

APPENDIX A | COMPLETED, NEW, AND ONGOING ACTIVITIES, FY2022

All World Bank projects, whether financed by a loan, credit, or grant made by the World Bank from its own resources or trust funds funded by donors, are referenced by a project identification number (project ID), and identified with the letter *P*, followed by a unique number (*P#*). The project ID (numeric code) is used to generate the coding structure for recording costs and commitments for corporate reporting and is generated when projects are approved through the World Bank's systems. A project ID may be associated with more than one loan, credit, or grant.

Financing/funds for the proposals approved by the Partnership Council from the EGPS Program are provided as "grants" (without repayment obligations). Each grant is linked to a project ID; in some cases, more than one grant is linked to the same project, depending on the overall development objective and activities.

A grant provided to an external recipient is termed a recipient-executed grant (RETF) and a grant made available to the World Bank for implementation of specific project activities is a Bank-executed grant (BETF). A country-specific grant finances activity in one country; a global grant finances activity in more than one country or in more than one region.

EGPS grants supported successful validation, with 7 EGPS-financed EITI countries rated "satisfactory" or "meaningful moderate progress" against the 2019 EITI Standard.

Note*: In the description provided for each grant below, for some the status indicate as "on-going" while the "Closing Date" is a date in the past. Kindly refer to the explanation provided below. Such grants have been marked with an Asterix.

The closing date of a grant is the date by when all services and activities chargeable to the trust fund must be completed. All related commitments (e.g., purchase orders or contracts) cannot be initiated or go beyond the closing date, and services (e.g., consultancy services) must be delivered prior to the closing date. The end-disbursement date of a grant, which falls after its closing date, is the date after which no disbursements nor accounting entries can be posted to the trust fund. There is a grace period immediately after the closing date of the grant fund and before its end-disbursement date to allow for the billing and payment of eligible expenditures incurred prior to the closing date.

The end-disbursement date of the grant cannot go beyond the end-disbursement date of the EGPS Trustee.

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Mongolia: Strengthening Transparency of the Extractives Industries Through EITI Implementation

Project ID: P176874

Total Budget: \$500,000

EGPS Grant #:	Effective	Closing	Status
TF0B8169	May 2022	December 2023	Ongoing

Context

Mining dominates the Mongolian economy, accounting for some 80 percent of exports and contributing a quarter of the gross domestic product (GDP), yet only a small portion of the country’s abundant known mineral resources has been commercially developed and only limited value added takes place within Mongolia. In July 2020, the newly elected government reaffirmed its commitment to bring into production more of Mongolia’s mineral deposits and to process minerals locally instead of exporting them. Its objectives are to boost government revenues, retain more value in the country, and create conditions for more diversified economic growth in the future. This has implications for revenue collection transparency, governance, and stakeholder engagement.

The project development objective is to support achieve transparent systematic reporting to strengthen public accountability for the management of Mongolia’s mineral wealth.

Approach

The project will provide a grant to finance the implementation of selected activities in the Mongolia Extractive Industries Transparency Initiative (EITI) work plans for 2022 and 2023 that are most closely linked to addressing corrective actions needed for compliance with the 2019 EITI Standard and the wider goals of mainstreaming systematic disclosures through country systems. The project is defined by two components: (1) strengthening participation and collaboration among EITI stakeholders, and (2) preparing for EITI mainstreaming. Component 1 includes actives on stakeholder engagement and outreach at the subnational level, supporting the outreach during validation and improving the gender balance within Mongolia EITI oversight and decision-making.

Component 2 focuses on activities that will lead Mongolia EITI toward mainstreaming, including improving data quality, facilitating access to mining sector contracts, and enhancing information technology (IT) systems.

Implementation Challenges

Extensive requirements for project preparation caused delays of three months. This will require the Project Implementation Unit (PIU) to implement the activities within a shorter time frame.

Results

Because the project has been effective for only a few months, no results are available yet. The expected results of World Bank support will be meeting the 2019 EITI Standard and achieving the following: mainstreamed public disclosures using country systems; beneficial ownership disclosures; greater community-level voice in the management of mineral wealth; improved investment climate, better access to capital, and reduced compliance costs for mining companies; stronger performance of regulators and operators, especially in managing environmental and social impacts; and improved license/contract transparency and improved subnational revenue management. Successful Mongolia EITI implementation in 2022 and 2023 would also reduce reliance on external financial support in subsequent years.

Ghana: Landscape Restoration and Small-Scale Mining Project—EITI Support

Project ID: P171933

Total Budget: \$600,000

EGPS Grant #:	Effective	Closing	Status
TFOB5977	February 2022	December 2023	Ongoing

Context

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. 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 (ASM) accounts for a third. Undeclared ASM gold production is estimated to be of the same magnitude. Moreover, the entire diamond production in Ghana is derived from ASM. 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 ASM industry in Ghana comprises both a formalized segment of licensed operators and an informal segment of miners working without required permits. The ASM subsector includes about 1,000 registered small operations. Informal operations (colloquially called *galamsey*) are estimated to account for an even higher number of businesses and workers. ASM 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, predominantly in the most vulnerable rural communities.

The overarching project development objective is to strengthen integrated natural resource management and increase benefits to communities in targeted savanna and cocoa forest landscapes.

Approach

The Extractives Global Programmatic Support (EGPS) grant is part of a \$103 million landscape restoration and small-scale mining project. The intention of the cross-cutting project design is to collectively address the challenges in agricultural productivity, forest landscape management, and small-scale mining in the interest of sustainable and inclusive development of scarce natural resources.

... part of a \$103 million landscape restoration and small-scale mining project.

Specifically, the EGPS grant will support core areas of national EITI implementation, with a particular emphasis on the inclusion of ASM under Ghana EITI to advance sector formalization and accountability. Activities will finance stakeholder consultations and awareness raising on mainstreaming ASM into the EITI reporting framework as well as the development of ASM sector assessments and guidelines as part of EITI reporting. Activities will also support IT system upgrades to address vulnerabilities in ASM revenue collection, enhance fiscal compliance, and strengthen community platforms for dialogue about ASM in project communities.

Implementation Challenges

The initial grant preparation benefited from the consolidated project design that allowed one single review and approval process. Notwithstanding, grant effectiveness was delayed by five months because of the need for parliamentary approval for the entire project budget of \$103 million. Subsequent execution of project activities has been complicated by a very ambitious work plan proposed by the EITI Secretariat consisting of 10 discrete project activities with separate terms of reference and implementation plans. After review and merger of activities, six consolidated terms of reference have been finalized.

Results

The project became effective in March 2022. A consultant was recruited to produce the EITI report. Consultant selection for ASM mapping and reporting is scheduled for December 2022. This project is expected to support core areas of national EITI implementation, with a particular emphasis on the inclusion of ASM under Ghana EITI to advance sector formalization and accountability. The team has drafted the terms of reference for EITI reporting, artisanal and small-scale mining stakeholder mapping and reporting templates, communication strategy, assessment of illicit financial flows, and development of web-based reporting tools.

Mali: Strengthening Transparency in Mali Mining Sector and Supporting Women Mining Entrepreneurs

Project ID: P177621

Total Budget: \$350,000

EGPS Grant #:	Effective	Closing	Status
TF0B6609	September 2021	December 2022	Ongoing

Context

The mining sector is a significant segment of the economy in Mali and an essential source of foreign direct investment (FDI)-led growth and a source of livelihood in rural areas. In the past two decades, the sector's growth has positioned Mali to be the third-largest gold producer in Africa and 11th in the world. Mining production (primarily gold) has more than doubled in the past 10 years to an average of 50 metric tons per year. The World Bank has supported the Malian government's mining sector reform along several axes, reinforcing the country's attractiveness to the sector's investors. These reforms have contributed to an apparent increase in mining sector investment and improved related economic indicators. The World Bank supports Mali's mining sector through technical assistance in the areas related to mining legislation and regulations, mining fiscal regime, environmental policies, regulations and their enforcement, and strengthening institutional capacity.

Nevertheless, transparency and accountability in the mining sector remain a real challenge, and there is a widespread public perception of the mining sector as corrupt. This grant responds to government demand to strengthen the administrative capacities in the areas of licensing/cadastre, mining asset valuation and finance, links between mining financing (mining modeling) and technical operations (and revenues), and mining law, taxation, and corporate governance. Furthermore, this grant complements two other ongoing World Bank projects: Mali Deployment of State Resources for Better Service Delivery (P164561) and Mali Governance of Mining Sector (P164242).

The project development objective is to launch a knowledge-based mining governance exchange platform for civil society organizations (CSOs) and strengthen the administrative capacities of the Ministry of Mines and Ministry of Economy and Finance in the areas of licensing/cadastre, mining law, taxation, and corporate governance.

... launch a knowledge-based mining governance exchange platform for civil society organizations ...

Approach

Under this grant, the project team is conducting a range of studies and capacity-building activities. For example, the grant is financing a census study of CSOs operating in the extractives sector following the requirements of the EITI in order to provide an exhaustive database of such organizations. There are capacity-building training sessions on the EITI framework and best practices for mining governance. The capacity building targets civil society, and outreach events will empower civil society to advocate for transparency through EITI implementation. To ensure results dissemination, the project team will communicate with key stakeholders via the media, website, and letters to key ministry staff to keep them abreast of relevant activities.

Implementation Challenges

Since 2020, Mali has faced some political and social turbulences, which led the World Bank to suspend its disbursement and to conduct two OP7.30 assessments. This delayed implementation of the activities and the dialogue with the national authorities.

Results

Following the various delays related to the context mentioned above, activities finally resumed in the second quarter of 2022. The main achievements are as follows:

- **Census and capacity building of CSOs intervening in the mining sector:** Following a national communication campaign, 43 CSOs were identified as intervening in the mining sector (including 11 CSOs in the field of the promotion of mining transparency) and an assessment of the technical and human capacities of these organizations has been done. Thus, a training program for CSOs working in the promotion of transparency in the sector will be organized, in particular on technique for collecting and analyzing data. Also, the level of representation of women in the management bodies of CSOs has been assessed and a support program has begun to increase the level of involvement of women in these CSOs.
- **Government capacity-building activities:** A trainer was recruited and training content was developed for the benefit of 24 senior managers involved in the management of mining contracts and representing the state on the boards of directors of mining companies. The training centers on three themes: (1) legal risks of ASM activities, (2) legal management of mining contracts, and (3) role of the administrator/director representing the state on mining company boards of directors. The face-to-face trainings are scheduled to take place in November/December 2022.

Indonesia: EITI Transition and Mainstreaming Support Project

Project ID: P175864

Total Budget: \$600,000

EGPS Grant #:	Effective	Closing	Status
TFOB6149	July 2021	June 2023	Ongoing

Context

The Indonesia EITI Transition and Mainstreaming Support Project was approved on June 24, 2021, and became effective on July 28, 2021. The total grant of \$600,000 is financed from the Extractives Global Programmatic Support Multi-Donor Trust Fund (EGPS MDTF) under its Revenue Transparency Component to support EITI implementation at the country level and mainstreaming of the transparency agenda by integrating EITI reporting in government information systems (systematic disclosure) and making available timely and relevant data for decision-making processes, such as for budget preparation.

The project development objective is to support the government of Indonesia to transition toward an effective and sustainable extractive industries transparency mechanism and improve availability and utilization of extractive sector information to promote inclusive policy dialogue. Indonesia has been an EITI implementing country for the past 10 years and successfully achieved meaningful progress status when it was validated in 2019. The government had been fully financing its EITI operation from its own budget since 2018, but the Presidential Regulation on COVID-19 Response and National Economic Recovery (*Perpres* No. 82/2020) issued in July 2020 transferred the responsibility for coordinating EITI implementation to the Ministry of Energy and Mineral Resources (MEMR) and the Ministry of Finance in their respective functions on extractives sector governance and state revenue management.

As mandated by *Perpres* No. 82/2020, the MEMR has taken on the leadership role for EITI Indonesia and reestablished the National Secretariat under its Secretary General. This also marks an opportunity for Indonesia to refresh its approach to EITI implementation, through reflecting upon the implementation experience and lessons learned to date, and to align it with the national reform priorities going forward. The intention of *Perpres* No. 82/2020 is also to “mainstream” or institutionalize the EITI into the key responsible ministries (MEMR and the Ministry of Finance); this broadly aligns with the direction of the EITI globally to move toward mainstreaming or systematic disclosures, which is a new requirement under the 2019 EITI Standard. The MEMR recognizes the importance of transparency and intends to align the EITI disclosure mandate with its ongoing whole-of-ministry initiative of ESDM Data Enterprise (EDE),

which seeks to consolidate data governance and management across the ministry and improve data quality.

The project supports the transition process to renew the EITI in Indonesia to create greater impact for extractives sector governance reform and to ensure greater sustainability of transparency and accountability mechanisms through mainstreaming disclosures into government processes and systems.

Approach

The project comprises two components and associated activities:

- **Strengthening participation and collaboration among EITI stakeholders.** This component focuses on the reestablishment of EITI coordination under the MEMR, promoting policy dialogue through public outreach events and activities to engage stakeholders in using information disclosed through the EITI process, and addressing the recommendations of 2019 EITI validation.
- **EITI mainstreaming implementation.** This component supports the MEMR to implement the EITI mainstreaming requirements to shift toward systematic disclosures through government and corporate reporting systems in the day-to-day business process of extractive governance and management. The project also supports the MEMR with acquiring the knowledge, skills, and capacity to gradually implement EITI mainstreaming.

Implementation Challenges

The project encountered some implementation delays in the first year, mainly in initiating procurement processes owing to refinement and finalization of the consulting services scope, but project implementation is expected to further accelerate in the second year. The procurement of two key technical assistance consulting services are to be completed shortly, to support (a) the design and implementation of the EITI Indonesia Communications and Stakeholder Engagement Strategy (contract awarded in August 2022), and (b) the implementation of EITI mainstreaming and the development of the Extractives Data Portal (expected in October 2022).

The MEMR, the key responsible ministry, has identified technical challenges to mainstreaming, and solutions are planned as more information are gathered from the technical discussions with data providers across the ministries and agencies regarding how the relevant extractives data are managed by the government. However, challenges remain. The various levels of awareness of the EITI among the stakeholders require intensive communication and coordination. Some significant administrative and legal barriers to disclosure require targeted interventions, such as tax revenue data and contracts.

In response, the midterm review also discussed and agreed on priority actions for the second year, which included (a) initiating preparations for the upcoming validation, and

(b) focused interventions on disclosure requirements with persistent obstacles such as tax data and contracts, especially through strengthening the role and involvement of the Ministry of Finance. In addition, sustainability of financing for EITI operations beyond the project requires action by the MEMR to ensure full government funding will be allocated for FY2024.

Results

The project's midterm review in August 2022 demonstrates significant progress was made in the first year of implementation toward achievement of the project development objective and results. Below are some notable achievements and progress in supporting the EITI Indonesia transition as well as mainstreaming.

- The MEMR has formally reestablished the MSG forum and the EITI National Secretariat through ministerial regulations.
- Stakeholder engagement events, including dissemination of the eighth and ninth EITI reports, covering FY2018 and FY2019–2020, have reached an increasingly wider audience. Notably, the last EITI report, published in 2021, covered two financial years, thereby reducing the reporting time lag.
- The MSG approved the EITI Mainstreaming Roadmap in November 2021 and submitted the application for partial mainstreaming to the EITI Board in May 2022.
- Technical readiness for mainstreaming has been enhanced in the MEMR (DG Oil & Gas and DG Minerals and Coal), as well as external data providers in the Ministry of Finance, SKK Migas, BPS, and others.

*Stakeholder engagement events ...
... have reached an increasingly wider audience.*

Indonesia: Citizen Monitoring for Transparency and Accountability of Licensing and Revenue Management in the Mining Sector

Project ID: P163797

Total Budget: \$475,000

EGPS Grant #:	Effective	Closing	Status
TF0B3137	November 2020	March 2022	Ongoing

Context

Decentralization of the mineral licensing process was intended to empower citizens to hold their local government accountable for how mineral resources are managed and how revenues are used. Bringing decision-making on mineral resource exploitation closer to communities was a measure adopted to ensure that mining policies reflect local needs and priorities. However, in practice, citizens—and government authorities at the subnational level to some extent—face numerous constraints that limit their ability to effectively promote and manage mineral resources. Mechanisms for ensuring public oversight and accountability in the mining sector remain underdeveloped relative to other sectors. A weak governance system is prone to create productive and allocative inefficiencies, negative externalities on surrounding communities, and opportunities for rent-seeking and tax avoidance.

