with Google Earth data and interoperability with QGIS (open-source GIS platform). This integration with other GIS platforms enhances its user base and speeds data transfer. A land-value algorithm adds to LURA's capability to support cost-benefit analyses and strengthen business cases for repurposing post-mine land.

Demonstrations of LURA capabilities have been presented at the Coal Regions in Transition workshop in Pristina, Kosovo, April 2023; and the Coal Regions Learning Academy Launch Event, Warsaw, Poland, June 2023.

LURA Hands-On Learning, Pristina, Kosovo, April 2023 (left); Coal Regions Learning Academy Presentation, Warsaw, Poland, June 2023 (right). *Source: World Bank*



# Access to Local Content Data

EGPS funds the Extractives-Led Local Economic Diversification (ELLEDED) knowledge program to support innovative thinking and partnership approaches for the design and implementation of sustainable development policies and projects. The program addresses knowledge gaps in countries' policies and regulations to improve policy design and implementation, increase awareness, provide a platform for knowledge creation and sharing, and enable sustained professional learning. This report features four ELLED projects:

- ELLED Program
- Decarbonization pathways
- Natural gas decarbonization in the eastern Mediterranean
- Water management in oil and gas operations

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## KNOWLEDGE SHARING ACROSS A COMMUNITY OF PRACTICE

The **ELLED Knowledge Program Broadening the Impact of Community of Practice** has evolved annually through EGPS grants that started in 2017 to provide a platform for building and sharing knowledge and ongoing professional learning on issues related to the design and implementation of local content and local value creation policies. The ELLED community of practice was complemented by the ELLED Interactive Framework, an online platform providing access to a large and diversified body of knowledge, methodologies, and tools for forming productive interaction in the extractives sector ([www.elledframework.org](http://www.elledframework.org)).

In 2015, the community of practice launched an invitation-only platform for local content experts from around the world. Included were representatives of extractive companies, policy makers, practitioners, nongovernmental organizations, academics, and donor representatives. After 2020, the community was jointly administered and financed by EGPS and Engineers Without Borders Canada; the latter organization has since taken it over.

By the time the ELLED community migrated from EGPS, it had completed an online repository of terms of reference on green industrial policy and local content

work in extractives intended to help policy makers, practitioners, and donors fast-track the preparation of a wide range of industrial policy projects and consulting assignments. The local content map—an online product—is updated with local information on legal, regulatory, and institutional frameworks. The map uses content on mining laws and regulations contained in the African Mining Legislation Atlas (AMLA), but it includes more countries and offers a version in Spanish.

Two related webinars were conducted at the end of fiscal 2022 and in fiscal 2023: “Potential for Creating Backward Linkages through Artisanal and Small-Scale Mining” and “Managing Scope 3 Emissions in Mining Procurement.”

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## ELLED COVERAGE OF ENVIRONMENTAL ISSUES: DECARBONIZATION AND WATER

Developing and emerging economies confront the double challenge of widening access to energy while simultaneously participating in the global transition to clean, low-carbon energy systems. Properly paced policies that support increased efficiency, decarbonization of extractives value chains, greater fuel diversity, and lower greenhouse gas (GHG) emissions are promising areas for engagement.

ELLED covers decarbonization challenges at the global and regional scales.

The **Decarbonization Pathways for the Oil and Gas Sector Project** supports inclusive growth in the extractives sector by promoting innovation, long-term competitiveness, and regional synergies. The project prepared “Decarbonizing Energy Supply” to help policy makers in hydrocarbon-dependent developing and emerging economies design effective policy, legal, institutional, and regulatory frameworks to address the carbon-intensity of emissions from upstream oil and gas operations while transitioning to a low-carbon energy mix.

Policy and regulation are critical in shaping private sector focus and pace of decarbonization efforts. The report identified six action areas for policy makers: the decarbonization governance framework, decarbonization targets, implementation guidelines, policy and regulation, incentives and penalties, and stakeholders' engagement.

At the regional scale, EGPS funded the ELLED knowledge (and action) project **Natural Gas Decarbonization in the Eastern Mediterranean** in response to a request for technical assistance from the East Mediterranean



Gas Forum and Egypt's Ministry of International Cooperation. The goal was to provide a framework for the decarbonization of oil and gas value chain operations.

The work built a body of data that identified the magnitude and sources of GHG emissions (carbon dioxide and methane) from operations in Egypt and selected East Mediterranean locations. It then inventoried current decarbonization options, including energy efficiency, electrification (including the integration of renewable energies), low-carbon heat, elimination of routine gas flaring, and other abatement measures in sector operations. Among the results were (a) development of a Marginal Abatement Cost Curve to identify financial impact and opportunity and (b) a short- to medium-term action plan to lower the carbon intensity of energy supply. The plan outlines the roles of government and industry stakeholders.

The project **Water Management in Oil and Gas Operations: Industry Practice and Policy Guidelines for Developing Countries** was designed to support inclusive growth in the extractives sector by promoting innovation, long-term competitiveness, and regional synergies, with specific reference to water resources. The project filled knowledge gaps to improve policy design and implementation, raise awareness, and provide a platform for knowledge creation, sharing, and sustained professional learning.

Steadily increasing demand makes water scarcity a threat to sustainable development in a growing number of regions. Placing caps on water consumption, improving the efficiency of water use, and better sharing of water resources are now critical to reduce the peril posed by water scarcity on biodiversity and human welfare. Oil and gas operations account for a small fraction of global water demand, but fields are commonly clustered in areas where their operations often dominate freshwater abstraction and wastewater discharge.

EGPS financed a review of industry practices and public policies on freshwater abstraction and the management of produced water in oil and gas upstream operations. The objective was to identify policy and regulatory options for the management of water in oil and gas upstream operations.

The report also produced an overview of facts and trends in freshwater abstraction and produced water generation and use in the oil and gas industry; a review of industry practice with water management in upstream operations; and a review of tools and methodologies for assessing water resources and supply risks at the national level. To assist stakeholders with next steps, the report provided an overview of the legal, regulatory, and contractual frameworks

for water management; eight case studies on water management pilot practices; and policy guidelines for the regulation of water management in oil and gas operations.



# COMPONENT 4

## Local Communities and Ecosystems

Strengthening community benefits from extractive resource wealth while mitigating environmental and social impact

### SUMMARY OF COMPONENT 4 PORTFOLIO

- EGPS's Component 4 portfolio totals \$11.2 million; it financed 47 grants at the end of fiscal year 2023 (fiscal 2023).
- Eight new grants for \$2.9 million were approved in fiscal 2023 under Component 4. Of these, three were country-specific grants to Argentina, the Republic of Congo, and Senegal, of which Republic of Congo is a new country receiving EGPS funding.

*Note: Activities and budgets refer to both EGPS-1 and EGPS-2.*

Under Component 4, EGPS grants provide policy advice and generate global and regional knowledge on environmental protection and social inclusion in extractive operations. Grants cover issues such as deep-sea mining in the Pacific, abandoned mines in Central Asia, the impact of lithium mining in Bolivia, and the best ways to mine lithium in a manner that is sustainable and that provides social benefits.

The Component 4 highlight story shows how EGPS is supporting Argentina in building benefits and protections into its upcoming lithium production.



## OVERVIEW

The importance of environmental protection and social inclusion in extractive industry operations has grown in recent decades; once a marginal aspect of operations, they are now decisive preconditions for a social license to operate.