The project development objective is to contribute to improving the management and governance in the mining sector at the subnational level in select provinces in Indonesia through collaborative social accountability mechanisms.

Approach

The proposed operation will take a problem-driven approach to address key governance challenges in the mining sector at the subnational level. The project will be measured by (a) the percentage of problems in the licensing systems identified and followed up through the project's multi-stakeholder group forums (MSG), and (b) the percentage of problems in revenue management identified and followed up through the project's MSG forums.

Results

To date, the project has achieved the following according to its work plan:

With the support of national and local partners as well as an independent evaluator, the implementing partner succeeded in delivering (a) three scoping studies to pinpoint licensing issues in three select provinces (Aceh, East Kalimantan, and Southeast Sulawesi), (b) one stakeholder scorecard exercise for problem identification in revenue management, (c) four MSG forums (three in licensing issues and one in revenue

management), (d) an audit report by an independent evaluator, and, (e) administrative reports. Stakeholders included government representatives (national and subnational levels), mining impacted communities, CSOs, and private actors. Women and men were also represented in all discussion forums.

At the end of the project, 50 percent of issues in licensing (6 out of 12; end target was achieved) and 44 percent (4 out of 9; end target was not fully achieved) of those in revenue management have been followed up. In addition to these quantitative measures, the project contributes to the improvement of Indonesia's mining sector governance through qualitative measures: (a) Increased communities' understanding on licensing issuance and revenue management and their aspirations for behavioral changes in government and the private sector toward more transparent and accountable conditions in both topics; and (b) government and private actors' interest to sustain their commitment for improving governance in one or both issues, both at the national (for example, revocation of mismanaged mining business licenses by President Joko Widodo) and subnational levels (for example, the Southeast Sulawesi Subdistrict Office developed its Village Regulations on Mining Sector Revenue and Social Protection based on the materials drawn from the training on budget structure and revenue management; the implementing partner signed a memorandum of understanding with the head of the Nagan Raya Regency to establish a team to strengthen data transparency licensing, CSR, and mining budget, as well as to develop a reporting system that can be directly responded by the regional government).

In consultation with the World Bank's country external communications team, the project also managed to disseminate study findings through social media (six posts: 1. ["Urgency of Citizen's Participatory in the Development of Policy and Budget Plan"](#); 2. ["Mechanism and Accountability of Village Fund Management"](#); 3. ["Portrait of State Revenue and Revenue Sharing Fund"](#); 4. ["Natural Resources Revenue Sharing Fund"](#); 5. ["Introducing Mining Licensing"](#); 6. ["How Is the Process of Mining License Issuance"](#)), the internet (3 articles: 1. ["Dynamics of Mining Governance from the Grassroots"](#); 2. ["Sungai Payang Residents: The Difficulties to Meet Mining Company Representative"](#); 3. ["Meet the Mining Affected Communities in Nagan Raya"](#)), and a documentary film.

... 50 percent of issues in licensing ... and 44 percent ... in revenue management have been followed up.

Kyrgyz Republic: Enhancing Transparency in the Governance of Extractives

Project ID: P175829

Total Budget: \$300,000

EGPS Grant #:	Effective	Closing	Status
TF0B4680	December 2020	August 2022	Ongoing*

Context

The Kyrgyz Republic extractives sector accounts for almost 10 percent of the country's GDP, over half of its industrial output, and nearly 40 percent of its export earnings (KEITI Report 2015–2017). Nearly 10 percent of the formal workforce is engaged in the mining and hydrocarbon sectors. The Kumtor gold mine alone contributed 9.7 percent of GDP (2017), but it is mature and likely to close as soon as 2026. Therefore, the government wishes to mobilize investment in new mines and has begun to identify key reforms that will result in not only new investment but also stronger performance by operators and regulators so that the public enjoys the full benefits of mining sector development. Reforms include the Kyrgyzstan Extractive Industries Transparency Initiative (KEITI), which was launched in 2014. KEITI was established under the State Committee for Industry, Energy and Subsoil Use (SCIESU), which is responsible for collecting extractive industries data for disclosure in accordance with the 2018 Subsoil Law.

KEITI implementation has been impeded by insufficient funding from the state budget and external sources. This has been a function of limited fiscal space and political instability, exacerbated in 2021 by COVID-19–related economic impacts and restrictions. KEITI nonetheless underwent the second validation, beginning in late 2019, which resulted in the EITI International Board lifting the Kyrgyz Republic from suspension on September 29, 2021, because of meaningful progress in implementing the 2016 EITI Standard. KEITI will have 18 months to take corrective actions before undertaking the third validation to achieve full compliance (satisfactory progress). SCIESU requested World Bank support to achieve full KEITI compliance at the next validation implementation.

The project development objective is to provide financial sustainability to underpin implementation of the KEITI work plan in accordance with the 2019 EITI Standard.

Approach

The grant finances the sharing of international best practices, generating expert policy analysis, and fostering 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; effective regulation to high operational and environmental, social, and governance standards; and suitable benefit-sharing arrangements at both the national and subnational levels. KEITI consultations at the subnational level will ensure increased female participation. To contribute to the policy dialogue across these issues, the grant will finance a Mining Sector Diagnostic (MSD). There will be a special focus on activities that contribute to the country's compliance with the EITI.

Implementation Challenges

The Kyrgyz Republic has experienced several major changes over the past few years that have affected the implementation pace: a new president was elected in January 2021; a constitutional referendum was held in April 2021; and the government was restructured in May 2021. The country has faced political instability since October 2021.

In addition, the January 2021 presidential decree calling for a mining code (to replace the Subsoil Law, which is not mining specific) included a directive not to allow foreign investment in the future development of nationally significant mines. The government took control of the largest gold mine in May 2021 after alleging that Centerra Gold Inc. failed to comply with local environmental laws. In June 2022, the requirement for 30 percent state equity in gold and silver mining projects was included in the Subsoil Law.

Results

The project team focused on research and analysis, promoting stakeholder dialogue, and partnering with civil society and businesses. The team consulted with civil society and businesses through the MSD workshops and designed assignments to address their demands. The first direct meeting with the government happened in August 2021.

... promoting stakeholder dialogue, and partnering with civil society and businesses.

In FY2022, the project team drafted the MSD report for the Kyrgyz Republic; the report is being peer reviewed and should be finalized by November 2022. Assignments covering four out of six areas of engagement (1. licensing activity, 2. SOE operations and financing, 3. sub-national revenue transfers, 4. capacity-building for the civil society groups and communities) and the EITI mainstreaming were completed by the consultants.

Nigeria: NEITI Reporting Compliance

Project ID: P162344

Total Budget: \$285,000

EGPS Grant #:	Effective	Closing	Status
TFOA6634	May 2018	April 2022	Ongoing*

Context

Nigeria is Africa's largest oil exporter and has the largest natural gas reserves on the continent, yet almost 83 million people—or 40 percent of its population—lived below the poverty line in 2019, according to the National Bureau of Statistics. For decades, Nigeria's oil sector had been opaque and synonymous with corruption. The government's concern about the revenue flows through the sector led Nigeria to become one of the first oil-producing developing countries to engage with the EITI, and the government passed the Nigeria EITI Act in 2007, thereby creating a law devoted to improving transparency, accountability, and good governance through EITI implementation.

For many years, Nigeria EITI (NEITI) was the only source of disaggregated information about revenue flows through the oil and gas sector, and the information provided was invaluable to government institutions and civil society alike. However, report publication had been delayed by years, in part because NEITI was single-handedly responsible for publication of all and any data on the federation's revenues from upstream oil and gas production.

At the beginning of this grant support, NEITI had not published oil and gas industry reports within the reporting period required by the EITI (two years), and this was flagged in the first validation process. Substantial delays in publication also compromised NEITI's effectiveness and impact on the policy dialogue and debate.

The objective of this activity was to assist Nigeria in meeting the EITI requirement for data timeliness so that information can be shared with the public in a timelier manner and inform government policy making.

Approach

To achieve the objective, the project had one component, which was to meet EITI requirement 4.8 on the need for annual publication to cover data that are no older than the second-to-last complete accounting period (for example, information pertaining to 2018 should be published no later than by December 31, 2020).

With the funding provided, NEITI was able to hire and work with a firm acting as the independent administrator and undertake work needed to move to e-reporting. NEITI also engaged with other stakeholders to encourage them to publish information about the oil and gas sector.

Implementation Challenges

The federal government of Nigeria is to be commended for providing adequate budgetary support to NEITI. However, a continuing challenge is the timing of the release of the budget every year. It needs to be released immediately at the beginning of each fiscal year to enable NEITI to sign contracts with independent administrators to start the process of preparing the annual reports for both oil and gas and mining. When the National Assembly does not conclude the budget process until several months into the fiscal year, or when budgetary transfers are substantially delayed for any other reason, there is a risk of annual report publication falling behind schedule. The automation of data collection carried out under this activity should help in the future, but not everything can be automated. Since the main problem is not a lack of the government's budgetary support but the timing of that support, the long-term solution would be to provide NEITI with more than enough in one year to build reserves with tight rules about how and when money can be withdrawn and use such reserves for the type of bridging finance this grant had provided.

Results

By the end of this grant agreement, NEITI managed to publish the 2020 oil and gas industry report in just slightly over 14 months after the reporting period, outperforming the original target of 18 months. Such timeliness makes NEITI reports more relevant and impactful. NEITI also launched the NEITI Audit Management System in March 2022, which is an automated data platform on which reporting entities upload data. To ensure information is available as widely as possible, NEITI established a portal on beneficial ownership on its external website.

The World Bank has supported NEITI since 2005 and this grant marks the end of the long-term engagement. The grant has contributed to shortening the reporting cycle and making much more information publicly available.

The project exceeded expectations by delivering more than just the intended outcomes. During the implementation period, NEITI engaged Nigeria's national oil company, the Nigerian National Petroleum Corporation (NNPC), and other stakeholders to raise awareness and build a national consensus on the importance of transparency and disclosure. On account of increasing transparency, today NEITI is no longer the only institution collecting and publishing disaggregated data; the NNPC is also playing a pivotal role.

Partly as a result of years of engagement between NEITI and the NNPC, the NNPC in 2020 published, for the first time in its corporate history, independently audited financial statements of 20 of its subsidiaries and operating units for 2018. A mere four months later, the NNPC published the 2019 financial statements of 23 of its subsidiaries

and operating units. In 2021, the NNPC published the 2020 financial statements of the same 23 entities. This is a monumentally positive change that has significantly increased transparency in the oil and gas sector.

The NNPC also launched a new data series titled "EITI Support (Open Data)" in 2020, available on its website, where it publishes regularly updated data in Excel files covering oil production, oil lifting, gas production, gas-use breakdown (power generation, industrial use, petrochemicals, exported, flared, re-injected, natural gas liquid extraction, and so on), and gasoline imports—many of them containing data sets that are submitted to NEITI for NEITI's annual oil and gas industry reports. In 2021, the NNPC also began publishing on its external website the data it provides to the Federation Account Allocation Committee, again containing many items of information that NEITI collects for its annual oil and gas industry reports. These publications by the NNPC have greatly enhanced the degree of transparency in the upstream oil and gas sector in Nigeria. The eventual goal is to make real-time data and reporting about Nigeria's extractives sector available to policy makers and citizens.

Over the years, the World Bank and NEITI have been mutually enriched by the interactions, both technical and policy oriented. It takes a long time to improve governance, but NEITI's work has shown that it is possible to make significant progress with perseverance. Compared with a decade ago, the upstream oil and gas sector in Nigeria is much more transparent today, and the focus on the timeliness of disclosure of relevant data has spurred many activities to enable the current state.

Open advocacy coupled with quiet diplomacy behind closed doors, getting information out and trusting the public to digest and act upon it, and working with partners inside and outside the country have all contributed to the current improved state of governance. To keep up the momentum, both vigilance and timely budget execution by the federal government are important. NEITI will need to maintain and strengthen the technical skills of the staff and keep refining and expanding the scope of the NEITI Audit Management System so that one day it will be possible to dispense with annual report publication, with almost all data electronically published in real time by NEITI and other stakeholders.

Nigeria: Oil Revenue Model

Project ID: P175125

Total Budget: \$300,000

EGPS Grant #:	Effective	Closing	Status
TFOB8189	March 2022	July 2023	Ongoing

Context

A substantial portion of the upstream oil and gas revenue flow in Nigeria is captured first by its national oil company, Nigerian National Petroleum Corporation (NNPC), and has been opaque for decades. While the EITI traces payments made and received, deductions made at the source by the NNPC—amounting to billions of dollars a year—have been captured only partially, if at all. About two-thirds of the total oil and gas revenues go through the NNPC through two channels. The first is the federation’s equity oil and gas, which belongs entirely to the federation. The second is taxes, royalties, and the federation’s share of profit oil, all of which are paid in kind as stipulated in the production sharing contracts. In both cases, oil and gas generating cash revenues are first received by the NNPC.

The World Bank has set up a bottom-up model that estimates the government take in upstream oil and gas. The model uses a proprietary database to estimate costs in each license area and applies ring-fencing rules—by company for taxes in all licensed activities other than those in production sharing contracts, in which ring-fencing is by contract—to estimate the total revenue due to the federation. Application of ring-fencing rules vastly complicates calculations. No other model in Nigeria applies the ring-fencing rules to compute the federation’s revenues. Further, until recently, the federation’s share of profit oil had not been reported anywhere because it was lumped together with revenue streams in joint venture operations under the category of “exports”—even in EITI reports. The World Bank’s model delivered the first estimation of the federation’s share of profit oil.

On August 16, 2021, President Buhari signed the Petroleum Industry Act (PIA) after more than two decades of deliberation and drafting of successive bills by parliamentary and executive committees. The PIA overhauled the upstream fiscal regime and increased the investor take at the expense of the government take with the exception of gas fiscal terms. The PIA made the ring-fencing rules more complicated, adding to calculation challenges. While upstream operators can select to be grandfathered, many will likely choose conversion to the new fiscal terms starting in the second quarter of calendar year 2022. Assuming not everyone will choose to convert, it is possible that two distinct fiscal regimes, one new and the other old, will apply in the coming few

years. The new fiscal regime is sufficiently different from the old one to require a new model to be set up and run concurrently with the model that has been developed.

The importance of having a detailed petroleum revenue model is underscored by one worrying aspect of the PIA, whereby the NNPC will continue to act as a fiscal agent. The new upstream regulator is authorized to ask the NNPC to collect royalty oil (viz., royalties to be paid in kind) without having to consult the finance ministry, the petroleum ministry, or any other government authority. This raises the specter of continuing deductions at the source without clear accountability and makes it as important as ever to have a good estimation of each revenue flow. The finance ministry plans to address some of the problems associated with deductions or retention of oil and gas revenues at the source through the annual Finance Acts. A good understanding of the revenue flows from which these deductions are made is essential to be able to draft sensible legal provisions in the Finance Acts.

In 2020, the NNPC for the first time in its corporate history began publishing detailed financial statements as well as monthly information on revenue flows through its corporate unit National Petroleum Investment Management Services. These disclosures have significantly enhanced the ability to examine the deductions using the oil revenue model. This activity will develop a bottom-up oil revenue model to capture the new fiscal terms in the PIA. The activity will also provide modeling training courses to select government officials who have demonstrated the requisite modeling skills, so they can use and maintain the model.

The project development objective is to provide analytical and advisory support to improve the quality of fiscal policy (domestic revenue mobilization and expenditures), debt policy, and management at the federal and subnational levels of Nigerian government.

Approach

This activity will trace financial flows through the Nigerian National Petroleum Corporation from oil and gas production to the federation account and examine the magnitude and nature of deductions to identify potential net increases in government revenues. The latter can be increased by fully accounting for all oil and gas produced and reducing inefficient or ineligible expenditures that decrease the transfers to the federation account. Among the deductions are reimbursement for gasoline subsidies, which the government has announced that it will remove. This activity will offer technical support to the government to implement the announced subsidy reform policy. This activity will also provide comments on the draft petroleum industry bills, drawing lessons from international experience as well as analysis of the past experience to see what would be suitable or practical in the Nigerian context so that the government can take informed decisions in finalizing the bills.

... trace financial flows through the Nigerian National Petroleum Corporation ...

Results

The project team is in the process of negotiating a contract with the firm that will carry out the above-mentioned tasks described in the approach section.

Zimbabwe: Supporting EITI Scoping and Potential Implementation in Zimbabwe

Project ID: P170557

Total Budget: \$ 400,000

EGPS Grant #:	Effective	Closing	Status
TF0B5832	July 2021	August 2022	Ongoing*

Context

It is indisputable that the extractive industries will play a vital role if the World Bank is to achieve

its twin objectives of poverty reduction and promoting inclusive growth in the years to come. At the same time, it is evident that the oil, gas, and mining industries failed to deliver the “development dividend” that many observers expected at the height of the commodity “supercycle” about 10 years ago. Countries with little or no history of oil, gas, and mining operations saw an influx of investors. However, the bullish investment projections made at the peak of the investment boom have fallen short of projections in most developing countries because commitments failed to materialize. This abrupt downturn was explained by a slump in commodity prices combined with a sharp swing in investor preferences toward traditional investment destinations in countries with more firmly established extractive industries.

Additionally, even where investment did benefit host countries, revenues from tax and nontax sources were lower than expected. Job creation and local economic links have also failed to deliver the economic returns that national decision-makers and local communities expected. In sum, several resource-rich nations have yet to capitalize on their resource endowments. Although parts of the unrealized development dividend can be explained by the cyclical downturn of commodity prices, shortcomings in sector governance have also contributed to these less than desired results.

It is in this context that several development partners have mobilized funding through the EGPS Trust Fund, administered by the World Bank, to facilitate advisory services and dissemination of good practices toward improved sector governance in resource-rich nations.

The project development objective is to empower governments to develop evidence-based and sound sector policies, regulation, and management processes to promote transparency, accountability, and job creation in the extractive industries.

Approach

To achieve the project objective, the grant provided technical assistance to the government of Zimbabwe on a range of topics:

- Identifying roadblocks and building understanding among policy makers about improving the investment climate in the mining sector
- Conducting analytical work on various transparency initiatives in the mining sector, including the EITI, together with their legal, institutional, and participatory requirements and the implications for Zimbabwe
- Capacity building of stakeholders and supporting cross-government collaborative processes to improve governance in order to promote investment and lower country risk perceptions
- Supporting intra-government processes that ensure further disclosures can be met by the cadastre information and mining revenue data systems

Results

Over the past two years, the grant was used to develop a series of seminars (backed by results from evidence-based global good practices analytical activities) between various stakeholders and analytical works to (a) develop a summary of governance needs to achieve the investment and inclusivity goals in extractives; (b) develop a framework of how Zimbabwe intends to enhance transparency in the mineral sector and ways in which it will tackle its implementation; (c) identify investment climate improvement needs to attract investments, particularly into the “battery minerals” that are essential to the energy transition needed to reach the agreed global climate change goals; and (d) identify training needs, and share knowledge, processes, and experiences.

More recently, in May 2022 a World Bank mission to Zimbabwe resulted in the definition of 10 priority areas that the government of Zimbabwe through the Ministry of Mines has identified as needed to achieve its objectives for the mining sector, and the government requested support from the World Bank to attain them. Among the 10 priority areas are better management of ASM, including to make it compliant to government of Zimbabwe international commitments, such as the Minamata Convention on Mercury; and to assess the status of geological information and knowledge of the country (which has not received due geological mapping by the government since 1977), with an objective to devise a plan for the government of Zimbabwe to position itself to investments in minerals (Lithium, nickel, and others) that are in high demand for the decarbonization of the energy transition driven by climate change.

... definition of 10 priority areas that the government of Zimbabwe through the Ministry of Mines has identified as needed to achieve its objectives for the mining sector ...

Armenia: Extractive Industries Transparency Initiative (EITI) Support

Project ID: P166274

Total Budget: \$827,436

EGPS Grant #:	Effective	Closing	Status
TFOA6768	April 2018	July 2021	Closed
TFOB4808	June 2021	March 2024	Ongoing

Context

The mining sector in Armenia is a significant contributor to the country’s export (accounting for 32.4 percent in 2020) and GDP (accounting for 3.2 percent in 2020). The sector also has a significant influence on rural employment. However, the extractives sector was characterized by the absence of trust between CSOs, the government, and private enterprises. Social acceptance of mining operations has hindered the development of the sector.

To address this and other issues, the Armenian government, supported by the World Bank, enrolled in the Extractive Industries Transparency Initiative, becoming a member of the program on March 9, 2017. In 2018, the new government became actively engaged with EITI implementation and committed to undertake systemic institutional and legal reforms, emphasizing as an important breakthrough the preparation of the country’s first EITI report.

In parallel with the formulation of legal amendments to the Mining Code and related laws, required for the satisfactory first EITI report, the authorities launched an online reporting system for industry and government agencies to electronically collect and disclose EITI data. Armenia has already published three EITI reports covering the years 2016–2019. In 2019, Armenia successfully accomplished its first validation and received the highest status (satisfactory progress).

The country received a grant from the EGPS Trust Fund to support the implementation of the guidance tailored to international standards. In 2021, top-up grant financing was provided to enhance EITI Standard implementation and facilitate the EITI mainstreaming process. The costs associated with the Armenian EITI National Secretariat and membership payment are covered by the state budget.

The project development objective is to assist the government of Armenia to increase transparency and accountability in the mining sector by implementing the EITI Standard.

Approach

After successfully accomplishing the first validation process, the government of Armenia initiated mainstreaming agenda and developed a mainstreaming action plan. The upcoming two years will be dedicated to EITI portal development, and adaptation and synchronization of the various government agencies websites and portals.

Capacity-building and awareness-raising activities continue to be key for EITI implementation. Use of mining sector data for decision-making at various levels is one of the key components of the ongoing project.

Implementation Challenges

Implementation of the EITI Standard in Armenia has been successful but also very challenging. Initial difficulties in bringing together all key stakeholders were overcome during the first two years. The EITI National Secretariat led implementation of the first and following action plans with the active participation and oversight by the EITI MSG.

Frequent changes in the government have required multiple changes of membership in the MSG, creating delays. However, the MSG alternate representatives from each constituency are now actively involved, minimizing the impacts of political changes.

The project hired part-time financial management and procurement specialists following institutional changes in the prime minister office. This created delays in the disbursement of the additional financing first disbursement, but everything is in place now and project implementation is fully in progress.

Results

Despite the overall challenges in 2021, including the COVID-19 pandemic and conflict, EITI implementation has kept on track:

- Three EITI reports are available on the EITI website: 2016–2017, 2018, and 2019. The fourth report, covering 2020 and 2021, is under preparation. The fourth EITI report was produced and published.
- The fifth EITI report is under preparation.
- An EITI [Impact multi-media story was produced and published on the World Bank website](#), EITI website, and various social media sites.
- The EITI National Secretariat and MSG actively participated in the Mineral Sector Policy development process.
- Terms of reference for the online portal were developed and published.
- Analysis of the websites and online platforms of various governmental institutions is in process.
- Several trainings and capacity-building activities have been carried out.

Impact multi-media story was produced and published on the World Bank website

Chad: Mainstreaming the Extractive Industries Transparency Initiative

Project ID: P168666

Total Budget: \$346,554

EGPS Grant #:	Effective	Closing	Status
TFOB1475	November 2019	April 2021	Closed

Chad: Promoting Transparency and its Social Externalities in the Extractive Sector

Project ID: P178272

Total Budget: \$400,000

EGPS Grant #:	Effective	Closing	Status
TFOB8735	June 2022	May 2024	Ongoing

Context

Chad is a leading producer of crude oil in Central Africa, but the nation ranks 187 out of 189 countries in the United Nations Development Programme's 2019 Human Development Index. Social conflicts and public debate have arisen in Chad around the management of oil revenues, including oil-backed loans granted by Glencore in 2013 and 2014, as well as controversy over the environmental impact of extractive industries and poverty alleviation.

The petroleum sector is the main economic driving force in Chad: It contributed about 2 percentage points to GDP growth in 2018. Harnessing the petroleum sector for fiscal sustainability is a priority for Chad's long-term development strategy.

The EITI has contributed to bringing transparency in the oil and gas sector in Chad, and EITI reports are a trusted source of information for all stakeholders. Chad has gradually extended the scope of EITI reporting—first to transport of petroleum by pipeline, then to domestic petroleum refineries. While Chad's EITI implementation is compliant with the 2011 EITI Standard, its compliance with the 2016 EITI Standard is the object of an ongoing assessment by the EITI International Secretariat and an independent validator.

To prepare for such validation, the National Technical Permanent Secretariat (NTPS)—the technical arm of the National High Committee (the MSG that oversees EITI implementation in Chad)—carried out a self-evaluation in 2018, which identified several shortcomings to achieve the 2016 EITI Standard. These findings have already triggered important policy changes, reducing the gap toward Chad attaining full compliance with the new EITI Standard.

The project objective is to strengthen the capacity of the NTPS to plan and execute its work program and to assess its communication effectiveness.

Approach

There are two main components to this program: (1) strengthening the NTPS's internal controls and management capacity, and (2) project management. The components include the following activities:

- The development of procedures and infrastructure for contract and information disclosure, supporting the implementation of the government disclosure policy through the compilation of a mini cadastre and the revamping of the Chad EITI website to improve access and document searches
- Strengthening the communication and dissemination effectiveness of the EITI National Secretariat, supporting the preparation of stakeholders mapping, communication channels and strategies, and the identification and use of communication effectiveness indicators
- Strengthening the EITI National Secretariat's administrative processes and internal controls, supporting the establishment and automation of internal administrative processes and procedures, and the development and implementation of a monitoring and results framework to support cost efficiency
- A scoping study to identify efficient institutional arrangements for the collection and reporting of government revenues under the EITI, and the extent of possible automation in the production of information and supporting documentation

Implementation Challenges

Despite the simple project design and streamlined implementation arrangements, the project suffered considerable implementation delays. Low institutional capacity and complex local procurement regulations were among the main causes of delays. The COVID-19 pandemic further compounded project implementation difficulties owing to travel restrictions that severely hampered the consultant's ability to carry out stakeholders' consultations as well as provide in-country training to the EITI National Secretariat. While mitigation for travel limitations was provided through virtual missions, the local procurement law was revised only in October 2021, which explains the sharp uptake in project activities toward the end of the project's life.

Results

All planned activities were completed by April 2021. The completion report states that the overall outcome rating is satisfactory. By completion, the project had led to the following:

- The successful adoption by the NTPS of internal management and financial controls systems, providing it with a tool to improve its ability to rapidly adjust

work programs to the financing envelope, reduce administrative costs, and improve data reliability

- The successful development of the contract disclosure platform that resulted in Chad's compliance with EITI requirements 2.3 and 2.4 despite the absence of a mining and petroleum cadastre
- The establishment of institutional mechanisms for the active participation of a wider range of stakeholders, strengthening implementation inclusiveness and laying the basis for improved communication effectiveness; and the completion of all project activities despite the constraints imposed by the COVID-19 pandemic and the deterioration of the security situation

Chad has built on the results of this grant to further advance on the EITI. The analyses carried out under this project's subcomponent A.2 of the project allowed the NTPS to better articulate its communication and outreach strategy, including the profiling of target audiences and the identification of appropriate communication channels and messages. The study was used to prepare pillar 4 of the [EITI 2022 activity plan](#) (strengthening the dissemination of EITI information), and to secure a European Union grant of 87,000 euros to fund its implementation. The stakeholders mapping and communication strategy developed by the NTPS to improve its communication effectiveness has also informed the preparation of a recently approved grant for the implementation of the project Promoting Transparency and Its Social Externalities in the Extractive Sector (P178272), which aims to improve the effectiveness and impact of the government's Open Budget policy implemented by the Ministry of Finance and Budget.

... secure a European Union grant of 87,000 euros to fund its implementation. 

The reporting requirement diagnostics and roadmap for the automation of EITI reporting developed under subcomponent A.4 has served as learning opportunity for the various government entities that fall within the reporting perimeter of the EITI, particularly the Ministry of Finance and Budget, the Ministry of Petroleum and Energy, the Ministry of Mining, and the Société Nationale des Hydrocarbures du Tchad (SHT), allowing them to better understand EITI requirements and their purpose, which is expected to lead to improved quality and reliability of reporting. This work is also an input for the information system modernization program of the Ministry of Finance and Budget, providing a clear template for the provision of EITI data, which will lead to improved timeliness and reliability of data.

Dominican Republic: Implementing Extractive Industries Transparency Initiative (EITI)

Project ID: P161434

Total Budget: \$250,000

EGPS Grant #:	Effective	Closing	Status
TFOB1484	December 2019	April 2022*	Ongoing

Context

The Dominican Republic's mining sector, dominated by gold and nickel production, expanded significantly in the last decade. It accounted for almost 50 percent of the country's GDP per capita growth between 2000 and 2011, 1.9 percent of the total GDP in 2017, 40 percent of total exports in 2017, and 29.4 percent of all FDI inflows between 2009 and 2013. Artisanal and small-scale mining activity also grew in this period, generating an estimated \$20 million in 2014 alone.

This growth started declining in late 2014 because of changes in commodity prices, growing environmental and social tensions, and delays in titling that led mining companies to delay or abandon projects. The resulting decline in FDI inflows subsequently led to a decline in mining production, exports, and fiscal revenues. This shift has become a concern for the Dominican government and for the communities that directly or indirectly benefit from mining. The country's hydrocarbon potential remains untapped, but its development is high on the government's agenda.

In this context, the government joined the EITI in 2016 and requested EGPS support for its efforts to improve management of the extractive industries, including the establishment and mainstreaming of EITI mechanisms.

Approach

The activities under this grant have been carried out with additional EGPS finance to support EITI implementation. The approach included (a) a feasibility study and technical solution design for mainstreaming the EITI reporting process, (b) capacity building for in-house production of EITI reports, and (c) production of the third EITI report (covering 2017 and 2018) and fourth EITI report (covering 2019), and (d) National Secretariat capacity building for sustainable operation.

Implementation Challenges

One of the main challenges for grant execution was to achieve approval of the EITI National Committee's work plan for 2021, considering the dissent among stakeholder sectors concerning the inclusion of a fifth objective regarding the environment proposed by civil society for the work plan.

Because of delays caused by the COVID-19 pandemic, the Ministry of Energy and Mines (leader of the EITI-RD) that the original February 2021 closing date of the TFOB1484 grant be extended. The World Bank granted an extension to April 2022, allowing the project to restructure the process and carry on with pending components (mentioned above) in the EITI work program.

The turnover of government officials after the national elections in 2020 caused additional project implementation delays, as it took time to get new government representatives familiar with the EITI and all its administrative functions and technical details.

Lastly, complying with the timeline of the procurement plan, which sometimes requires lengthy administrative processes and guidelines for grant execution, presented some challenges.

Results

The project carried out all the activities in the work plan, covering the components for grant implementation. The results include the following:

- Preparation and [publication of the Third EITI-DR Report 2017-2018](#)
- A study to mainstream systematic EITI reporting and a capacity-building workshop
- Technical workshops for reporting government entities and private companies
- Preparation of the fourth EITI report (pending approval and publication)
- Publication of a report on materiality, reporting thresholds, and reporting entities

Overall, the support from the grant to the Ministry of Energy and Mining (the entity leading the implementation of the EITI) contributed to enhancing the transparency and accountability of the country's extractive industries.

As a demonstration of commitment to the national Dominican Republic EITI unit, the Dominican government has included the EITI as one of the presidential goals, which implies regular monitoring of compliance with the EITI Standards and related activities.

Papua New Guinea: Extractive Industries Transparency Initiative

Project ID: P167472

Total Budget: \$500.000

EGPS Grant #:	Effective	Closing	Status
TFOA9051	January 2019	June 2021	Closed
TFOB6915	July 2021	October 2022	Ongoing*

Context

Papua New Guinea (PNG) has a wealth of natural resources. Revenue from these resources could contribute to reducing poverty and improving the lives of the country's citizens; however, 37.5 percent of the population continues to live below the national poverty line. Papua New Guinea ranks [155 out of 189 countries](#) in the Human Development Index (for 2020), which classifies it as a country of low human development. The country has been exposed to global commodity price cycles and is prone to natural disasters. Economic growth is erratic, and the country has been unable to build savings from its resource wealth. As a result, the nation continues to rely on external financial assistance to manage economic downturns, such as the current COVID-19 pandemic.