EGPS engages in consolidating community benefits from extractive industries and in developing workable solutions and remedies to mitigate adverse effects. These activities include efforts to close the gender gap in extractive industries; advising on policy at the national level; examining the role of mining in the clean energy transition; examining the contribution made by artisanal and small-scale mining (ASM), and direct support to ASM communities to help secure livelihoods and deal with the lingering effects of the COVID-19 pandemic; and protecting communities by facilitating plans for a just transition.





# HIGHLIGHT STORY

## Argentina's Lithium: A Catalyst for Sustainable Mining and Its Benefits

**As Argentina prepares to provide lithium to the world, the province of Salta is building a consensus of stakeholders to design a local development plan.**

Argentina is on the threshold of the international lithium mining boom. Consequently, the province of Salta—site of the Salar del Rincon lithium deposit—is preparing a comprehensive, sustainable mining strategy. Taking to heart the component themes of EGPS, the strategy will do the following:

- Mainstream the province's Extractive Industries Transparency Initiative (EITI) mining sector data to a digital platform.
- Update the province's mining code to cover issues related to lithium production.
- Design a local development plan at the provincial and regional levels to take advantage of the global demand for lithium while addressing community expectations.
- Follow the “social license to operate” approach to ensure financial and social benefits.
- Incorporate science-based practices of water-resource management and environmental protection.

### Meeting the Stakeholders Who Will Craft the Future

While still a work in progress, the strategy was the focus of a field trip for representatives of the EGPS Partnership Council to the province of Salta in northern Argentina to inspect Rio Tinto's Salar del Rincon facilities and consult with residents of the town of San Antonio de Los Cobres about their views on the mining sector development in the region.

**Argentina possesses the world's second-largest known lithium resources. It is laying the groundwork to manage extraction sustainably and to ensure that local communities and the nation share in the benefits.**

Argentina possesses the world's second-largest identified lithium resources (behind only Bolivia), and the third-largest quantity of commercially viable lithium reserves, behind only Chile and Australia. Lithium reserves are concentrated in three provinces in the north of the country and just east of the Andes. While Argentina is already the fourth-largest lithium producer in the world, many of its companies are in their construction phase, though two commercially production sites are operating in the northwestern provinces of Jujuy and Catamarca (in the salt flats of Olaroz and Hombre Muerto, respectively).



Salar del Rincon lithium project, Argentina. Source: Rio Tinto



Consequently, the country is also laying the groundwork to manage its geologic resources in ways that will provide maximum benefits for the local, regional, and national economies. Argentina joined the EITI in 2019. Having decentralized control of mining to its provinces, the country is now working to install data systems in four areas—Catamarca, Jujuy, Salta, and San Juan.

The field trip was led by experts representing the broad set of stakeholders needed to implement a workable long-term plan: Romina Sassarini, secretary of Mining and Energy of the province of Salta; Carlos Daniel Chavez Diaz, CEO of Eramine; Daniel Jerez, an expert on mining and sustainable development and the economic benefits of mining projects; Carlos Ramos, vice chairman of the Board of Corriente Argentina SA; and David Guerrero, a global lithium expert with extensive local knowledge and community leadership roles in Argentina's northern region.

Secretary Sassarini, who is also a mining and hydrocarbons policy lawyer with a commitment to sustainability and community relations, presented the province's sustainable mining sector strategy. Sector experts David Guerrero and Daniel Jerez and company representatives from Eramine and First Quantum discussed lithium mining in the world and in Argentina. A site visit to the Salar del Rincon lithium treatment plant demonstrated how the mine produces a finished product of lithium carbonate at battery grade.

The visit also included a meeting with community stakeholders in the town of San Antonio de Los Cobres. Lithium development has created great expectations for social benefits within poor Indigenous communities living closest to the mines. To support community participation and transparency, a dedicated platform for dialogue brings together lithium-producing provinces to coordinate policies and strategies.



## A Full Agenda for the Lithium Strategy

One of the key concerns related to lithium exploitation is water usage during processing, an issue already being addressed by an EGPS water resource management project. Other topics include the expectations of communities close to the mines, the capacity of local governments to ensure that the sector generates benefits for local development, economic links to neighboring communities through local procurement (particularly youth employment), and the need for infrastructure for the mining projects and the growing towns surrounding them. That infrastructure encompasses access to clean water for communities, roads, railways, electricity, schools, and medical facilities.



Top: A bag of lithium salts. *Source: World Bank*

Below: Participants of field trip to Salta Province.

*Source: World Bank*







# Artisanal and Small-Scale Mining

ASM provides livelihoods for an estimated 100 million people in more than 80 developing countries in Africa, Latin America, and the Asia-Pacific region. EGPS support is designed to improve gender equality, protect the environment, and address broader social issues related to ASM.

In 2020, the World Bank projected that the COVID-19 pandemic could push more than 100 million people into extreme poverty. The estimated 45 million people around the world working in ASM were particularly vulnerable because of the informal, often precarious nature of their working conditions and lack of access to social safety nets. There was concern that gains made over several decades to formalize the sector would be eroded, particularly where community tensions were rising. To address these risks, the World Bank took early action. In May 2020, EGPS initiated a rapid global survey to identify miners' needs and then used the results to mobilize an emergency response window.

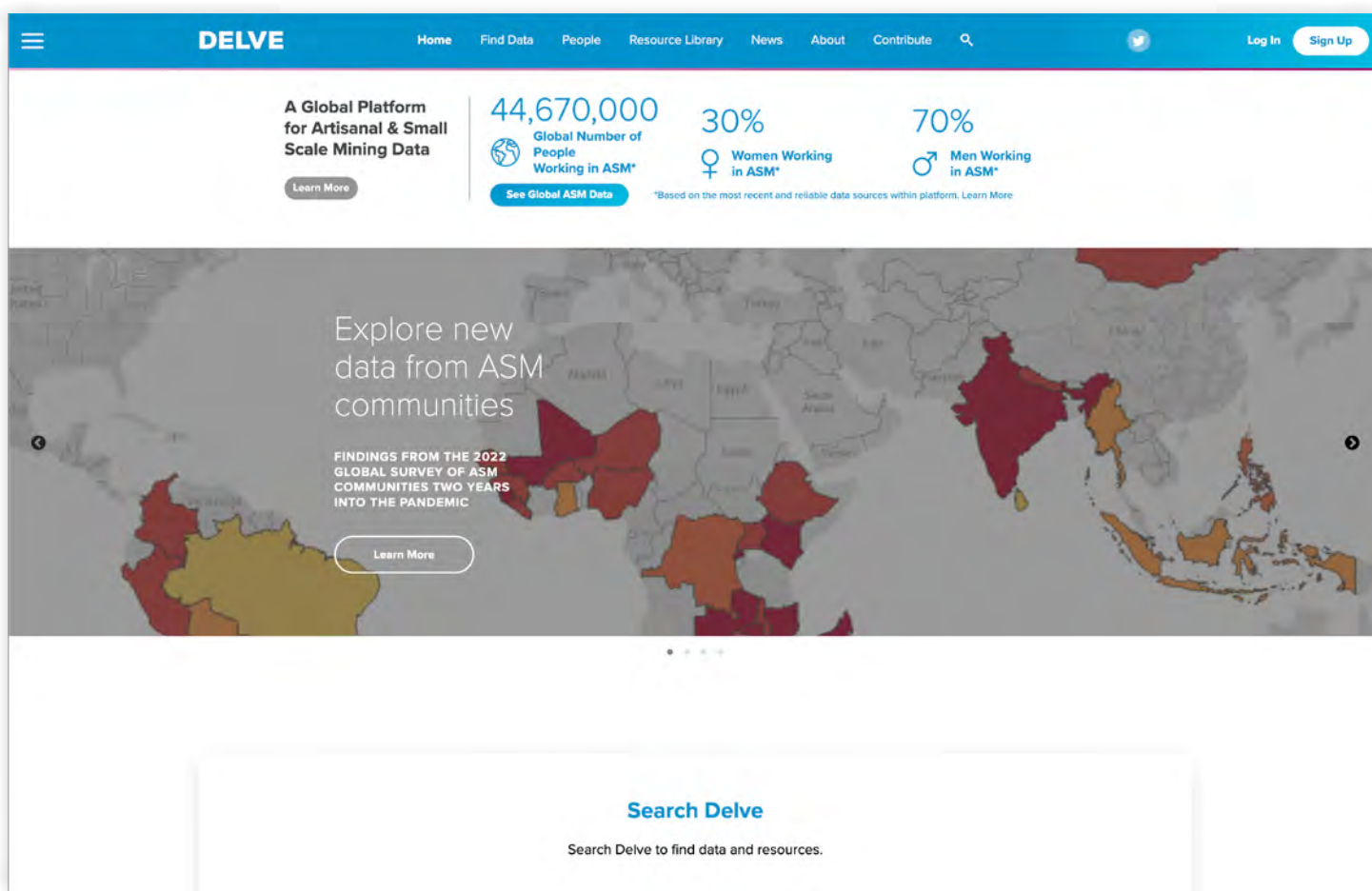
EGPS-2 Emergency Response: Artisanal Mining Communities Impacted by COVID-19, which closed in fiscal 2023, was a vital safety net for artisanal miners and their families, but its legacy of building capacity, mobilizing stakeholders at the local level, and organizational development is ongoing.