PNG has published five EITI reports so far and underwent its first country validation in 2018. The EITI support is linked to Australia's Department of Foreign Affairs and Trade (DFAT)-funded PNG Governance Facility (\$360 million for 2016-2020), which supports the PNG government to strengthen the institutions and processes that contribute to security, stability, and inclusive economic growth. Other related programs included the recently completed CSO support funded through EGPS and the Mining Sector Diagnostic, or MinGov, program.

The project development objective is to support extractive industries accountability and strengthen institutional capacity for Papua New Guinea to achieve compliance with the 2016 EITI Standard.

Approach

The activities under this program include strengthening institutional capacity and accountability at the provincial or subnational level, improving public understanding of extractive industry benefits, and advising on the design of an online service to operationalize the national EITI website and educational mainstreaming through EITI educational curricula and syllabi.

Project support complements the PNG EITI Secretariat's efforts in policy-driven provincial and regional outreach activities, EITI education and provincial mainstreaming

programs, and data portal development. Outreach and roadshow program support will cover extractive projects memorandum of understanding awareness, MSG meetings, follow-up beneficial ownership disclosure forums, subnational payments, open data partnerships, report dissemination, and provincial policy mainstreaming. A consultant will be engaged to deliver a report on the outreach activities, including provincial EITI mainstreaming and setup of 12 subprovincial MSGs and provincial extractive desk focal points. Support for educational mainstreaming would include the development of an EITI educational curriculum and syllabus for public training institutions and senior high schools. A curriculum development consultant has been engaged to support this component and report on the outcome. Support for the data portal would include an online data presentation portal as well as the development of an online educational module and an online MSG reporting module. Deloitte has been engaged to support the data portal component.

Implementation Challenges

The project has faced a number of implementation challenges since July 2021. Covid-19-related travel restrictions, PNG election-related travel limitations from May to July 2022, ongoing corporate procurement delays, and more have affected the timely implementation of project activities. The current deliverable completion date is September 30, 2022, with a decision review meeting in early September. At this stage, corporate procurement of the consulting firm is expected to be completed in early July, followed by some subnational awareness activities in July and August prior to completion of the project in September 2022.

Results

Three scoping studies and a subnational roadshow and awareness program were commissioned by the World Bank in FY2020/FY2021 to meet the objectives, resulting in [three scoping study reports](#) for EITI implementation in Papua New Guinea (PNG) as part of PNG: Extractive Industries Accountability and Governance Project (P167472) in FY2021. The development objective of the deliverables under P167472 was to support extractive industries accountability and strengthen institutional capacity for PNG to achieve compliance with the 2016 EITI Standard.

Focus areas of the scoping studies included (a) a digital reporting platform, (b) CSO-PNG Resource Governance Coalition (PNGRGC) operationalization, and (c) EITI education mainstreaming, which came up with a number of findings and recommendations that have to be disseminated and discussed with stakeholders at the national, regional, and subnational levels.

The activity complements PNG EITI Secretariat efforts in policy-driven provincial and regional outreach activities, EITI report disseminations, and provincial policy mainstreaming.

(a) Key findings and recommendations of the Digital Reporting System Scoping Study:

The study scoped out the legal, functional, technical and software requirements and vendor credential check. Deloitte has conducted a research and identified reliable system developers that can participate and provide the core requirements to PNGEITI for an electronic platform.

The developers were interviewed and credential checks have been performed to ensure the capability of the developers in implementing this kind of project.

PNGEITI has advised on preferably getting a local system developer for better support through the course of the system implementation but has also expressed their interest in acquiring the EITI software that have been implemented by the system developers abroad.

Deloitte has undertaken consultations with World Bank and EITI International in getting a list of these capable system developers abroad where this kind of system implementation has been completed successfully.

(b) Key findings and recommendations of the CSO-PNGRGC Operationalization Scoping Study:

PNG extractive sector has the potential to provide much-needed resource rents and economic flows to the state, landowners, impacted communities and citizens. Fiscal revenues and other economic impacts have not articulated into sustainable forms of development, and the process of extraction has produced transformative but also numerous social and environmental impacts to peoples, landscapes and ecologies.

PNGRGC has operated under the Consultative Implementation and Monitoring Council (CIMC) with management support from the Institute of National Affairs (INA). Together with the members of the PNGEITI Multi-Stakeholder Group, PNGRGC has engaged in a broad range of activities to assist in the implementation of EITI and to advance efforts to improve extractives governance in PNG more broadly. Building on this initial establishment period, the PNGRGC's Interim Council is seeking strategic and operational renewal for the Coalition's next phase of impact

A Scoping Study on PNG RGC was completed to assess how the operations of the PNGRGC can be enhanced so that the Coalition can effectively fulfil its mandate.

Insights and findings from the Scoping Study was used to complete the companion PNGRGC 2020-22 Roadmap document. The development of the PNGRGC Roadmap was an opportunity to extend the recommendations of the Scoping Study into a practical and actionable strategy document for PNGRGC. The PNGRGC 2020-22 Roadmap outlines three Strategic Pillars across three time-horizons: (1) Building foundational

Discussions are being held with PNGEITI Secretariat, and extractive sector multi stakeholder group (MSG) members to look at Deloitte's findings and recommendations and possible funding options for setup and operationalization of the Electronic Reporting Platform.

capacity for governance, operations and strategy; (2) Stepping-up PNGEITI support as an umbrella organization for CSO participation in PNGEITI; (3) Mobilizing the Base for CSO and citizen-led natural resource governance reforms.

PNGRGC is currently operating on limited funding from INA and CIMC with minimal interim funding from Publish What You Pay (PWYP) to help with aspects of set up, but, will need some sustained funding for basic costs and communications/field operations, to be able to play its critical role.

Discussions are being held with PNGRGC, PNGEITI Secretariat and extractive sector multi stakeholder group (MSG) members to look at funding options for PNGRGC.

(c) Key findings, recommendations of the EITI Education Mainstreaming Scoping Study:

The primary and secondary schools do teach some subjects related to the extractive sector but not in detail and lack resources to support the learning of the students.

A number of colleges do not offer courses on extractive sector in their school curriculum or provide awareness for the extractive sector like oil, gas, and mining revenue.

Private University does not offer program on natural resources or courses on extractive sector. The informant stated that in the Science and Technology School, they teach only science subjects and do not relate to extractive sector.

National research institutes and think tanks conduct research on resource taxation and tax incentives but there are knowledge gaps in extractive industries (EI) value chain and EITI standard requirements.

Initial cost estimated for education mainstreaming up to Grade 12 is estimated at PGK5,000,000.00.

The recommendations included expansion of the scoping study to other provinces after COVID-19 restrictions are lifted, followed by pilot study to further inform cost estimates for implementation of a program for a country-wide EITI education mainstreaming.

Discussions are being held with PNGEITI Secretariat, Education Dept and extractive sector multi stakeholder group (MSG) members to look at funding options for pilot study and EITI Education mainstreaming in the country.

Colombia: Subnational Strengthening and Mainstreaming of Transparency in the Extractive Sector

Project ID: P169919

Total Budget: \$400,000

EGPS Grant #:	Effective	Closing	Status
TFOA9854	September 2019	March 2022*	Ongoing

Context

Colombia has made significant progress in extractives sector governance by adopting a transparent mechanism for reporting extractive industries revenues. The country has been implementing the EITI since 2014. Through the support of the World Bank, Colombia became the first country in the Latin America and Caribbean region to achieve satisfactory progress under the EITI, the highest possible compliance rating. After such progress and thus far implementation at a national level, it has become necessary to deepen the EITI process at the subnational level.

The project deepens EITI implementation at the subnational level in select regions/municipalities, thereby enhancing the transparency and accountability of municipal institutions, national entities, and extractive companies operating in those regions/municipalities. In addition to the enhanced capacity for natural resource management, and support for improved governance across the extractive industries value chain in prioritized regions/municipalities, the project facilitates the improved fiscal management of extractives sector revenues in Colombia by enhancing fiscal data reporting on the extractives sector to the central government from municipalities, thus in turn supporting efforts at fiscal consolidation and improved and informed extractives sector governance by the government of Colombia.

The project development objective is to support enhanced transparency and accountability in Colombia's extractives sector governance by deepening the implementation of the EITI into municipalities and mainstreaming its use in governmental institutions.

Approach

The approach of the grant is based on the implementation of four components: (1) identification of four selected regions/municipalities; (2) stakeholder training, and capacity building; (3) supporting subnational EITI reporting; and (4) generating increased demand for transparency.

Implementation Challenges

At the beginning of the implementation of the project, challenges regarding the inclusion and budgeting of the financial resources led to some delays in the schedule of

acquisitions. The Project Implementation Unit resolved both issues by hiring a procurement specialist to expedite contracting activities under the project.

The COVID-19 pandemic continued to cause implementation delays, particularly at the subnational level. The Colombia EITI Secretariat presented a timeline to implement the project under a new schedule.

Implementation of some phases of the project during the last months of the year coincided with the closing of the year in both public and private entities, and the beginning of vacations for staff; both situations also challenged the pace of implementation of the activities in the established timelines.

Results

For the first component, four regions for mainstreaming the EITI were identified (for the mining industry, Boyacá and Cesar, and for the hydrocarbon industry, Casanare and Santander), and a methodology for the implementation of the subnational model was designed and socialized with the established subnational-level MSGs. In terms of supporting subnational reporting—the second component—the regions where the EITI is being mainstreamed already have guidelines for the articulation with the national EITI, based on a specific reporting model at the subnational level. Also, the regions have in place work plans and communications tools to promote dialogue and disseminate information on the extractives sector. What remains is the subnational EITI report validation by the MSG committee.

For the third component, supporting increased demand for transparency, the project carried out three dissemination and capacity-building workshops, covering 10 relevant regions/territories (Boyacá: Socha, Corrales, Tasco, Nobsa, Sátiva Sur y Tópaga; Cesar: La Jagua, Becerril, El Paso, Codazzi y Chiriguaná; Casanare: Tauramena, Maní, Aguazul y Monterrey; Santander: Barrancabermeja, Puerto Wilches, Simacota, Rionegro y Sabana de Torres), and a national-level conference, all of which contributed to raising awareness of the benefits of increased transparency and accountability in public institutions, showcasing Colombia EITI as an example. The transparency was also increased through a diagnosis report on the status of information exchange processes related to royalties and increases in the maturity of data analysis.

Through the EITI capacities developed in Colombia from a previous EGPS grant, the results of the EITI support for subnational implementation and enhancement were successful. All the objectives of the grant project were achieved.

... showcasing Colombia EITI as an example ...

Albania: Support to Albania Extractive Industries Transparency Initiative Compliance Process

Project ID: P158380

Total Budget: \$571,153

EGPS Grant #:	Effective	Closing	Status
TFOA6493	December 2020	July 2021	Closed

Context

The government of Albania expressed its support to the Extractive Industries Transparency Initiative in March 2009, and Albania became an EITI candidate in May 2009. The implementation of the EITI agenda was ensured by the Technical Secretariat, which was created by a ministerial council’s decision on July 7, 2010, and operated under the leadership of an MSG, created by a decree issued by the Prime Minister on July 21, 2011. The MSG included representatives of civil society, extractive industries, operators, and government, and was chaired by the deputy minister of infrastructure and energy.

For the Albanian government, the need to boost the extractives sector’s contribution to economic growth and employment was clear and required enhancing sector governance to foster private sector investments in large infrastructure projects. In this context, the government with the Council of Minister Decision (CMD) approved the Albanian National Energy Strategy for 2018–2030.

After rich debates and stakeholder consultations, innovative sector laws were promulgated to establish principles of transparency and accountability in the mining sector (Law No. 10304, dated July 15, 2010, amended and improved at different times) and the hydrocarbon sector (Hydrocarbon Law No. 7746, dated July 28, 1993, and amended for the last time on February 2, 2017). While the challenges were significant, substantial progress had already been recorded under the strong leadership of Albania’s EITI National Secretariat. Albania became EITI compliant in May 2013, after successfully publishing four EITI reports covering the years 2009–2012. Albania published eight EITI reports covering 10 fiscal years from 2009 to 2018.

The World Bank approved and disbursed two grants from EGPS. The first grant agreement (TFOA1769) between the Albanian government and the World Bank was signed on February 26, 2016, and provided grant financing in the amount of \$400,000. The grant, delivered in tranches due to the EGPS tranche funding structure, came as a response to the request for funding from the government of Albania dated December 2, 2015.

On April 26, 2017, the Ministry of Energy and Industry, on behalf of the EITI National Secretariat, requested an extension of the closing date of grant TFOA1769 and

additional funding to support activities under the Albania EITI 2016–2019 work plan, but organizational issues prevented the grant from being disbursed until April 2020.

The second trust fund (TFOA6493) in the amount of \$600,000 to support the government of Albania’s effort to remain compliant to the global standard of accountability and transparency (Albania—MDTF for EITI for financing the project for the implementation of the initiative for transparency in the extractive industry in Albania grant) was closed on July, 2021.

While reaching compliance with the global EITI Standard necessitated substantial effort and commitment from the Albania EITI MSG and National Secretariat, the challenges remained massive. To make sure that Albania met its ambitious objectives of transparency and improved governance, it must have published an annual EITI report including the most updated contextual and financial data, covering all the extractive industries and the hydropower sector; communicated extensively and effectively on the EITI requirements and process; reached out to all relevant stakeholders in the EITI process and provided them with a tailored capacity to engage in the EITI process; and built the analytical and legal work needed to underpin the reform agenda associated with the EITI compliance process.

The grants supported these critical efforts, the publication of the next EITI report, and other key activities needed to ensure the sustainability and mainstreaming of the EITI in Albania.

The project development objective is to assist Albania in implementing its EITI agenda.

Results

On February 13, 2018 the EITI Board concluded that Albania had made meaningful progress in implementing the 2016 EITI Standard. Through 2017 there was a constant level of reconciliation (98%), however the rate of unexplained discrepancy went down to 0.6% in 2018. There was an improvement in capacity to communicate on issues associated with transparency and accountability in the Extractive industries, measured by increased reporting in the media by journalists, through print, visual, and online outreach campaigns, as well as through social media activities and awareness-raising events.

The project has reached the targets on all three intermediate indicators. The EITI Reports were completed and published in a timely manner between 2009 through 2018. The EITI training plan for MSG members and Secretariat staff was prepared and implemented.

The project has reached the targets on all three intermediate indicators

The country also organized trainings, conferences, meetings, and round tables that targeted MSG, CSOs, Local Government Units (LGUs), media, and/or parliamentarians, and the broader public. These activities included tailored training events for all stakeholders on EITI reporting requirements, good governance and transparency of extractive industries, Energy security/Management, Energy and Development and the Future of Energy.

Beyond the indicators, several studies were contracted and finalized by EITI Albania, such as report background research, analysis of Albanian national legislative and regulatory framework in implementing EITI standards; Albania EITI Final Environment Scoping Study Report for the Extractive Industries; study on Social Impact of Extractive Industries in Local content and employment; design of an EITI Open Data portal to improve access to timely, reliable and comprehensive EITI data; and inventorization, digitalization, and creation of the mining Cadaster Portal.

Argentina: Mainstreaming Mining Sector Data Collection and Dissemination through EITI Program Implementation

Project ID: P176138

Total Budget: \$450,000

EGPS Grant #:	Effective	Closing	Status
TF0B5439	March 2021	December 2023	Ongoing

Context

The current Argentine government has pledged to maintain the commitments with EITI International in 2019, and the Technical Secretariat of EITI Argentina has been strengthened with the incorporation of a multidisciplinary technical team. Argentina requested support from EGPS for enhancing its information systems that handle and disclose mining activity data in line with the EITI Standard.

In 2018, Argentina created the website [Mining Information Center of Argentina \(CIMA\)](#), a repository of information on the sector. CIMA stores a large amount of data that is static and without possibilities of crossings and interoperability. The information is incomplete and unranked and needs a better process for regular updating. In March 2022, the Ministry of Productive Development (MPD) started a new Federal Mining Information System (Sistema de Información Abierta a la Comunidad sobre la Actividad Minera en Argentina [SIACAM]). The system, still in its early stages, aims to centralize information from the mining sector, which currently is scattered across the various provincial governments' databases (seldom publicly available). At the moment, SIACAM provides information on mining exports, production, and employment broken down by province.

The SIACAM system was presented by the EITI MSG as partly linked to EITI implementation, given the need to centralize information on extractive industries at the national level. There is some disclosure of mining information demanded by different constituencies, but the usefulness of the disclosed information remains limited given the lack of participation by provincial governments in the EITI process.

The EGPS-granted project aims at informing the strategies of disclosure of mining information based on global standards, with a focus on local conditions and circumstances, while addressing the heterogeneity of the provinces of the country and considering the scale and diversity of the activity. The project has a federal perspective within a development framework aligned with principles of social inclusion and gender diversity.

The project development objective is to improve the transparency of the mining value chain through the dissemination of up-to-date and systematic information and EITI reporting.

Approach

The project focuses on activities related to setting up the data information system for the mining sector. It is working on relevant outputs, namely reports related to identifying information gaps, analysis, and design of the platform for the information transparency system, and communication of mining information. The project includes activities aimed at creating opportunities for women's participation in Argentina's extractives sector, particularly in mining provinces.

Implementation Challenges

The project made good progress until the end of 2021, when it was temporarily halted during the procurement stage. In September 2021, the ruling government lost its majority in Congress in the midterm elections, which resulted in immediate changes at the cabinet level and the resignation of the project team's main focal person in the government. This affected the project for some time because the project was no longer a priority for the federal government. In response, the team approached the province of Salta, one of the most important mining provinces in Argentina (especially for lithium), to propose a bottom-up approach starting at the provincial level to address issues of reporting and mainstreaming.

Authorities in Salta, under agreement with the federal government, requested support from the World Bank and the project is back under implementation. The Salta pilot mining data management system would serve as a model to be replicated in other key mining provinces and consolidated/rolled up to feed updated information reported by mining operators to the SIACAM at the federal level.

The team will continue working with a newly designated technical counterpart within the federal secretary of mines unit, Ministry of Productive Development (MPD).

In August 2022, the team visited Buenos Aires and the province of Salta to help advance the implementation. Before then, COVID-19 restrictions had prevented the team from visiting in person, though regular virtual meetings were held.

Results

Under the approved "Salta—Mining Sector Strategy 2021-2030," the federal secretary of mines developed a modernization plan that includes mainstreaming the reporting of different obligations by mining operators. Following an assessment of the current information systems and infrastructure capabilities being used by the federal secretary of mines, it has been agreed that the grant would focus its support on three specific reporting modules by mining companies (employment, procurement and social investments).

The new orientation implies moving to a bottom up approach and modifying the expected results indicators, while maintaining the main development objective. If successful, the modular model developed by Salta could be adopted by other mining provinces, and later all of them could get integrated into a federal reporting system. The federal secretary of mines is fully supportive of the updated approach.

The new orientation implies moving to a bottom up approach and modifying the expected results indicators, ...

Tanzania: EI Accountability and Governance Enhancement

Project ID: P162493

Total Budget: \$ \$375,000

EGPS Grant #:	Effective	Closing	Status
TFOB2542	July 2020	March 2022*	Ongoing*

Context

The Tanzanian mining sector comprises two subsectors. The first is the large-scale mining (LSM) subsector associated with large FDI, infrastructure development, technology transfer, high productivity, and high export earnings. LSM tends to be highly capital intensive, and in the absence of strong backward, forward, and fiscal linkages with the rest of the economy, its contribution to job creation is very limited. The second subsector, ASM, often involves local miners using basic methods to extract near-surface deposits. The mining sector has been growing at an average rate of 10.2 percent since 2000, accounting for 49.4 percent of the country's total FDI inflows in 2012. The mining boom started with massive inflows of FDI in the mid-1990s, which were made possible in part by a series of economic reforms in the early 1990s.

Notable developments over the past decade include the commissioning of seven large-scale gold mines (Bulyanhulu, Buzwagi, Geita, Golden Pride, New Luika, North Mara, and Tulawaka). More than 15 mineral prospects of gold, nickel, and uranium have also been developed to various stages of exploration. The mining boom resulted in an increase of the country's annual large gold production from 0.13 million troy ounces in 1999 to about 1.3 million troy ounces in 2012, making Tanzania one of the largest gold producers in Africa. In 2015, the output by the major producing mines was 1.3 million troy ounces of gold ; 6,292 tons of copper; and 254,456 metric tons of coal. In addition, 191,407 carats of diamonds were produced at the Williamson Diamond Mine.

The extractive industries have been plagued with claims of poor governance. One of the recommendations of the Country Assistance Strategy (CAS) Progress Report for FY2012–FY2015 is recalibrating World Bank Group support for Tanzania's development. The proposed project is linked to the second pillar of the proposed adjustment to the CAS, namely the programs that target reduction of extreme poverty and improvements in quality of social services. This pillar emphasizes improving public expenditure transparency and management. The project links with Tanzania's Open Government Partnership (OGP) and contributes to improving data access, implementing open data policies and data management. The proposed project contributes to the CAS by facilitating the mainstreaming of natural resource governance in the country's governance framework, by building the institutional capacity to operationalize key relevant

pieces of legislation, namely the Tanzania Extractive Industries (Transparency and Accountability) Act of 2015, the Petroleum Act of 2015, and the Oil and Gas Revenue Management Act.

Approach

The World Bank is implementing a technical assistance project to help Tanzania EITI (TEITI) achieve compliance with the TEITA act, prepare for validation according to the 2019 EITI Standard, and improve the investment climate in the extractives sector by advancing a constructive dialogue on the impacts and benefits of the extractive industries between the government and the private sector.

The project's activities will help the TEITI Committee effectively carry out its mandate as a platform for multi-stakeholder policy debate. Moreover, the project will help extractive-affected communities be better informed about the activities of the sector so that they can engage effectively.

Implementation Challenges

Tanzania joined the EITI in February 2009, yet the process has not demonstrated tangible progress commensurate to 12 years of implementation. It was a great achievement to create a space and the framework for transparent governance of the extractives sector; however, many in Tanzania and elsewhere are becoming impatient to see the extractives sector make a greater contribution to Tanzania's socioeconomic development. As it stands, the transparency configuration itself is not firm enough to play its role adequately: (a) The TEITI Secretariat faces some governance and institutional issues after years without a permanent national coordinator; (b) its institutional arrangement under the Ministry of Minerals is not consistent with TEITI's role as a watchdog for the extractives sector; (c) TEITI lacks the financial resources to fulfill its mission without external assistance; (d) the capacity issues extend to technical capacities of its staff; and (e) TEITI has missed deadlines to comply with key requirements of the EITI Standard, such as the publication of beneficial ownership and the publication of all extractives sector contracts.

Procurement remained the side of the project's implementation to lag behind. Adding to the complications stemming from the overall slow start of the project's activities, the procurement measures for most components were initiated close to the project's closing date, and, in three instances the procurement compliance issues were recorded.

Furthermore, two mission reports (from July 2021 and December 2021) raised issues of project ownership and commitment to the EITI.

Results

All activities under the grant have been completed and will be closed by March 31, 2022, with the project development objective and implementation progress receiving ratings of unsatisfactory. Most of the project's activities were not implemented and,

despite a change in disbursement methods, only a fraction of the initially provided funding (\$375,000) was effectively distributed among the eligible activities. (The undisbursed funds—approximately \$318,324—will be refunded.) The remedial actions discussed with the beneficiaries at the previous stage of the project’s implementation did not result in a validation and definition of a work plan for the introduction of corrective actions. Consequently, the scoping studies to mainstream ASM data into EITI reporting, to prepare for the reporting of EITI data (on environmental and social expenditures by extractive companies, environmental impacts, and gender, according to the 2019 EITI Standard), and to establish a mechanism for systematic electronic data disclosure were not conducted. Neither the training for TEITI stakeholders and TEITI Secretariat staff nor the workshops and public debates to promote public-private dialogue on the impacts and benefits of the extractive sector were organized. Most notably, TEITI and its implementation partner (the Ministry of Minerals) were unable to produce and disseminate the 2018/2019 EITI report and design a register of beneficial ownership of all the extractive companies in Tanzania.



World: AMLA-Phase 2 (Africa Mining Legislation Atlas)

Project ID: P175205

Total Budget: \$500,000

EGPS Grant #:	Effective	Closing	Status
TFOB6229	June 2022	August 2024	Ongoing

Context

AMLA—Africa Mining Legislation Atlas - is an initiative conceptualized and initiated by the World Bank’s Legal Vice Presidency in 2013, that consists of the following three main activities: (1) creation of the AMLA platform, a free online one-stop resource for Africa’s mining legal framework (mining codes, regulations and related legislation) with interactive features to provide comparative data; (2) production of the mining legislation guiding template, an annotated document that outlines a menu of legislative solutions to assist countries in the preparation or revision of their mining laws; and (3) capacity building through training of law students, African lawyers and mining professionals.

Since the project’s inception, significant progress has been made. The AMLA platform (<https://www.a-mla.org>) was launched, in 2014, featuring mining codes of 53 African countries, amendments to the mining codes, mining regulations and related legislation, a country-by-country specific provision comparison tool, and interconnectivity with a repository of mining contracts. In 2017, the AMLA mining legislation guiding template was launched, covering over 200 topics.

The second phase of the AMLA project seeks to scale up the previous achievements and focus on (i) updating the AMLA platform and guiding template, (ii) dissemination and raising awareness of AMLA knowledge products, (iii) developing training program, and (iv) conducting trainings to promote the development of local legal expertise on mining law and policy.

The project development objective is to support African countries in maximizing mineral resource benefits through (i) promoting transparency, accessibility and comparison of Africa’s mining laws, (ii) facilitating the preparation, revision and implementation of mining laws, (iii) providing a living database that will catalyze research and policy debates on legal and regulatory issues; and (iv) promoting the development of local legal expertise on mining laws.

Approach

The activities under this grant include: a. *AMLA Legislation Platform*, focused on research and analytical work to update the AMLA Platform; b. *Capacity Building on*

Mining Legislation, focused on carrying out training activities aimed at enhancing the capacity of law students and African mining professionals on mining law; c. *AMLA Knowledge Products*, focused on research and knowledge generation focused on various strategies of practical implementing the Guiding Template's provisions on local development and fiscal aspects; d. *Raising Awareness on AMLA platform and Guiding Template*, focused on entailing knowledge sharing and raising awareness of AMLA Platform, Guiding Template and other AMLA knowledge products; e. *Project management and administration*, that includes but not limited to, supporting any meetings; planning and executing work plans and budgets; managing communications and coordinating partnerships, outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.

As part of the annual AMLA activities, students from all over Africa are invited to an Annual AMLA Capacity Building Workshop, where they are trained in mining legislation. After the workshop, students who excel are selected as Legal Research Trainees (LRTs) and trained to conduct research on the mining laws and to upload them onto the AMLA platform.

The AMLA-2 project is committed to supporting the inclusion of gender integration into policies and legal frameworks reviewed. The capacity building activity also utilizes a gender sensitive approach in the selection of students and participants. The female participants that will be trained will be equipped with the skills that will enable them to play a role in decision making related to reform of mining legislation and negotiation of mining contracts. The project platform and online content is designed to be fully accessible to all sector stakeholders and to eliminate any form of participation requirements that could be deemed to be prohibitive especially to those stakeholders who are traditionally without access.

Implementation Challenges

The project faced several hurdles due to COVID-19 related restrictions. This has resulted in delays in implementing some of the planned activities including the capacity-building activities which required travel and in-person planning logistics. The team has had to adapt some of the activities in light of the new reality. This has also taken time to reconceptualize these activities.

Delayed Disbursements: The COVID delay also had an impact on the project disbursement rates, particularly at the onset of the project. The team also experienced delays in procuring consultants/service providers with each contract taking an average of 5-6 weeks to conclude from the date of issuing the terms of references. Several contracts with consultants have now been signed and the disbursement rate is expected to increase sharply in February.

Partner coordination: There have been a few hurdles coordinating with the co-implementing partner the ALSF, particularly due to staffing changes at the ALSF AMLA secretariat. As they are the custodians of the project, most of the activities rely on

their input. Staffing changes together with differing institutional policies and COVID restrictions contributed to delays. Some of the issues related to Capacity Building are still unresolved as they rely on cooperation. The team has reached out to ALSF management to try and find a way of resolving these outstanding issues. A joint workplan with addresses some of the implementation challenges has been adopted.

Results

The program's positive Value for Money assessment highlighted examples such as the students that were able to find job opportunities with legal firms where they are involved in the negotiation of fairer deals with mining companies; others that undertook work with their governments to reform mining laws and codes; as well as those that went on to work with NGOs addressing issues such as environmental protection and adequate compensation for affected communities.

... are involved in the negotiation of fairer deals with mining companies; ... work with their governments to reform mining laws and codes;

The project produced two Knowledge Products/toolkits: (1) Local Engagement and Community Development, and (2) State Equity Participation in Mining Companies. Both toolkits were launched at the 2022 Africa Mining Indaba in Cape Town in May 2022, and are currently available for access on the AMLA Platform.

The AMLA team worked with an IT consultant (Farwell Consultants) to make improvements and changes to the AMLA platform. Farwell redeveloped both the front and back-end of the website creating a brand-new platform and baseline software stack. These changes increased security and longevity, while maintaining the user-friendly interface and transforming the back-end site to showcase the content on one page.

The project also developed a capacity building training manual which will be used to conduct all future training for the students who participate in AMLA capacity building. The final draft was submitted for review at the end of August 2022 and is subject to editorial process before it can be published on the AMLA Platform.

The 2022 AMLA Capacity Building Workshop, hosted by the World Bank and the University of Pretoria, on 8-12 August 2022, offered in-person and virtual training, as well as visits to mines and mining communities for ten students from across the African continent. 30 trainers participated in the event on a pro-bono basis. This was the first AMLA training session since 2019.

In FY22, the project team worked on two toolkits and developed a capacity building handbook. ENSafrica (Edward Nathan Sonnenbergs) - Africa's largest law firm - was engaged as a consultant to develop a toolkit for Local Engagement and Community Development, which is expected to be finalized imminently. The International Senior Lawyer's Project (ISLP) was engaged as a consultant to develop a handbook on State Equity Participation in Mining Companies. The draft is currently under review.

Indonesia: Just Transition Support

Project ID: P173293

Total Budget: \$690,000

EGPS Grant #:	Effective	Closing	Status
TFOB8160	March 2022	March 2024	Ongoing

Context

Despite the unprecedented level of demand for Indonesian coal as a result of the current disruption to the global energy supply, the medium-term outlook for Indonesian coal exports is for them to soften and turn negative by 2028. Declining demand and depressed prices are expected as China and India, accounting for 60 percent of Indonesian total exports, begin to decarbonize. Losses are expected within the Indonesian coal industry as other producers compete to maintain market share, most notably Australia, the leading exporter of higher calorific-value thermal coal. In the longer term, Indonesia's commitment to a comprehensive, multiphase "Long-Term Strategy for Low Carbon and Climate Resilience" is expected to result in accelerated closure of coal assets by 2060.

Consistent with global trends, the largest Indonesian producers continue to consolidate production share to improve commercial efficiencies by mechanizing and automating processes. Indonesia's coal mining industry is composed of a small number of large producers (less than 10 entities are responsible for almost half of total production) and hundreds of small to medium-size producers who have entered the industry since the early 2010s. Performance across the industry is highly varied, and the likelihood for unplanned/unscheduled closure is increasing for less efficient and/or smaller Indonesian coal producers operating on low margins, disproportionately increasing risks to people and communities of poor closure planning and inadequate financial resources that increase risk of abandonment, leading to unaddressed socioeconomic and environmental degradation.

The project objective is to help prepare and equip the government of Indonesia with baseline analytics to create the enabling policy ecosystem to develop a just transition roadmap. The government of Indonesia along with the Ministry of Energy and Mineral Resources, the Ministry of Finance, the National Planning and Development Agency, the National Energy Council, the Coordinating Ministries of Maritime and Investment and Economic Affairs, local governments, and communities will benefit from the grant outputs.

The project outputs will also inform the establishment of national and regional coal platforms that are currently in the making. Such platforms will provide space for governments and stakeholders in the region to learn from each other and exchange experiences in preparing for the inevitable transition. The stakeholder platforms may benefit directly from the analytics and baselines that will be delivered by this program by enriching the dialogue among stakeholders and across countries.

Approach

This project sets out to deliver a set of baseline analytical work to be supported by EGPS as a follow-on to the first just transition baseline assessment conducted in Indonesia and to support the existing Indonesia Energy Transition and Sustainable Access to Modern Energy for All PSA. The activities are developed as a cross-global practice initiative, and the indicative corresponding global practice(s) or pre-identified consultants are expected to lead and/or implement each work component. The cross-pollination of knowledge across global practices and sectors emphasizes the importance of the work at hand as it brings together expertise from Social, Environment, and Macroeconomy.