The emergency response supported the efforts of 33 international, regional, national, and local organizations to assist ASM communities in 22 countries in four regions (East Asia and Pacific, Latin America and the Caribbean, South Asia, and Sub-Saharan Africa), reaching 59,181 people.

EGPS-sponsored activities focused on the medium term: a global networking effort covering Sub-Saharan Africa, East Asia and Pacific, South Asia, and Latin America and the Caribbean; capacity building to mining cooperatives and associations to build back their activities in more socially and environmentally responsible ways; and efforts to bring digital and technological innovations to certain supply chain practices to improve benefits to miners. EGPS has also facilitated ASM capacity to engage with the World Bank.

The project closed with an international conference, "Business Unusual: What Future for ASM Post COVID-19?" The conference brought together 140 ASM practitioners and experts from around the world to reflect on the lessons learned from the emergency response to ASM communities and to discuss ways to improve ASM practice in the future.

Figure 14 • Delve Platform Homepage



Source: [delvedatabase.org](https://delvedatabase.org).

An ongoing ASM initiative is [Delve Project 2.0](#), the first global database of ASM information (figure 14). Financed by EGPS, Delve provides the data needed for any ASM intervention, such as efforts to formalize the sector, to improve the livelihoods of poor people, or to empower women miners. In fiscal 2023, Delve increased its data and resources through a pilot data drive and supported the management and dissemination of data on COVID-19's impact on ASM through a global survey. The platform has been used by a wide range of stakeholders and has experienced substantial growth on a variety of metrics.

An **ASM position paper**, funded by EGPS and due to appear in 2024, will define an approach to formalizing the ASM sector for use in World Bank operations.

The World Bank has been an important partner for ASM formalization since the late 1970s. Over four decades, the Bank has financed ASM formalization through lending, grant financing, and analytical work in 31 countries. During that period, it has also championed important global initiatives on ASM and

functioned as an important interlocutor and adviser to various international ASM initiatives.

The first stage of the current work analyzed efforts to formalize the sector over the past 30 years through a review of 300 ASM projects and 70 papers, complemented by interviews with 35 key stakeholders. The project conducted external consultations during sectoral events. These included (a) Mining Indaba, which added input from 76 client governments, development partners, and private sector stakeholders; (b) an OECD forum, with 86 representatives from client governments, development institutions, nongovernmental and civil society organizations, private firms, and academia; and (c) the Delve Exchange, with 281 participants representing 34 countries. This effort has provided a comprehensive understanding of the ASM landscape, key debates, intervention areas, and successes and failures. The information is being synthesized into a final position paper, with activities planned to promote the new strategy.



# ASSOCIATED TRUST FUNDS

The World Bank introduced umbrella trust fund programs as a flexible way to align and manage development resources for results at scale. As a result of this consolidation, EGPS is the umbrella structure covering the oil and gas and mining sectors. It hosts associated trust funds (ATFs) that relate to extractive industries.

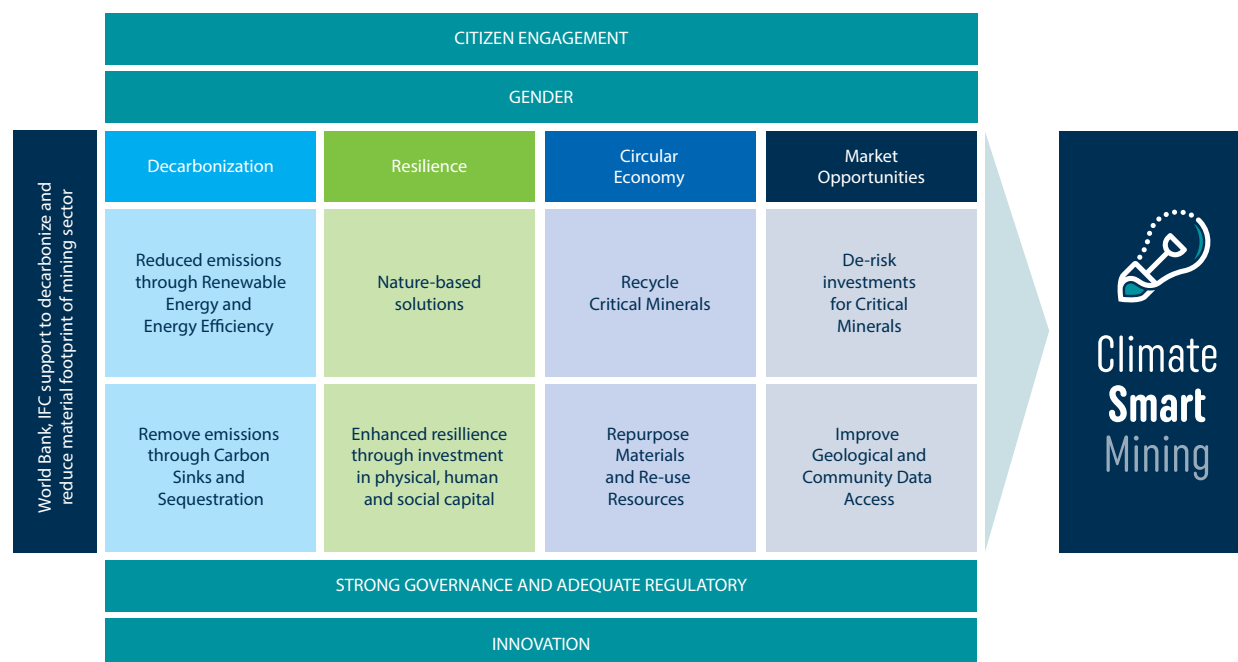
## Climate-Smart Mining under the EGPS Trust Fund Umbrella

Minerals and metals are at the heart of the energy transition because renewable technologies such as battery storage systems, solar panels, and wind turbines rely on them. As a result, demand for certain minerals and metals is expected to grow nearly fivefold by 2050.