Currently, Indonesia is one of the four countries (representing over 15 percent of coal-related emissions globally) that have been selected by the Climate Investment Funds (CIF) Committee to be the first beneficiaries of the Accelerated Coal Transition (ACT) initiative. With this new development, the studies in this project are required by the Country Management Unit (CMU) and the Energy Program leader to be mapped to the preparation of the project investment plans under the CIF-ACT Program.

Throughout the course of preparation missions in Indonesia, a number of coal-fired power plants that are designated to retire early by state utility PLN have been identified as candidate repurposing projects in the power sector side. In parallel, coal mine closure and repurposing initiatives will be proposed to develop pilot projects on the foundations of the just transition framework.

Results

Pursuant to the above rationale, the outputs of the project must undergo slight adaptations to enable strong support to the design and implementation of the investment projects under the CIF-ACT initiative. Now that early identification of mine sites had been established in Tanjung Enim (in South Sumatra) and in Bantuas and Kutai Kartanegara (both in East Kalimantan), a more detailed focus at the two subnational levels must be integrated into the baseline.

The following will encompass the baseline analytics necessary to capture gaps in sector policy and legal framework that would otherwise enable a seamless transition at the national as well as subnational level within the constraints of available resources, and further make use of current findings to build the necessary plans with regards to the socioeconomic and environmental dimensions to transition the people and

industry. So far, the work on developing a geospatial database to provide a detailed baseline of Indonesian coal operations is ongoing. The team is also updating stakeholder and issues mapping and developing a coal compendium. Using support from a previous program, the team has delivered studies on the Indonesian coal outlook and coal stakeholder mapping, as well as reviews on the regulatory landscape and the coal industry.

These investigations build a good base on which to write a compilation of earlier studies pertaining to the coal phaseout process in Indonesia, which can inform the development of the just transition framework and roadmap.

Kazakhstan: Baseline on the Coal Mining Industry in Kazakhstan

Project ID: P171194

Total Budget: \$50,000

EGPS Grant #:	Effective	Closing	Status
TF0B7995	February 2022	September 2022	Ongoing*

Context

First, as with the completed or ongoing Just Transition in Coal Regions technical assistance in other Europe and Central Asia (ECA) countries, the roadmaps will elaborate a set of strategies and recommendations following the pillars of the 3x3 matrix: (a) governing systems for transition, (b) people and communities, and (c) repurposing of former mining lands and other assets. Second, the team will develop an ECA-specific note that outlines the key challenges and opportunities facing coal-dependent countries and will offer recommendations on World Bank policy responses. Third, by way of application of the 3x3 matrix in both Turkey and Kazakhstan, the team will capture and document adaptations in its use for further knowledge spillover and replication.

The Kazakhstan government has recently prepared the National Strategy for Low Emissions, and the World Bank provided technical support, especially to the Country Climate and Development Report (CCDR). The work on both the baseline on coal mining and scenarios for local impact of the energy transition has informed the CCDR in relation to World Bank's coal just transition program.

The project development objective is to support the acceleration and scale-up of energy sector decarbonization by strengthening the analytical base and client planning capacity in selected ECA countries.

Approach

The scope follows the guidelines from the EGPS coal just transition global program. This grant supports data collection for the baseline study and a scenario analysis for potential impact of a coal just transition. Based on these results, the project team is maintaining an active dialogue with government officials to explore focused regional/local just transition support, with geographic concentration in the province of either Karaganda or Pavlodar.

The baseline study will inform a comprehensive roadmap for transition, and it will encompass a review of institutional arrangements to manage the transition as well as a stakeholder engagement and communications strategy to guide outreach and engagement during the transition. The team will also opine on the regional development

strategy to reorient the economy. It will assist in defining measures required for the transition of labor beyond national labor protection policies (and rebuilding communities affected by such change) by advising on the master plan for repurposing and reclaiming mine sites and decommissioned physical infrastructure. The finalized roadmap (informed by the baseline) positions coal regions and Kazakhstan’s national counterparts to mobilize the resources required to execute the roadmap.

Implementation Challenges

The main challenge on implementing the baseline report was access to government data on the coal industry and operations. This information is not publicly available on public websites from the government and the consultants need to rely mostly on their own database based on official sources of data.

Results

The project team produced two baseline reports: The Assessment of Coal’s Economic Dependence in Pavlodar and Karaganda Economy: A Spatial Perspective for Future Decarbonization Challenges in Kazakhstan and A Review of the Coal Industry in Kazakhstan. Based on these reports, the project team is maintaining an active dialogue with government officials to explore focused regional/local just transition support, with geographic concentration in the province of either Karaganda or Pavlodar.

Turkey: Phasedown of Coal in Türkiye

Project ID: 177744

Total Budget: \$500,000

EGPS Grant #:	Effective	Closing	Status
TFOB8207	March 2022	June 2023	Ongoing*

Context

The rapidly growing Turkish economy has an intimate relationship with coal. Although renewable energy capacity has seen a nearly threefold increase in the last decade, coal still represents 35 percent in Turkey’s energy mix. The background to this is a deliberate strategy of the Turkish government from the early 2000s to reduce the country’s dependence on imported fuel and the exposure of the economy to world market prices. Turkey currently has 68 operational coal-fired power plants, predominantly based on domestically mined lignite (47), but also on imported coal (16), hard coal (4), and asphaltite (1). The installed capacity of these power plants has grown from 1 GW in 1980 to 20 GW in 2020, with increasing dependence on imported coal since 2005.

The World Bank has been trying to engage in a dialogue with the government for years to address the high-carbon intensity of the Turkish economy in general, and the unhealthy addiction to coal in particular. This has turned out to be a particularly sensitive topic, not just because of the strategic driver of the country to become not too dependent on foreign fuel, but also because of strong, vested interests in the sector.

Recently, the government has become seriously interested in the concept of a just transition away from coal and has requested World Bank support. During a meeting with the World Bank on December 14, 2021 the minister of energy and natural resources and his team expressed strong interest in global experience in the Just Transition for All framework and requested a technical assistance that would (a) assess credible options to replace coal energy at least cost, taking into account energy security considerations (this will have to consider all options as there is a lot of skepticism on battery storage for both costs and need to price ancillary services); (b) a roadmap for a just transition, including repurposing of assets when feasible, reskilling and support to workers, and local area development, with an initial focus on depreciated assets; and (c) an overall costing of a just transition, taking into account contract structures.

Recently, the government has become seriously interested in the concept of a just transition away from coal

The project development objective of this activity is to provide the government of Turkey with (a) a transparent assessment of all (economic and social) costs associated with the production and consumption of coal, and (b) all (economic and social) benefits related to a possible phasedown of the production and consumption of coal in the Turkish economy, to inform decision-making by the government on a possible transition away from coal.

Approach

This EGPS grant addresses the specific question of the government of Turkey to better understand the balance between costs and benefits of a possible just transition away from coal. This project examines the workforce affected by the transition, with a particular focus on the direct and indirect female labor force affected by the transition. All proposed components will apply a gender-sensitive approach in the analyses and will examine the impacts of transition on both female and male workers in the coal value chain.

Implementation Challenges

The project team started its engagement with the Ministry of Energy in Turkey during FY2021/2022. Against the background of the Russian Federation invasion of Ukraine, and rapidly evolving developments in international energy markets, Turkey is currently reviewing its national energy strategy, including existing strategies and roadmaps to decarbonize different sectors of the Turkish economy. The team's dialogue with the government of Turkey is currently temporarily on hold pending approval for the country's updated energy strategy from the office of the president.

Results

Initial results from this project are expected during the second half of 2022.

Colombia: Enhancing Opportunities for Energy Transition and Economic Diversification in Highly Dependent Extractive Regions in Colombia

Project ID: P171194

Total Budget: \$554,000

EGPS Grant #:	Effective	Closing	Status
TF0B7230	October 2021	September 2023	Ongoing

Context

The Colombian economy is among the five most important in Latin America. Colombia is an oil and gas producing nation, ranking 21st and 39th, respectively, in world production. The country also ranks 10th in coal mining and is considered a major producer of other minerals (gold, nickel, and emeralds). Although mining activity occurs in all regions of the country, most mining production is concentrated in five of Colombia's 32 departments, with the largest coal production in the departments of Cesar and La Guajira (especially in large-scale projects). The country's oil production, though distributed over 10 departments, is mainly concentrated in three departments, and gas is produced primarily in one department.

The regions where production is concentrated depend strongly on extractive activities not only for jobs, income, and royalty generation but also for their contribution to local productive value chains. In Cesar alone, available GDP data indicate that in recent years coal exploitation has represented around 40 percent of the region's value added. While there were advantages associated with this dependency, there were also high risks. Some Colombian coal-producing regions already show clear signs of trouble from the risk of depending exclusively on a single economic activity.

The Colombian extractives sector's challenge today is therefore to ensure that its activities generate benefits for the communities in productive regions. Considering the depletion of non-renewable natural resources, a better understanding is needed of the sustainable local development of communities dedicated to non-extractive activities, to help them tackle the issues that arise regarding income generation, employment, social investment, and responsible natural resource management.

With the delivery of the contract for the second coal plant in Cesar and the expiration in 2032 of the contracts for the main coal plant in La Guajira, the need for productive diversification in these regions is urgent. An imperative exploration is needed with the support of this project of other employment and income-generating opportunities in these regions, where the communities have already raised voices of concern and processes are needed to start facilitating a sound approach to mine closure and a transition toward a post-coal-driven economy.

Overall, national and international experience has shown that mining can be leveraged for generating business opportunities outside the sector's value chain, based on the mining companies' ability to attract investment and their acquired knowledge of the areas in which they operate. This is the current situation in La Guajira, where resources from mining are leveraging diversification (in tourism, for example). The situation in Cesar is less favorable; mines are closing in municipalities totally dependent on mining, so an abrupt transition is already taking place with no economic reconversion alternatives yet in place to support the communities' livelihoods.

The project development objective is to support the departments of La Guajira and Cesar to plan for a just transition in a post-coal-mining context to ensure that their economies and populations can weather the socioeconomic shocks of mine closures and the inevitable knock-on effects in these mining-dependent regions.

Approach

Activities proposed under this project include identifying and assessing alternative options for economic diversification and resilience building in the two departments, based on analyses of spatial and nonspatial data as well as reviews of existing policies, strategies, and initiatives; proposing detailed processes and shared responsibilities for collaboration, engagement, and participatory decision-making to implement a resilience and diversification strategy in the region, based on existing mechanisms; proposing specific strategies and actions at the national, departmental, and municipal levels (for prioritized municipalities), based on current plans, the results of the analyses undertaken, and lessons from other settings; and reviewing and evaluating Colombian legislation and the regulations that apply to mine closure and its implementation when compared to good international practices, with the goal of strengthening the regulatory framework and its implementation by authorities.

Implementation Challenges

The challenge so far has been the delays caused by the government elections, transition, and appointment of new authorities, both at the national and regional levels.

Results

As of June 30, 2022, the project had started a research Study for the Productive Diversification and Reconversion of the Coal-Dependent Regions/Departments of Cesar and La Guajira. During the kick-off meeting, the outgoing and incoming government agreed on needs and priorities, such as starting a transition toward diversification and productive reconversion of the extractive areas and territories, considering the characteristics of the departments of La Guajira and Cesar and the priorities of their communities and stakeholders.

The project also sponsored the participation of 20 government officials from various agencies in the 4th International Congress on Planning for Mine Closure held in May 2022.

A review and evaluation of Colombian legislation and the regulations on mine closure was drafted and presented to the outgoing government and will be discussed with the new authorities during a workshop on good international mine closure governance.

Nigeria: Review of Nigeria's Draft Petroleum Industry Bills

Project ID: P170557

Total Budget: \$117,000

EGPS Grant #:	Effective	Closing	Status
TFOB2888	May 2020	September 2022	Ongoing

Context

Nigeria is a major oil exporter and the largest producer of crude oil in Africa. Yet no licensing round has been held since 2007, largely because of uncertainties about the regulatory and fiscal frameworks. In 2000, the federal government of Nigeria launched a process of broad petroleum industry reform and the drafting of the Petroleum Industry Bill. The reform went through many stages of reviews and consultations in the Senate and the House in the National Assembly, generating many drafts. The last version was the Petroleum Industry Bill of 2020, which was finally enacted in August 2021. The new regulators are now drafting regulations to support the Petroleum Industry Act.

The objective of this activity is to contribute to the development and implementation of a new petroleum legal framework that reflects good international practice and is tailored to addressing the specific challenges of the oil and gas sector in Nigeria.

contribute to the development and implementation of a new petroleum legal framework that reflects good international practice

Approach

This activity reviewed several successive versions of the Petroleum Industry Bill, including the executive bill delivered to the National Assembly on September 28, 2020, and the revised House and Senate versions presented for the third reading in the National Assembly in June 2021.

The new Nigerian Midstream and Downstream Petroleum Regulatory Authority has issued six draft regulations for review. On July 5, 2022, the authority began a 21-day consultation on the six drafts as required by the Petroleum Industry Act, inviting interested stakeholders to submit written comments. The World Bank submitted extensive comments on the drafts.

Results

The implications of the Petroleum Industry Act on fiscal revenues have been shared with the Budget Office of the Federation, the Ministry of Finance, and the Office of the Vice President.

The implications of the Petroleum Industry Act on the sector and the federation's fiscal revenues have also been summarized in the report *Nigeria Public Finance Review: Fiscal Adjustment for Better and Sustainable Results*. The report will be launched in September 2022 with the minister of finance participating in the launch event. The World Bank's Abuja office is currently formulating a dissemination strategy.

Papua New Guinea: PNG Mineral and Oil & Gas Resources and Domestic Market Development

Project ID: P170589

Total Budget: \$325,653

EGPS Grant #:	Effective	Closing	Status
TFOB3372	August 2020	December 2021	Closed
TFOB6534	July 2021	September 2022	Ongoing*

Context

Papua New Guinea (PNG) has a wealth of natural resources. Revenue from these resources could help reduce poverty and improve the lives of the country's citizens; however, 37.5 percent of the population continues to live below the national poverty line. Papua New Guinea has been exposed to global commodity price cycles and is prone to natural disasters. Economic growth is erratic, and the country has been unable to build savings from its resource wealth. As a result, the nation continues to rely on external financial assistance to manage economic downturns, such as the current COVID-19 pandemic.

Over the last few years, the World Bank has supported the government in a range of fiscal, policy, and commercial areas critical to further development of the mining and oil and gas sectors. This has included fiscal expertise to support the Treasury to understand different options for taxation and participation by the state in resource projects, as well as support to the Ministry of Petroleum to better understand and to develop policy and regulation on key issues such as local content ("national content"), third-party access to infrastructure, and domestic gas ("domestic market obligation"). The World Bank has also provided capacity building to the national utility company, PNG Power, to identify opportunities to use gas domestically for power generation, aimed at increasing access of the population to affordable and reliable energy.

The devastating impact of COVID-19, which has hit the country's fragile economy disproportionately hard, has only increased the urgency to develop a national mineral and oil and gas development strategy that would allow the government to better plan and manage the huge potential socioeconomic benefits of the country's mineral resources for the people of Papua New Guinea. At the same time, the increased focus on climate change, which is also disproportionately affecting the country, is forcing the government to make fundamental choices about the use of domestic mineral energy resources—that is, coal, oil, and gas—in the local economy. The goal of this grant-funded activity is to support the PNG government to address these strategic challenges in the extractives sector.

Approach

The activity aims to further build capacity and develop tools at the relevant entities of the state (Department of Treasury, Bank of PNG, Department of Petroleum and Energy, Mineral Resource Authority) to carry out macroeconomic modeling of economic and social benefits of developing resource megaprojects, including fiscal revenues, local economic growth, and job creation, both directly from the projects as well as indirectly through links between the extractives sector and other sectors of the economy.

To this end, the World Bank deploys a team of international and local mining and gas experts—both Bank staff and individual consultants and consulting firms—to bring international best practices and lessons learned from elsewhere to Papua New Guinea. The work consists of supporting and empowering staff of relevant state entities to build capacity and to create and issue the policy, strategy, and planning documents described above.

The work is done in close collaboration with the macro team in the World Bank (the country economist) to reflect the significant role of the extractives sector in the economy of Papua New Guinea.

Implementation Challenges

Challenges related to COVID-19 resulted in significant delays, which led to changes in the initial project scope and a reduction in the budget to reflect restructured deliverables. Since then, the project has successfully delivered an integrated resource model and macroeconomic modeling capability and capacity-building activities to the government of PNG.

Results

During FY2022, the project team developed an integrated macroeconomic/extractives sector project model specific to the PNG economy, transferred the model to the government of PNG, and undertook capacity-building workshops with the Department of the Treasury. The model includes a detailed tool for analysis of macroeconomic linkages between the oil and gas and mining sectors and other sectors of the economy and allows the government to carry out integrated resource sector and macroeconomic analysis of strategic development choices. This constitutes the final deliverable of this EGPS-funded activity but just the beginning of a longer-term collaboration between the World Bank country economics team and the government of PNG on better understanding of the contribution of the oil and gas and mining sectors to the overall economy, and on making better policy choices pertaining to future extractives megaprojects in the country.

... the project team developed an integrated macroeconomic/extractives sector project model specific to the PNG economy ...

Mongolia: Sustainable Mining Investment and Benefit Flows

Project ID: P173631

Total Budget: \$460,000

EGPS Grant #:	Effective	Closing	Status
TFOB2915	June 2020	March 2022*	Ongoing*

Context

Mining dominates the Mongolian economy, accounting for some 80 percent of exports and contributing a quarter of the GDP, yet only a small portion of the country's abundant known mineral resources has been commercially developed and only limited value added takes place within Mongolia. In July 2020, the newly elected government reaffirmed its commitment to bring into production more of Mongolia's mineral deposits and to process minerals locally instead of exporting them. Its objectives are to boost government revenues, retain more value in country, and create conditions for more diversified economic growth in the future.

The project development objective is to share insights and analysis with decision-makers in the government to clarify strategic directions leading to more sustainable mining investment and benefit flows over the long term.

Approach

EGPS-financed activities will support the government to identify a strategy for the use of scarce public funds and mobilization of fresh private capital for sustainable mining investment. Analysis is planned on the drivers of viable mineral resource development, models for mobilizing public and private capital, and a review of governance of state-owned mining enterprises. A policy note series will capture insights from the analysis and be disseminated for stakeholder debate. The outcome will be reflected in a strategic options paper for government consideration.

The project aims to produce a strategy and policy notes to synthesize various other studies conducted. These studies include a techno-economic analysis conducted by Worley Parsons in 2010 (financed by World Bank Investment Project Financing on optimal development of strategic mineral deposits), an international benchmarking study on the costs and benefits of different modalities of state participation in mining, and a quantitative evaluation of public financing/tax structures that meet Mongolian government state participation goals.

The policy note series covers critical aspects of planning and financing mine, mineral processing, and related infrastructure projects, to include state equity, shared

mining/public infrastructure, and environmental and social safeguard considerations. To ensure that the notes are disseminated to key stakeholders, the project team will facilitate a mix of open stakeholder roundtables and closed government of Mongolia workshops to discuss various reports on each. This will be followed by a high-level dialogue with government of Mongolia decision-makers after completing the strategy, policy notes, and studies.

Implementation Challenges

Other than the COVID-19-pandemic-related need for virtual interactions and challenging time zones for consultants, there were no implementing challenges. This can be seen by the quality of the reports and dissemination activities (November 2021 mining forum).

Results

This project was successfully completed in FY2022, providing a series of public reports on Mongolia's future [mining scenarios](#), [the role of the state in the mining sector](#), and [sovereign wealth funds](#). The project strengthened the client's in-house policy decision-making processes. The project's ability to deliver timely needed policy advice was much appreciated by the client, particularly relevant for sovereign wealth funds and forecasting Oyu Tolgoi mine fiscal revenue.

Georgia: Georgia Mineral Potential

Project ID: P168804

Total Budget: \$350,000

EGPS Grant #:	Effective	Closing	Status
TF0B5300	March 2021	June 2022*	Ongoing*

Context

For decades, mining in Georgia has helped generate important revenues to the national and regional budgets. Georgia's mining sector is characterized by several significant deposits and investments in manganese, copper, and gold and small-to-medium-size quarry operations (primarily marble and construction materials).

In the last five years, renewed interest in Georgia's minerals sector has emerged; an estimated 35 percent of exports are mineral related (raw, processed, and semi-processed minerals). Because of its untaxed export policy, Georgia has become a transit country for gold, copper, and ferrous metals mined in other countries. It is estimated that up to 45,000 Georgians work in the minerals sector.

Despite the growing importance of the sector, Georgia's mining sector legislation still closely follows the Soviet-era model. Existing legal and fiscal regimes as well as institutional arrangements are not attractive for investors, and environmental and social standards are insufficient. The capacity of the recently established main regulator of the sector, the National Agency of Mineral Resources (NAMR), needs strengthening. Geological data that cover a large part of the country exist but have not been updated and are difficult to access for potential investors.

In 2017, the Ministry of Economy and Sustainable Development through NAMR started a mining sector governance improvement process with the general goal of boosting investments and improving sustainability in the mining sector. One of the key priorities is to support the growth of Georgia's GDP and rural development. The objective of the grant is to assist the Georgian government in promoting its mineral potential to attract more responsible investors in the mining sector.

Approach

Based on an official request from the Parliament and government of Georgia, the World Bank mining team started engaging with NAMR in 2017. Several capacity-building activities were carried out on environmental protection, social, and economic aspects of the mining sector as well as on the EITI. An assessment of the current state of mining licensing and geological information systems in Georgia and best practices of the world was produced, as well as initial mining brochures to promote select mineral deposits. In 2021, based on the official request from NAMR, the World

Bank secured an EGPS grant to support NAMR to promote Georgian's geological potential. The project had three major components: (1) adding value to the existing information on the mineral potential of Georgia, (2) improving communication and stakeholder engagement, and (3) building capacities in view of increased exploration.

Implementation Challenges

The project implementation faced several challenges:

The project started in the middle of the COVID-19 pandemic. Some activities had to be postponed several times, but in the end everything was accomplished according to plan. The project team was not able to travel to Georgia in the last two years, but the team organized virtual meetings with the counterpart and consultants on a regular basis. The team also organized joint meetings with the consultants and counterpart to make sure that the deliverables were acceptable for NAMR.

Political changes at NAMR (the head and at the deputy minister level) were also a factor; the head of NAMR changed twice during the last two years. A long interim period in between also delayed decision-making and affected project follow-up.

Results

Under the Georgia Mineral Potential EGPS grant, the following results were achieved:

- Production of a communication strategy with an action plan: The strategy describes the current state of NAMR communication, analyzes the effectiveness of existing communication tools, describes the needs and results of new communication tools implementation, and provides recommendations on how to improve communication with key stakeholders, specifically with investors, mining businesses, other governmental agencies, and CSOs. An action plan identified actions to achieve the goals of the communication plan.
- Advice on promotion materials, such as new design of the website, mining brochure, banner, PowerPoint template: Specific promotional materials such as a new website design, a mining brochure, some social media pages design and initial content, a promotional video, some basic PowerPoint presentations for investors, and a virtual booth for EXPO were designed in anticipation of future needs. Respective staff of NAMR were trained on how to use and develop such promotional materials during a specific workshop.
- Digitization and colorization of more than 200 geophysical maps, which will soon be available on the GIS system: All existing geophysical maps were digitized, colorized, and presented in GIS format. The new NAMR website should make them available to other users as well, most specifically for potential investors.
- A training on geodata management and environmental issues in accordance with international best practices: More than 100 staff within NAMR, the Ministry of Agriculture and Environment, and other governmental institutions attended

a training on geodata management, training on Joint Ore Reserves Committee (JORC) code, environmental protection, social aspects of mining, mine closure, and mineral potential promotion. A study tour to Finland was also organized to showcase and learn from their experience on mining governance, environmental and social management, and other mining-related aspects.

... training on geodata management and environmental issues in accordance with international best practices ...

Global: Mining Sector Diagnostic (Mining Investment and Governance Review—MinGov)

Project ID: P160992

Total Budget: \$1,000,000

EGPS Grant #:	Effective	Closing	Status
TFOA5999	September 2017	December 2021	Ongoing*
TFOB4925	January 2020	June 2022	Ongoing*

Context

In many countries, extractive industries have the potential to strengthen economic development and to provide state revenue. However, to do so, the management of the sector needs to ensure social and environmental sustainability, a competitive and “fair” investment environment, and efficient and transparent revenue management. The Mining Sector Diagnostic is a tool that is used to comprehensively and objectively assess how a country’s mining sector is managed. The tool analyzes primary data (the country’s documented laws, rules, and regulations) and interview data (from in-country interviews with stakeholders from government, industry, and civil society) to clearly identify the sector’s relative strengths and weaknesses. The results can be used by governments, World Bank teams, development partners, and other stakeholders as a basis for policy dialogue leading to reforms and to identify areas of targeted support and assistance.

In response to demand from the client countries, the World Bank launched a project in 2013—originally titled the Mining Investment and Governance Review (MinGov). Following a midterm strategic review in 2017, the tool and methodology were updated, and the tool was renamed the Mining Sector Diagnostic (MSD).

The project development objective is to develop and maintain an analytical tool that can be used to strengthen the mining sector’s governance, investment environment, and development impact.

Approach

Key aspects to the MSD approach and methodology include a comprehensive and systematic sector diagnostic, measuring the gap between rules (de jure performance) and their actual implementation (de facto performance). The MSD is based on the collection of verifiable objective information, through an expert review of the country’s existing legal and regulatory framework and interview information from in-country participants. Interviews with government officials, mining industry representatives, and civil society organizations provide information on de facto realities. Combining these two data sources provides more reliable data than single-source expert surveys. The

MSD allows the identification of the governmental actors responsible for designing and implementing these rules.

The MSD tool is designed to respond to demand by governments for actionable measures to guide their reform efforts and contributes to clearing the fuzziness in the global debate around institutions important for the extractives sector. It identifies the rules important for mining sector investment, governance and development impact, and their actual function. The MSD provides a more context-specific approach to institutions rather than equating them with “good governance” or “good policies.” You can learn more about the [MSD approach here](#).

Implementation Challenges

There were no major implementation challenges during FY2022 because the impact of the COVID-19 pandemic eased. In-country visits by assessments teams were conducted in both the Kyrgyz Republic and Kazakhstan, which greatly facilitated data gathering and resulted in valuable background information gained through in-person interviews with relevant stakeholders.

Results

During FY2022, substantive work was completed on two MSD assessments—for the Kyrgyz Republic and Kazakhstan. The final reports for both assessments are expected to be published on the MSD website during the first quarter of FY2023. Both reports make recommendations regarding changes to the legal and regulatory framework that would improve the countries’ investment climate.

In the second half of FY2022, work started on developing two additional modules for the MSD that will substantially enhance the tool’s scope and relevance. The first module focuses on climate-smart mining and will assist in assessing countries’ progress as well as efforts still needed in harnessing the mining sector’s role in the transition toward a low-carbon future. The second module focuses on ASM; it will be valuable in countries with a significant ASM sector that face unique challenges not found in countries with predominantly large-scale mining activities, including, but not limited to, formalization. The work on both modules is being overseen by Steering Committees consisting of outside and in-house experts.

The expanded tool—which will allow for deploying the new modules either in a stand-alone fashion or integrated into a full-scale MSD—is expected to be available during the second quarter of FY2023. In June 2022, the MSD was presented, and the new modules introduced, to a delegation of African government and civil society representatives in Washington, D.C. Preliminary feedback from participants suggests demand will be strong for the ASM module.

... the MSD was presented, and the new modules introduced, to a delegation of African government and civil society representatives ...

Five MSD assessments (Afghanistan, Colombia, Indonesia, Papua New Guinea, and Serbia) were completed during FY2019 and FY2020; a further three assessments—all based on requests from the respective governments—were completed during the same period for Argentina (two provinces: Salta and Buenos Aires), Liberia, and the Philippines. In addition, data collection was completed for Myanmar. During FY2021, two MSD assessments were completed—for Peru and Afghanistan. The Peru assessment was one of the best completed to date and the World Bank presented the findings at the PDAC 2021 convention held in February. The authorities were briefed on the results and subsequently requested World Bank assistance in designing Peru’s National Mineral Policy and further analytical work related to the sustainable use of the country’s mineral wealth. While an assessment was completed for Afghanistan, follow-up work was suspended in September 2021 due to the political situation.

Armenia: Armenia Mineral Sector Policy Grant II

Project ID: P173686

Total Budget: 250,000

EGPS Grant #:	Effective	Closing	Status
TFOB3556	January 202	June 2022*	Ongoing*

Context

Armenia is rich in mineral resources, including copper, gold, steel, zinc, magnesium, and molybdenum (11th in the world by the reserves). In 2016, the mineral 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 industry directly employs around 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, the mining industry has been a contested subject in Armenia. The country has lacked a defined mining 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 under weak environmental and social standards.

Between October 2015 and April 2016, the World Bank–managed multidonor trust fund EI-TAF (Extractive Industries Technical Advisory Facility) produced a report that provided a review of the Armenian mining sector and an assessment of its potential to contribute to sustainable economic growth and development of the country. Based on the findings, the report offered recommendations for the creation of a mineral sector policy that would embody guidance for better governance of the mining sector, building trust among the stakeholders, and generate higher environmental and social standards.

Under the first Armenia Mineral Sector Policy Grant, implemented in 2018–2020, the government of Armenia produced three major reports on the mining sector, titled: Economic Assessment, Environmental and Health Assessment, and COVID-19 Impact on Mining Sector. Those reports served as a basis for the mineral sector policy development. To support the development of a long-term policy, the project helped undertake a series of diagnostic studies to fill the existing knowledge gap and identify the priorities, means, and measures for producing a policy that could be translated into an action plan. The economic assessment evaluated the economic viability of different types of mining investments for Armenia, considering their (potential) contribution to local, regional, and national development, and the potential to develop stronger

economic links along the supply chain. The environmental and health assessment evaluated the risks that mineral sector development poses to local communities, and how these risks can be effectively addressed in the mineral sector policy.

The project development objective is to develop a mineral sector policy focused on strengthening the mining sector's contribution to sustainable economic growth.

Approach

The analytical works produced under the first Armenia Mineral Sector Policy Grant served as a basis for the policy's general principles and objective. Each policy objective consists of an analysis of the current situation, a description of the problem, international applicable practices, recommendations, results, and risks if the objective was not implemented.

Eight packages of legal amendments emanated from the policy objectives and actions developed under the project. Draft packages developed by the legal consulting firm are undergoing ministry and government review and will be circulated with stakeholders after finalization.

The policy development process was very inclusive and engaged more than 400 stakeholders. Twenty-two roundtables, focus groups, and townhall meetings happened in Yerevan and in the mining regions of Armenia. Four drafts of the policy were shared with 73 stakeholders via email, with the consulting firm receiving more than 450 comments. After finalizing internal discussions and reviews, the last draft of the policy will be published on the www.e-drafts.am website for wider public review. It is expected that the government of Armenia will approve the policy by the end of 2022. The adoption of the mineral policy has been proposed as a prior action in the upcoming Development Policy Financing in Armenia.

Implementation Challenges

The implementation of this project has faced multiple challenges:

- **Political change:** At the beginning of the project, the deputy minister for Ministry of Territorial Administration and Infrastructure covering the sector resigned. The project manager at the ministry also left the position. Another deputy minister took over the negotiations with the consulting firm being hired, which took longer because she needed time to familiarize herself with the project. The new deputy minister who was appointed only after two months also needed time to get familiar with the sector and project. All this delayed the project implementation.
- **Wide scope of work in the terms of reference:** As a result of much consultation in the drafting of the terms, many aspects had to be included in the work. In the end, the scope of work and the allocated budget were no longer in line. The first selected company suggested a budget that was twice what was planned.

The second consulting firm also proposed a larger budget, but the negotiations eventually succeeded after the implementing agency agreed to allocate part of the capacity-building and awareness-raising budget to the development of the policy. This process also delayed the project implementation by three months.

- **Closing of the EGPS Trust Fund:** The trust fund under which the Armenia Mineral Sector Policy Grant II was financed will be closed in October 2022. All projects financed from the trust fund had to be closed six months earlier. As a result, it was very difficult to compensate for the delays. The government sent a request for an extension, but it was only granted an additional two months (the closing date was moved from April 2022 to June 2022).
- **COVID-19 pandemic:** The pandemic affected all stakeholders and caused additional delays in implementation.

Results

The Armenian legislation requires that policies be adopted by government. That takes several review and approval stages and could take up to six months. Therefore, the policy is expected to be adopted by the end of 2022.