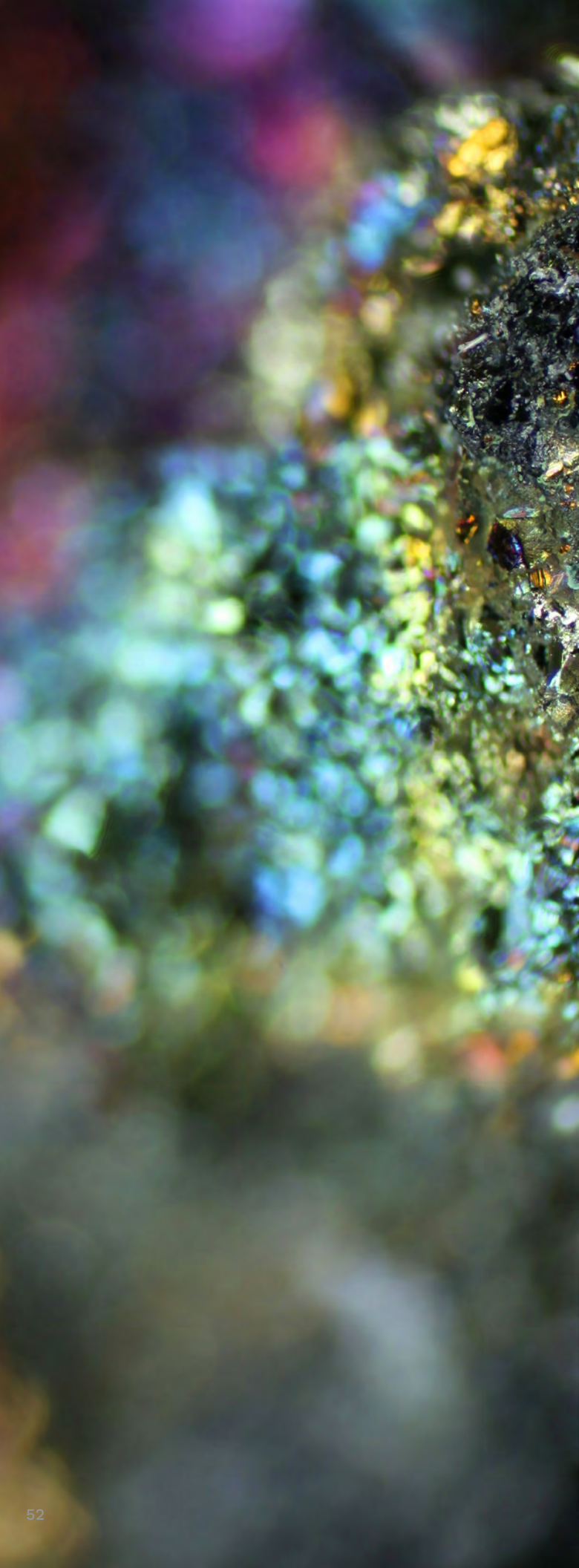
Climate-Smart Mining (CSM) was launched in 2019 as a public-private partnership led by the World Bank under EGPS and the International Finance Corporation (IFC). Its aim is achieving sustainable mineral supply chains by providing technical and policy advice, finance, risk mitigation instruments, and support for countries to develop practical solutions for decarbonizing and improving environmental, social, and governance (ESG) standards for mining. The initiative supports the sustainable extraction, processing, and recycling of minerals and metals needed to secure the supply of resources for low-carbon technologies and other critical sectors by creating shared value to deliver social, economic, and environmental benefits throughout their value chain in developing and emerging economies.

CSM continues to achieve this objective by focusing its activities on a framework developed in consultation with key stakeholders in government, industry, and civil society (figure 15). This framework serves as guidance to help developing countries and projects integrate climate-smart approaches.

Figure 15 • CSM Framework



Source: World Bank.



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## CSM OBJECTIVES

The initiative's medium-term goal is to assist countries in developing and implementing inclusive climate-smart mining policies and strategies. This involves creating regulations and policies that promote sustainable mining practices, reduce greenhouse gas (GHG) emissions, and benefit all stakeholders, including women and communities. To achieve this objective, the initiative focuses on several measurable, achievable, relevant, and time-bound intermediate outcomes, including the following:

- Developing CSM country/regional roadmaps, which provide a framework for assessing the potential for CSM and identifying opportunities for investment and reform
- Drafting policies, strategic plans, and legal reforms that support CSM
- Holding capacity-building and training events for government officials, industry representatives, and civil society organizations on CSM
- Facilitating meetings on climate-smart mining to bring together stakeholders and discuss challenges and opportunities
- Promoting the active participation of state and nonstate key stakeholders in the formulation of inclusive and gender-sensitive policies and strategies

These medium-term objectives are also aligned with CSM long-term objectives:

- Improved social and environmental performance of the extractives sector in resource-rich developing countries: By promoting sustainable mining practices and reducing GHG emissions
- Strengthened client government institutional capacity to secure supply of critical minerals for renewable energy infrastructure in responsible and sustainable ways: By supporting the development of CSM country/regional roadmaps and drafting policies, strategic plans, and legal reforms that support CSM
- Greater citizen engagement and gender equality in (mining) sector regulations and in (mining) sector practices: By promoting the active participation of state and nonstate key stakeholders in the formulation of inclusive and gender-sensitive policies and strategies, and by ensuring that CSM country activities include one or more aspects of citizen engagement



- Increased community benefits from extractives for all: By promoting sustainable mining practices and ensuring that CSM country activities include one or more aspects of citizen engagement

## CSM REVIEW AND WAY FORWARD

A review of CSM began in fiscal year 2022 (fiscal 2022) and was finalized in fiscal 2023. An independent consultant assessed the individual work streams' (led by the World Bank and IFC) alignment with the CSM Initiative's rationale and the World Bank's climate change agenda, and the current and potential strategic value in the Bank's lending and research (ASA) portfolios. In addition, the review identified areas to improve the initiative. Recommendations from the review include preserving the CSM brand, focusing on achieving Paris-aligned outcomes in a sustainable and equitable way, and aligning pipeline of activities with the World Bank's climate agenda.

The assessment found that the initiative needed to reexamine its scope and ambition, ensuring that priorities are demand driven. It also recommended identifying operations that have greater impact and can be easily scaled up, as well as exploring synergies within the World Bank and strategic external partnerships. Furthermore, the review highlighted the importance of improving citizen engagement, a key aspect for future activities under this project.

Based on these recommendations, CSM is now focusing on the supply of critical minerals to help client countries meet the dramatic increase in demand driven by the energy transition. This involves deepening and strengthening citizen engagement, addressing gender inequalities, and informing decision-makers to define competitive advantages and develop strategies for resource-rich countries to benefit from the projected growing demand for minerals and metals.

The primary tools used for this purpose are the CSM country/subregional roadmaps, which provide a structured framework for policy analyses, capacity assessments, and planning activities. These roadmaps also help identify financing opportunities and engage stakeholders to drive sustainable actions and achieve decarbonization and resilience goals. By leveraging the CSM roadmaps, countries can develop customized decarbonization pathways and climate resilience strategies that align with their unique circumstances.

The first request for a CSM roadmap came from Mauritania and is currently under implementation. It assesses the potential for the adoption of CSM practices in the country and informs the Mauritanian

government's efforts to review its mining policy, regulations, cadastre system, and transition energy minerals. The roadmap provides an overview of the mining sector context and challenges in Mauritania from a CSM perspective, as well as a snapshot of the potential, key issues, risks, opportunities, and institutional and financial enablers for investments in CSM. It also includes a critical stocktaking of ongoing and promising practices, and a snapshot of the country's readiness for implementation and entry points for CSM scale-up. To date, a diagnostic report of the digital cadastre system and the geological and mineral information system has been completed.

Grant proposals for various countries are being prepared for approval during fiscal 2024. The following proposals represent the culmination of substantial efforts in collaborating with the client countries, as well as the meticulous design and development of the proposals conducted in fiscal 2023:

- **Madagascar:** To support the government of Madagascar in designing policy and regulatory frameworks that will be conducive to responsible investment and good governance in the context of increased demand for strategic minerals.
- **Central Asia:** To support Kazakhstan, Tajikistan, and Uzbekistan in addressing mining sector challenges and opportunities by enhancing management systems, implementing international standards for revenue and transparency, and providing policy advice on decarbonization, mineral endowments and value chain opportunities.
- **Peru:** To develop a comprehensive roadmap for the inclusive and sustainable development of critical minerals needed for the energy transition, boosting competitiveness, socially and environmentally responsible production, research and technological development, governance, and the generation of benefits for both local communities and the country.
- **Southern Africa:** Similar to the Central Asia proposal, this regional assessment will focus on critical mineral opportunities and across-the-board infrastructure needs for value addition.

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## ACHIEVEMENTS

Beyond the CSM country/subregional roadmaps, the initiative continues to maintain and leverage its brand through outreach and global knowledge products.

- The Climate Mineral Explorer (CME) interactive tool provides an overview of GHG emissions as well as other ESG aspects of critical minerals supply chains. It was expanded in fiscal 2023, adding data on graphite value chains as well as country-level information on policies and regulations contributing to pillars 1 and 4 of the CSM Framework (decarbonization, market opportunities). Furthermore, various activities in fiscal 2023 generated comprehensive knowledge and understanding for relevant stakeholders, laying the foundation for future application in specific countries and subregions and identifying areas for client engagement and potential lending opportunities.
- CSM publications
  - A joint report from the World Bank and the Hydrogen Council: *Sufficiency, Sustainability, and Circularity of Critical Materials for Clean Hydrogen*, contributing to pillar 1 of the CSM Framework (decarbonization).
  - *Competitiveness of Global Aluminum Supply Chains Under Carbon Pricing Scenarios for Solar PV*, contributing to pillars 1 and 3 of the CSM Framework (decarbonization, circular economy). (See figure 16.)
  - IFC launched the *Net Zero Roadmap for Copper and Nickel Mining Value Chains*, contributing to all four pillars of the CSM Framework (decarbonization, climate resilience, circular economy, market opportunities).

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## CSM EVENTS

- A hydrogen event took place on January 31, 2023, with key stakeholders from the Ministry of Petroleum, Energy and Mines of Mauritania and the Ministry Energy of Chile.

Photo A (opposite). Demetrios Papathanasiou, global director for the World Bank's Energy and Extractives Global Practice, speaks at the CSM hydrogen event in January 2023. *Source: World Bank*

- The Net Zero Roadmap for Copper and Nickel launch event attracted over 350 attendees, in which leading mining companies, investors, original equipment manufacturers, electric vehicle transport companies, battery manufacturers, civil society, government, and academia participated and discussed the way forward to reach global climate targets by 2050.

Photo B (opposite). The Net Zero Roadmap launch event. *Source: World Bank*

- CSM has joined the working group of the World Economic Forum's Securing Minerals for the Energy Transition Initiative.

Photo C (opposite). Working group of the Securing Minerals for the Energy Transition Initiative. *Source: World Economic Forum*

- CSM co-led the High-Level Forum on Mineral Supply Chains Responsible Mining for the Just Transition of the German Ministry for Economic Cooperation and Development (BMZ).
- The CSM team organized a Steering Committee meeting in London on May 17, 2023, at the Anglo American headquarters to discuss the initiative's progress and define donor priorities.

Photo D (opposite). CSM Steering Committee meeting, London, May 2023. *Source: World Bank*

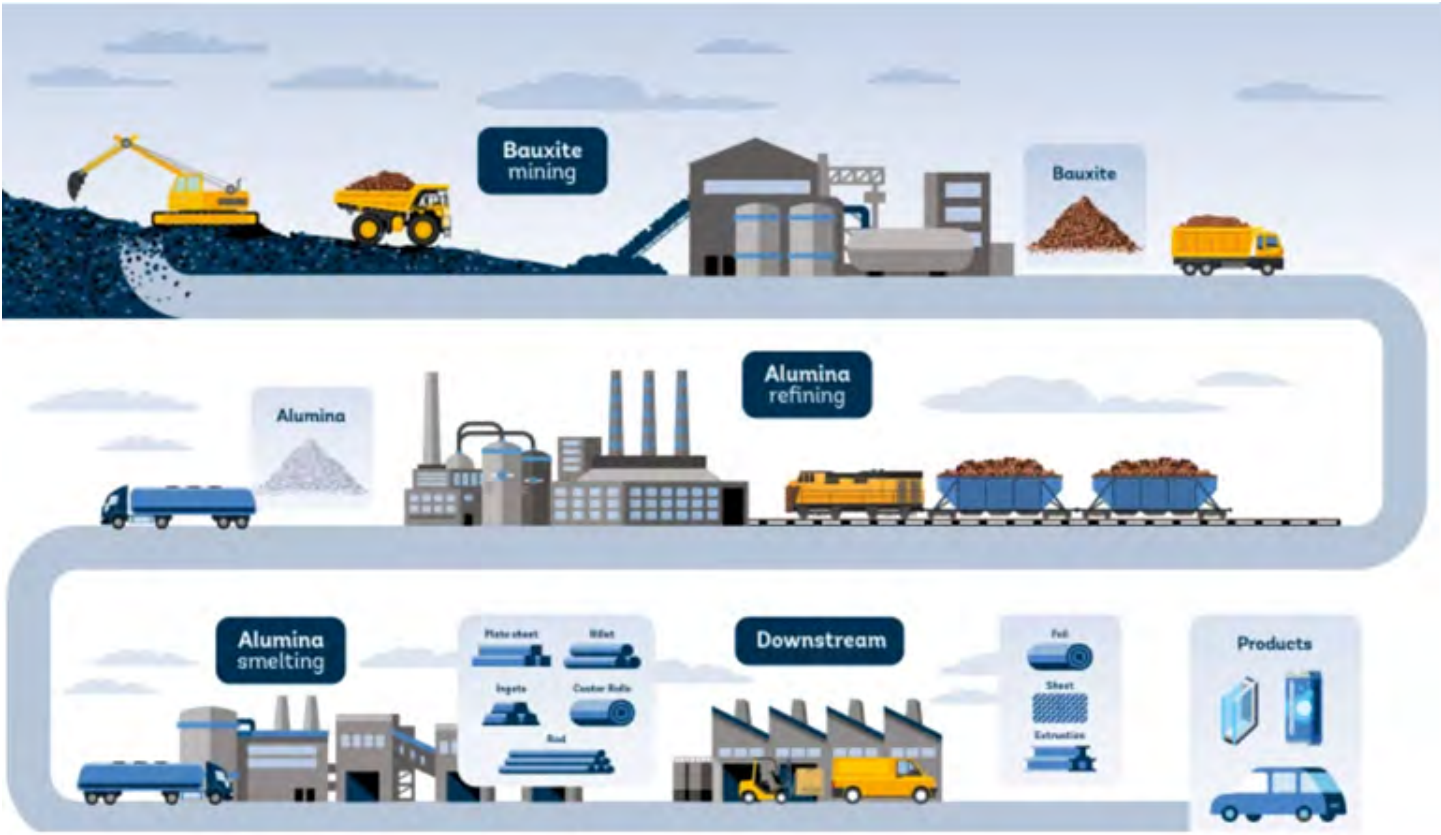
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## BOTTLENECKS AND CHALLENGES

As a result of the recommendations from the CSM review, the CSM team has shifted its focus to specific countries and subregions, working closely with client countries to enhance their knowledge of critical mineral opportunities and decarbonization in the mining sector. While this transition and change in leadership initially posed internal challenges that hindered progress on client-focused activities like Mauritania's CSM roadmap, featured in a highlight story, these challenges have now been resolved and the team is increasing its client-focused initiatives.



Figure 16 • Aluminum Production Process



Source: Competitiveness of Global Aluminum Supply Chains Under Carbon Pricing Scenarios for Solar PV report.

- A.
- B.
- C.
- D.





# HIGHLIGHT STORY

## CSM Roadmap for Mauritania

Along with having reserves of potential energy transition such as graphite, nickel, cobalt, lithium, platinum, palladium, and vanadium, Mauritania is one of the world's top producers of iron ore, with large proven reserves of key minerals such as copper (28 million tons), iron (1.5 billion tons plus 10 billion tons probable reserves), gold (25 million ounces), and phosphate (140 million tons). The country has a significant, albeit relatively unexplored, geological diversity.

The Climate-Smart Mining Roadmap for Mauritania is a comprehensive project that assesses the potential for the adoption of CSM practices in the country and informs the Mauritanian government's efforts to review its mining policy, mining regulations, cadastre system, and transition energy minerals and local transformation policy. The project is being conducted in close collaboration with the government of Mauritania, private sector representatives, and other relevant stakeholders.

To date, a diagnostic report of the digital cadastre system and the geological and mineral information system has been completed. The report evaluates the current mining titles granting system and geological infrastructures in Mauritania and proposes the necessary technical, legal, and institutional improvements to increase the efficiency and transparency of the process, and thereby improve the sector's attractiveness for investment.



# Artisanal and Small-Scale Mining under the EGPS Trust Fund Umbrella

EGPS is pursuing a particularly ambitious ASM program in Africa. ASM is associated with some of the most intractable challenges in the Sahel. This includes pressure on the environment, severe health and safety risks for artisanal miners, social protection and child labor, migration, illicit financial flows and trade of minerals, and multidimensional causes of fragility and the destabilizing effects that come with it. Addressing the complex issues faced by ASM in the Sahel requires an integrated strategy to manage ASM as a formal economic activity. This integrated strategy involves supporting countries' efforts to enact clear and coherent legal, regulatory, institutional, and fiscal frameworks that provide artisanal miners with legal protection, security of tenure, and access to land. It also puts emphasis on decentralized implementation at the local level to significantly improve the administration of the sector.

The EGPS Artisanal and Small-Scale Mining in the Sahel (ASM Sahel) associated trust fund supports technical assistance, building government capacity, and provides financing to help reorient policies to create incentives for responsible artisanal and small-scale mining. It also focuses on enhancing environmental protection rules as well as health, safety, and environmental (HSE) standards and practices; strengthening the role, representation, and security of women in ASM; promoting mechanisms to avoid child labor in ASM communities; and facilitating a better understanding of ASM at all levels of government and among miners and their communities to enable informed decisions by all stakeholders. EGPS ASM Sahel builds on previous experiences of the World Bank and other organizations.

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## THE SAHEL MULTI-STAKEHOLDER PARTNERSHIP INITIATIVE

The EGPS ASM Sahel project seeks to improve the capacity of state and nonstate actors in the Sahel to manage mineral resources exploited by artisanal and small-scale methods in a transparent, sustainable, and gender-inclusive manner.

Following seed funding from Belgium in fiscal 2022, the EGPS ASM Sahel created the Sahel Multi-Stakeholder Partnership Initiative (MSPI) in fiscal 2023. Led by the World Bank in partnership with the World Gold Council under the EGPS ASM Sahel, this initiative focuses on promoting positive environmental, social, and governance practices and addressing challenges such as environmental risks, health and safety risks, child labor, and illicit financial flows associated with ASM. The initiative also supports countries in enacting clear legal and regulatory frameworks, improving administration at the local level, and providing technical assistance and financing.

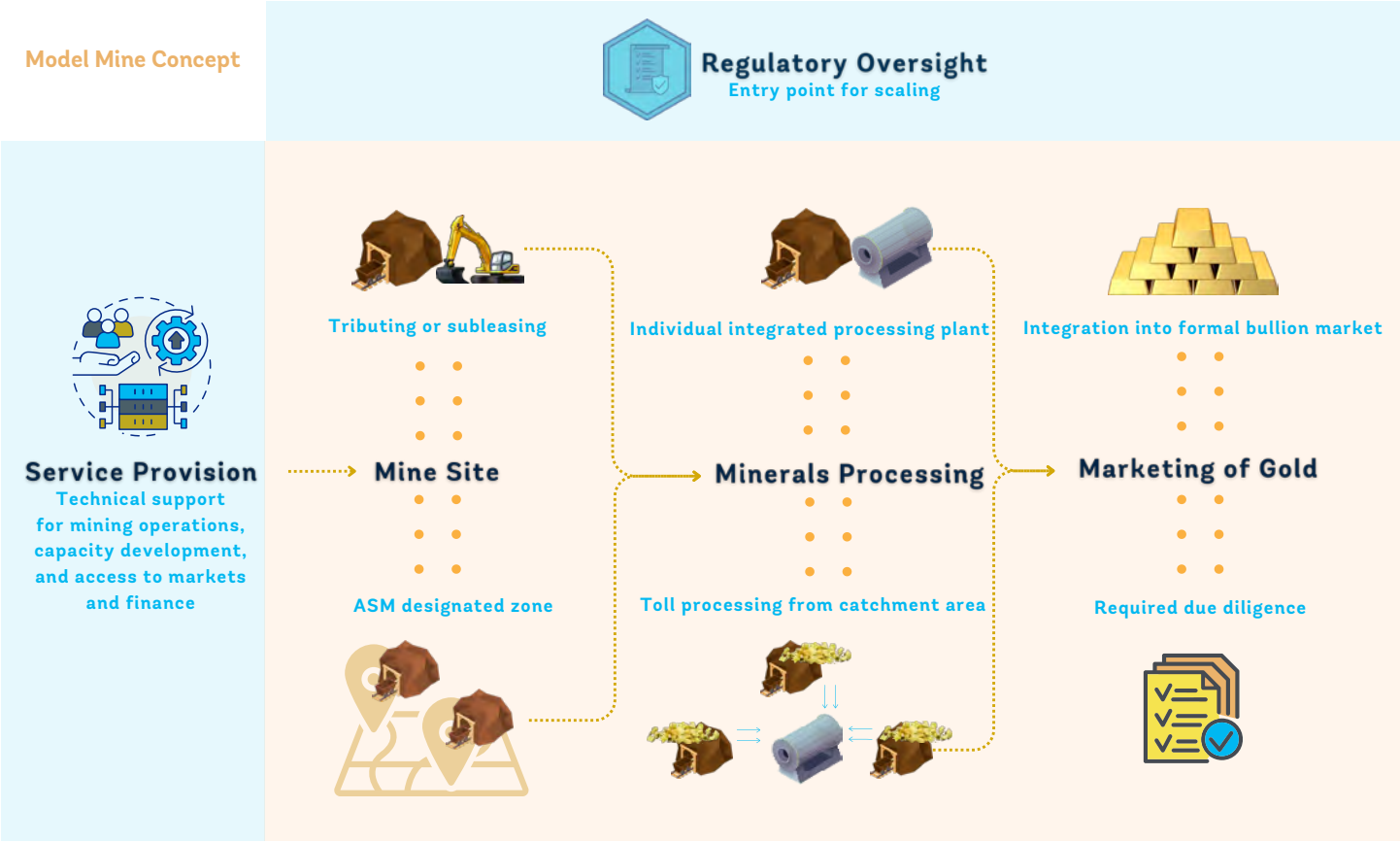
The Sahel MSPI will seek to mobilize financial and technical support to assist governments and small-scale mining entities in developing model small-scale gold mines (figure 17) in the Sahel and West African countries. The overall vision of the initiative is for small-scale gold-mining communities to contribute positively to national development by working together with governments and the private sector to legitimately mine export gold to the formal bullion market. This includes adhering to national legislation, reducing illicit financial flows, using techniques that are safer for the environment, and improving the livelihoods of miners and their communities.

The Sahel MSPI will focus on four main components:

- Establishing a national multi-stakeholder partnership to champion responsible small-scale gold mine development, led by the government, in formal partnership with small-scale mining entities and large-scale mining companies
- Developing small-scale model gold mines in collaboration with the government, small-scale mining entities, and large-scale mining operators, prioritizing producing “green gold” that meets standards for formalization, gender equality, mercury-free practices, renewable and clean energy use, water and environmental stewardship, and other climate-related priorities
- Creating a regional platform for sharing experiences and knowledge in ASM
- Implementing a robust monitoring and evaluation framework to capture lessons learned and build a replicable model for ASM development that can be scaled to countries in the Sahel and West Africa

The Sahel MSPI is making a 10-year commitment to the region with an envisioned two-phased approach. Phase 1 will pilot the national multi-stakeholder partnership and model mine development in a candidate country and establish the regional experience sharing platform. Phase 2 will seek to replicate the model mine in the pilot country and scale the initiative to other countries while solidifying sustainability of the regional experience sharing platform. Côte d'Ivoire is considered the candidate country for phase 1.

Figure 17 • Model Mine Concept



Source: Sahel Multi-Stakeholder Partnership Initiative.



# COMMUNICATIONS AND KNOWLEDGE DISSEMINATION

In fiscal year 2023 (fiscal 2023), EGPS made significant strides in disseminating knowledge, promoting discussion, and sharing updates, insights, and perspectives on projects and extractives-led development. This occurred through participation in public conferences and events, dissemination of information and publications, as well as continued web presence and social media engagement that engaged a broad array of stakeholders in the extractives sector.

Throughout the fiscal year, EGPS continued its external web presence to highlight examples of extractives development work. EGPS's digital web traffic maintained its growth from last year, reaching more than 12,000 page views with more than 4,000 unique visitors and a visit duration of approximately four minutes, demonstrating the website's usefulness to various stakeholders and key audiences.

The digital space is increasingly important in the dissemination of knowledge and discussion of extractives-led development. Although EGPS doesn't have its own social media platforms, it leveraged World Bank social media channels such as [@WBG\\_Energy](#) to engage in the digital conversation on extractives throughout the year, featuring EGPS events, launches, and success stories.

There were many activities throughout the year, including the following:

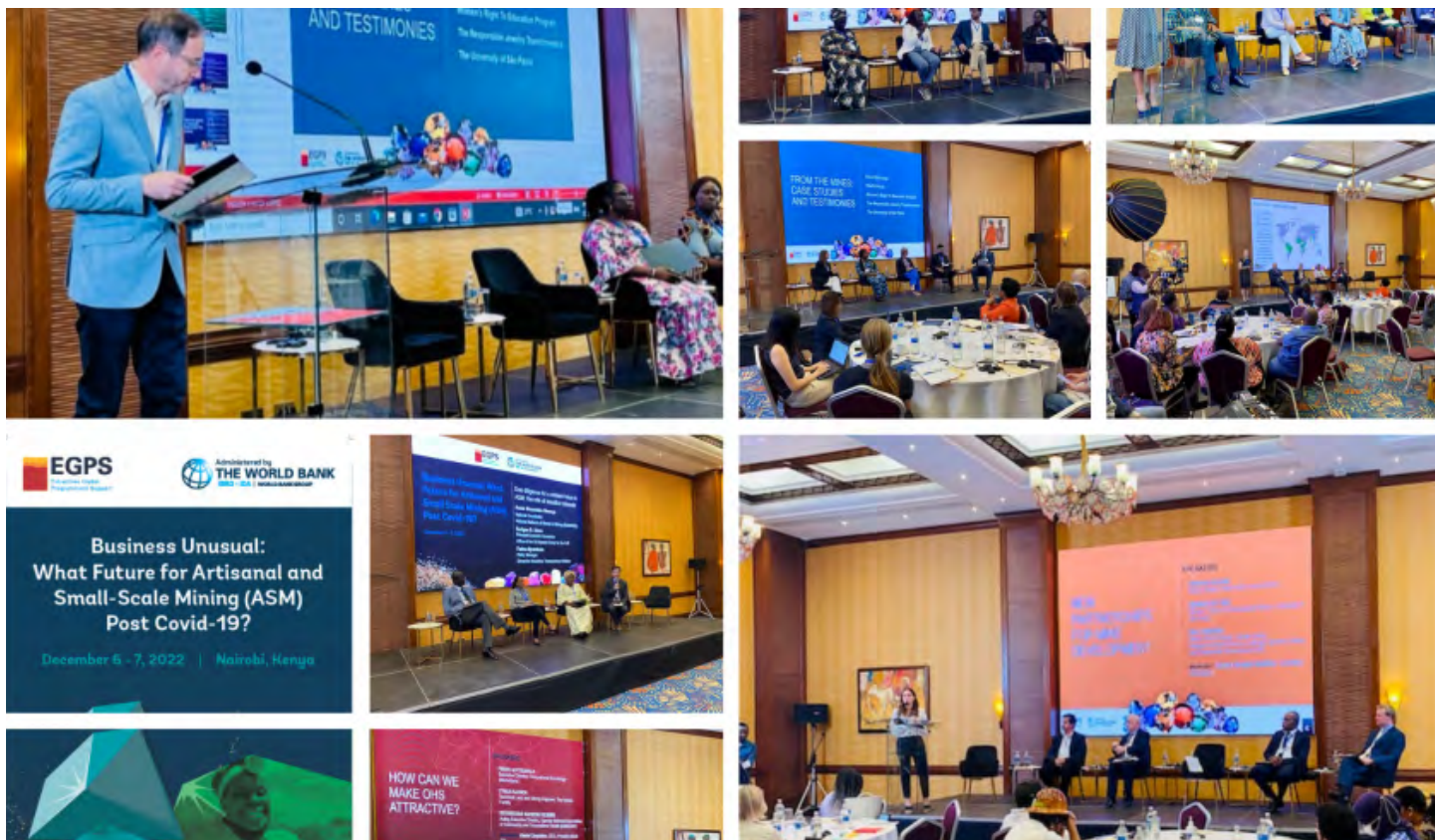
**World Bank podcast**—In an episode of the World Bank's *Development Podcast*, "[From Coal to Clean Energy: Protecting People Through the Transition](#)," World Bank experts Elizabeth Ruppert Bulmer, lead economist with the Social Protection and Jobs Global Practice, and Rachel Perks, senior mining specialist with the Energy and Extractives Global Practice, discussed how we can ensure people and communities are at the center of the transition away from coal and how phasing out coal can mean new opportunities for communities and jobs.

**27th Conference of the Parties of the UNFCCC (COP27)**—At COP27, EGPS cohosted the panel discussion "[Mobilizing Finance and Know-how for a People-Centered Just Transition](#)," which discussed the steps countries can take to prepare for a just transition away from coal, with insights from South Africa, India, and Poland. This event also presented the objectives of an upcoming initiative that will help countries phase down their coal dependency and navigate the social, political, and environmental challenges in shifting to cleaner alternatives.

**ASM "Business Unusual" conference in Nairobi, Kenya**—On December 6–7, 2022, EGPS organized a conference with more than 140 professionals and experts in artisanal and small-scale mining (ASM) from different parts of the world. The gathering reflected on the lessons learned from the EGPS [COVID-19 emergency response to ASM communities](#) and discussed ways to improve ASM practices. Throughout the two-day event, more than 50 speakers shared their experiences and engaged in discussions about various aspects of ASM, including health and occupational safety, supply chains, finance, sexual and gender-based violence, alternative sources of income, access to markets, access to land, and the development of partnerships. Click [here](#) for more information:



**Mining Indaba**—EGPS led the World Bank Group's participation in the 2023 Mining Indaba conference in Cape Town, South Africa. Mining Indaba is one of the world's largest annual conferences focusing on extractives and mining, and the largest such event for Africa. The World Bank Group participates in the conference to establish an open dialogue with various stakeholders and to make the



Participants engage at the “Business Unusual” conference in Nairobi, Kenya, December 2022. *Source: World Bank*

case for the adoption of sustainable mining practices and reduction of carbon emissions. Participation helps position EGPS to support resource-dependent developing countries in Africa to manage their natural resource wealth to support poverty reduction and boost inclusive, sustainable growth and development. The World Bank participated in several panel discussions, largely centered around the question of how Africa can fuel the energy transition and provide the minerals needed to address climate change while boosting its own development. Two other topics were mineral value addition for Africa and the Just Transition.

EGPS organized two public side events at Mining Indaba. “Leveraging High Demand for Minerals to Support Responsible Mining and Scale Up Development in Africa” highlighted the potential for Africa to leverage its resources in critical minerals and metals value chains in line with the mineral intensity required for a low-carbon economy as outlined in the Paris Agreement. Participants discussed the potential opportunities, enablers, success drivers, and innovative approaches that could inform updated stakeholder agendas with the objective to support Africa in realizing its prospects for mineral and metal development in the foreseeable future, contributing to economic diversification and ensuring self-sufficiency.

At the second side event, “ASM Formalization: Learning from the Past to Shape the Future,” EGPS presented preliminary findings from a research project for the World Bank’s ASM position paper that was launched in November 2022 to inform, structure, and communicate the areas for World Bank engagement mineral-rich countries where ASM is an important activity. The research project aimed to identify key considerations and strategies for engaging with ASM. By analyzing past experiences and lessons learned, the project sought to shape future approaches and interventions in ASM. The findings from this research project were shared during a highly interactive and participatory session, providing valuable insights into the challenges, opportunities, and potential solutions related to ASM formalization and engagement.

**67th session of the Commission on the Status of Women**—On the occasion of the 67th session of the Commission on the Status of Women, EGPS hosted a virtual event on March 15, 2023, titled “Leveraging Technology for Women Miners: How Digital Platforms Break Supply Chain Barriers.” It discussed how Virtu Gem—with funding from EGPS in response to the COVID-19 pandemic—leveraged innovative use of technology to build a gender-inclusive infrastructure and open markets directly from mining communities in Kenya, Malawi, and Zambia to jewelers internationally.

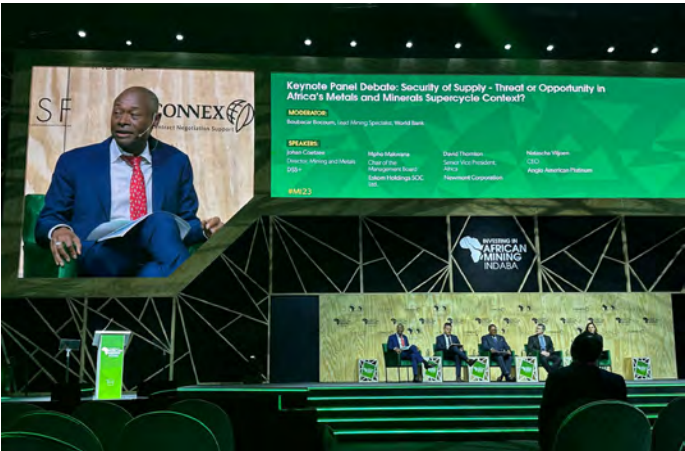


**Delve into ASM**—In fiscal 2023, EGPS’s Delve launched the Delve into ASM interview series, showcasing insights and perspectives of professionals and experts in the field of artisanal and small-scale mining. This series explored the realms of data, trends, and the future of the sector, featuring the voices of Felix Hruschka, founder and director of tbb.hru from Austria, and Urica Primus, knowledge exchange coordinator for the Caribbean at Delve Exchange.

**Meet the TTLs**—The Meet the TTL series continued to shed light on the progress and challenges of EGPS projects and to facilitate direct interaction between donors and implementing teams. Three successful webinars presented the EGPS projects “COVID-19 Emergency Response for ASM Communities,” “Delve Exchange II: The ASM Academy,” and “African Mining Legislation Atlas (AMLA).”



Participants at Mining Indaba. Source: World Bank



# RESULTS AND IMPACT

EGPS is committed to measuring the results and impact of our work. Results provide the necessary milestones to measure progress and hold the program accountable, while impact represents the enduring change that EGPS seeks to bring about in the extractives sector. By delivering meaningful results and fostering profound impact, EGPS contributes to the sustainable management of natural resources, the well-being of communities, and the global fight against climate change. In doing so, EGPS plays a pivotal role in shaping a more equitable and sustainable future for resource-rich countries and the world at large.

In fiscal year 2023, EGPS conducted a midterm review of EGPS-2 to assess the performance of the second phase of EGPS and inform future management and strategy from 2023 to 2026, providing recommendations for the strategic orientation and structure of the trust fund in a subsequent phase. It included deep dives into three key strategic areas: (a) alignment with the World Bank and donors' priorities and the Paris Agreement; (b) support to the Extractive Industries Transparency Initiative (EITI); and (c) mainstreaming gender equality in extractive industries.

The review concluded that EGPS-2 has been highly relevant for resource-rich developing countries but only moderately effective

in achieving progress toward its Results Framework for three main reasons: (a) a work program that contains too many small grants with short time frames; (b) country activities that are constrained by the requirements of World Bank rules and trust funds' administrative procedures, and tighter safeguard procedures for grants, namely the Environmental and Social Framework (ESF) adopted in October 2018; and (c) long lead times from the submission of a proposal to first disbursement.

The review recommended reorganizing EGPS's work plan to handle big multiyear programmatic funding activities at the regional (clusters) and country levels, aligned with the Paris Agreement and capable to respond to shifting countries' demands. It also recommended to introduce programmatic analytic work for core global knowledge activities to be delivered in partnership with relevant centers of excellence (academia, think tanks, and so on) and that results of technical assistance and capacity development be better tracked to demonstrate how they are informing the design of the lending activities to ensure the impact and sustainability of the program.

Adaptive management is a cornerstone of the EGPS program and the remainder of EGPS-2 and subsequent phases of EGPS are being designed to address these and other recommendations.