Once the policy is adopted, the associated legal packages will go through additional reviews and be submitted to Parliament. The Ministry of Territorial Administration and Infrastructure aims to finalize adoptions of legal amendments by the end of 2023.

The mineral sector policy is fully drafted and currently under government of Armenia review. An action plan defines the actions to be implemented under each objective, timeline, results or reforms, responsible agency, and initial budget for each action.

Europe and Central Asia (Regional): ECA Just Transition in Coal Regions

Project ID: P177744

Total Budget: \$110,000

EGPS Grant #:	Effective	Closing	Status
TFOB7507	December 2021	June 2022*	Ongoing

Context

Transitioning to an affordable, reliable, clean energy system while meeting growing energy demand is the dual development challenge for this and future generations. Access to electricity is key to creating new jobs and supporting vital services such as lighting, cooling, the powering of appliances, modern health care, better education, and affordable broadband. However, energy used to power people's lives and boost economic activity produces about three-quarters of climate-changing emissions. Today, coal is still the world's most dominant energy source, generating over one-third of global electricity. In many countries, including where coal consumption is rising, coal is still the cheapest and most profitable energy source.

However, commitments to clean air, the pricing of carbon, and the lowering cost of renewables have begun to render coal unprofitable in Western Europe and parts of North America. That said, we live in an uncertain time with the ongoing war in Ukraine, which has put pressure on energy markets, raised prices for consumers, and threatened global energy security. This was most recently demonstrated by the disruptions of gas supplies to several European Union member states. For example, in July, Germany and Austria announced that they are preparing to restart coal-fired power plants to conserve natural gas.

Thirty years ago, Europe and Central Asia were the focus of the World Bank's coal sector adjustment work, with 11 coal mine closure investment loans of \$2.7 billion delivered in the 1990s and early 2000s in Poland, Romania, Russia, and Ukraine. Today, Europe and Central Asia have become the World Bank's initial focus of the just transition work because this region has the strongest political will to transition out of coal compared to other regions—the just transition works started in 2019 with Serbia, and the Extractives Unit now has nine active engagements and one completed technical assistance on just transition, and the demanding keeps growing. At the same time, the World Bank team understands that there are quite disparate policy environments for a just transition away from coal across the region. European Union member states are significantly advanced with their European Green Deal and Just Transition Mechanism. Carbon pricing and other competitiveness factors are pushing the Western Balkans

and Ukraine to follow the European Union's lead, while a just transition is still a fairly new concept to Central Asian countries.

The development objective of the activity is to support the acceleration and scale-up of energy sector decarbonization by strengthening the analytical base and client planning capacity in select European and Central Asian countries.

This grant outlines the key challenges and constraints as well as opportunities facing coal dependent countries, and it will offer recommendations on World Bank policy responses.

Approach

Considering the above-mentioned challenges and context, the World Bank Extractives Team is working on a coal transition paper that considers the particularities in the region, such as the wide use of district heating (there are currently over 5,000 district heating networks in Europe) and vested interests of incumbent utilities (state-owned coal-fired power plants dominate domestic power markets, for example: Kosovo, 95 percent; Serbia, 70 percent; Poland, 70 percent).

The paper will analyse the operating context in the Europe and Central Asia region, apply the World Bank just transition methodology, analyze existing World Bank just transition engagements in the region for lessons learned, and provide recommendations for task teams for future policy work related to just transition in the region. The paper will follow the structure of the World Bank's 3x3 matrix to touch upon (a) governing systems for transition, (b) people and communities, and (c) repurposing of former mining lands and other assets.

Results

The work on "3x3 ECA adaptation" and the "ECA Just Transition in Coal Regions" working paper is ongoing and on track for delivery by December 2022. The 3 by 3 matrix (nine categories of support) refers to the effects on people, communities, and land in three stages - before, during, and after mine closure. The first draft is expected by September 2022, and the team plans to conduct a consultation workshop in June 2022 with task team leaders working on just transition. Cross support has been provided by colleagues from Social Sustainability and Inclusion (SSI) and Social Protection and Labour (SPL).

The 3 by 3 matrix ... refers to the effects on people, communities, and land in three stages - before, during, and after mine closure.

Tanzania: Economic Impact of Mining Sector Regulatory Changes in Tanzania

Project ID: P169633

Total Budget: \$119,793

EGPS Grant #:	Effective	Closing	Status
TFOA9148	March 2019	February 2022	Closed

Context

Tanzania is a mineral-rich country with large deposits of gold, diamonds, tanzanite, and coal, and mines iron ore, base metals, uranium, and gemstones. Tanzania is Africa's fourth-largest gold producer and accounts for 1.3 percent of total global production. It is also the only country in the world that produces tanzanite.

The extractive industries' contribution to Tanzania's total GDP was 4.8 percent in 2016 and 2017, with an estimated 1.4 percent of GDP accounted for by the extractives informal sector. The extractives sector also contributes about 1.4 percent of formal employment in Tanzania.

The past few years have also seen a big increase in exploration for gas and oil along the coast. Recent oil and gas exploration activities have proved the existence of offshore gas reserves in the south of the country, but no crude oil discovery has yet been made. Tanzania currently produces natural gas from proven reserves in Mnazi Bay and on Songo Island. With significant offshore gas discoveries, the country is planning to become an exporter of liquefied natural gas in the future.

While Tanzania has successfully attracted investments in the mining industry, concerns about the sector's socioeconomic impacts were frequently raised by affected communities and other stakeholders. Criticisms included the lack of institutional capacity to oversee the sector, inadequate value added in exported minerals, and insufficient integration of mining into the national economy, among others. Intending to address these criticisms, the government in 2017 passed key reforms to the legal and regulatory framework governing the extractive industries.

The project development objective is the preparation of an assessment of the impact of the 2017 regulatory changes in the mining sector in Tanzania and to facilitate the dialogue on the sustainable development of the mineral sector between the government and the private sector.

Approach

Using quantitative and qualitative analysis, the impact assessment draws on data from FDI inflows in comparison with other capital sources, main countries of origin,

and destination of investment; subsectoral distribution by type of mineral; geographic distribution; forms of investment (greenfield, acquisition, joint ventures, alliances, subcontracting, licensing); and main characteristics of investors (for example, junior exploration, large multinational, small-scale and medium mining). The assessment will inform conclusions and strategic options: formulation of recommendations to achieve optimal benefit sharing, avoid tax evasion, and create a forum for private-public dialogue to address tax disputes and defuse crises.

Implementation Challenges

The implementation of the study was challenged on several fronts. The start of the COVID-19 pandemic and the ensuing containment and mitigation measures came shortly after the study's AIS was approved, thus thwarting the possibilities to consult with local stakeholders and to access data. Although the presence of an experienced local consultant helped navigating and interacting with the stakeholders in Dar es Salaam and Dodoma, one of the study's objectives of bridging the gap between the private sector and authorities to improve the investment climate wasn't accomplished

Results

The accomplishments of the study are rated as moderately satisfactory. While the primary objective—assessing the impact of regulatory changes, current policies, and regulations in Tanzania to serve as basis for the continuing dialogue on the sustainable development of the country's mineral sector—was achieved after several delays, most of the planned stakeholder consultations between the government and the private sector did not take place owing to pandemic-related complications. Only one face-to-face consultation to validate the findings with stakeholders happened, in December 2021.

The study's findings indicate that since the 2017 mining legislation went into effect there has been a significant slowdown in exploration activity in Tanzania. Without investments in exploration and the discovery of new mineral deposits, the number of mines being developed over the medium to long terms will be limited. Fewer mines would generate less government revenues and less export earnings, and the extent to which mine development could contribute to infrastructure development, employment, and human capital development may be limited. After the 2017 acts and 2018 regulations were promulgated, Tanzania became a country with one of the highest effective tax rates globally. The mining sector registered the highest FDI inflows and the highest contribution to total FDI inflows of about \$909 million in 2010 and registered the lowest FDI inflows in 2018 with \$373.71 million. Despite high gold prices (\$2,074/oz) in 2020, mining FDI inflows between 2018 and 2021 were still low. Tanzania ranked fifth in Africa for gold sector exploration budget in 2021 behind Mali, Burkina Faso, Ghana, and Côte d'Ivoire. Tanzania's policy perception index dropped in 2017 and remained low until 2021. Locally based investors also reported a difficult operating environment.

The study provided four recommendations in terms of opportunities for mining sector development: (1) International best practice requires the legislative drafting process to be systematic, open, transparent, and participatory to balance the interests of all stakeholders—the government has had to make amendments to the acts and regulations since they were promulgated due to practical implementation challenges; (2) the government of Tanzania will need to make sure that the regulatory regime is aligned with international environmental, social, and governance (ESG) standards: successful resource-endowed countries attract investments by providing clarity, consistency, and predictability on the policy, legal, regulatory, and institutional framework, and the roles and responsibilities of government agencies and investors alike, backed by a transparent, nondiscretionary set of rules and decision-making processes; (3) Tanzania should take steps to attract new exploration investments to diversify its mineral basket beyond the gold sector to include critical minerals required for the energy transition; and finally (4) to attract new sector investments, Tanzania will have to decrease its risk perceptions with investors by aligning with international best practice in terms of dispute resolution mechanisms, adherence to previously signed agreements, and addressing concerns in other areas such as government’s free carried interest, prohibition of dispute resolution in foreign jurisdictions, compliance with strict local content requirements in a short period of time, repatriation of benefits, and mandated local transformation.

... The study provided four recommendations in terms of opportunities for mining sector development ...

Uzbekistan: Uzbekistan Gas Sector Reforms Implementation

Project ID: P172414

Total Budget: \$700,000

EGPS Grant #:	Effective	Closing	Status
TF0B3916	September 2020	October 2022	Ongoing*

Context

The petroleum sector is a major contributor to Uzbekistan’s GDP. On its current path, the Uzbek gas sector is financially unviable and may soon be unable to meet domestic demand. A growing national energy demand, coupled with aging gas and outdated energy infrastructure, has led to a nonreliable domestic power supply and reduced potential for gas exports. Reforms are required to ensure a longer-term affordable and secure supply. In late 2016, the Uzbek government announced a broad market-oriented five-year reform program transforming the country into an open economy, which includes modernizing the petroleum and energy sectors. The government has rolled out two waves of gas sector reforms, the first one up to mid-2020 and the second one for the period 2021–2024. The first wave of sector reforms predominantly targeted institutional reforms. The second wave of reforms, supported by the World Bank, aspires to a comprehensive set of legal, regulatory, financial, market, institutional as well as governance reforms.

The project development objective is to support reforms that improve security, sustainability, and governance of the gas sector.

Approach

In phase 1, supporting the second wave of reforms that improve security, sustainability, and governance of the gas sector is performed by the creation of the Gas Sector Reform Roadmap and Implementation Plan. A government roundtable is organized to endorse the roadmap and implementation plan. A supervisory control and data acquisition (SCADA) technology design is developed for the state-owned enterprise, which enables tracking, tracing, and rectification of some current gas system volume losses in the national gas transmission network. The upgrade of the network forms the basis for a possible increase in gas exports. Just-in-time support to state-owned enterprise about first wave reform scoping activities is also provided.

In phase 2, guidance about initial steps introducing a competitive gas market and input to modernization of the legal and regulatory framework are delivered, targeting the mid- and downstream gas value chain. While the World Bank initially agreed with the Uzbek government on assisting with execution of the endorsed implementation

plan by focusing on modernizing the legislative framework, more recent dialogue is shifting toward gas sector decarbonization pathways. As there is budget remaining, some of these future activities might commence.

Implementation Challenges

SUGSR is the first World Bank Extractives Global Practice technical assistance to the Uzbek Ministry of Energy. The Ministry of Energy has a long-standing experience with receiving support from the World Bank's Energy Global Practice as well as from other international gas sector donors. The implementation challenges related to changes in government administration and support received from other international donors.

The changes in administration enhanced the importance of the Ministry of Energy as the sector reform accountable agency. The initial government project focal point was the director of state enterprises reforms within the Ministry of Finance. Upon formation of the reforms coordination Project Management Office (PMO) within the Ministry of Energy in the second quarter of 2020, its head took over the focal point role. This head was also nominated as chairman of the Government Project Steering Committee. This refocus on overarching sector reforms resulted in canceling the activity for introducing international financing reporting standards to state-owned enterprises' financial statements. In April 2020, the director of the Upstream Department was promoted to deputy minister of energy, oil and gas. After the departure of the head of Project Management Office in the summer of 2020, the new project focal point was replaced a few months later. Though all within the initial phase 1 project duration, this caused the government to shift the final approval of the proposed sector reform roadmap and to reschedule the target date for the roundtable.


Financed by another international donor, the SCADA concept design of a small section of the Uzbek transmission gas network was developed by a third-party company. The activity had commenced by the time the World Bank's funded design concept started covering the rest of the entire national network. The World Bank initiated liaison with this company after client approval. This company did not show the intent for collaboration. In the final report, the World Bank included as a way forward some key steps to assure successful technical integration of the two concept designs prior moving to the next stage, that is, maturing and tendering this facility engineering project.

The World Bank encouraged the government to take the lead in coordinating international donor support to execute the endorsed second wave reform implementation plan. It resulted in a clear ring-fenced scope of phase 2 technical assistance work targeting a liberalized gas market near term.

Results

Phase 1 has been fully completed. This program delivered (a) the Gas Sector Reform Roadmap and Reform Implementation Plan for the second wave of gas sector reforms, and (b) the SCADA conceptual design with high-level cost options for the

gas transmission network in September 2020. The government, supported by the World Bank, organized the Reform Roundtable, which endorsed this roadmap and implementation plan. Upon successful implementation by the state-owned transmission network operator, emissions commercial volume losses will be reduced.

As follow-up, an  additional grant (TFOB3916) was made available in December 2020, enabling phase 2 support to the Uzbek government for the implementation of the Gas Sector Reform Roadmap. The government requested technical assistance from the World Bank in compiling international best practice related to the government's planned modernization of the mid/downstream gas law and the subsequent introduction of a competitive gas market.

During FY22 two out of three Phase 2 activities were carried out and completed, covering: (i) Gas Sector Reform Implementation Technical assistance and (ii) Support Reform Implementation Office. The Sector Reform activities included providing guidance on modernizing the legal and contractual framework for the Gas sector in Uzbekistan to improve its competitiveness. The key input involved customizing international best practice related to the GoU's planned modernization of the mid/downstream Gas Law.

The support to reform implementation coordination promoted and supported efficient coordination between various ministries, authorities, and State-Owned Enterprises (SOE's) to implement these ambitious reforms.

Madagascar: Mining Technical Assistance (Velirano)

Project ID: P173440

Total Budget: \$515,000

EGPS Grant #:	Effective	Closing	Status
TFOB2107	February 2020	July 2022	Ongoing*

Context

With a \$527 GDP per capita in 2018, Madagascar's population is among the world's poorest. The country announced an ambitious program of reforms laid out in the Plan Emergence Madagascar (PEM 2019–2023). The objectives assigned to the mining sector are to increase its contribution to the GDP as well as its benefits to the population. The government initiated a reform of the Mining Code in November 2019, which raised concern among the private sector and civil society for the business climate and environmental and social standards. In December 2019, Madagascar's president confirmed the need for assistance from the World Bank to provide expertise as part of the design of key sectoral reforms.

The project development objective is to improve the capacity of government to design legal, fiscal, and institutional reforms for effective, transparent, and sustainable development of the mining sector.

Approach

After discussions with the administration, the private sector, CSOs, and international partners and donors, the following priority needs were identified: (a) assistance in designing mining policy, legal, regulatory, and fiscal frameworks, including in the context of the COVID-19 crisis; (b) analytical work to promote the future exploitation of strategic minerals sustainably; and (c) assistance in streamlining the EITI.

Implementation Challenges

The sector is in poor shape overall because of the health and economic crises as well as a lack of direction in policy. The project started in May 2020 and delivered a range of technical assistance on mining policy priorities as well as specific legal issues, such as the management of mining titles, throughout the calendar year.

However, the project was slowed down by the COVID crisis, which significantly delayed government ambition to reform the policy and regulatory framework. In early 2021, joint efforts with the International Monetary Fund (IMF) succeeded in assisting the government with both modeling and fiscal policy advice based on international practices. The government, however, tried to impose nonconsensual measures that industry

strongly rejected, which stalled the process until the government was completely reshuffled in August 2021.

EITI implementation has been slow these past few months, but a new executive secretariat was appointed in September 2020 and some government funding has been allocated in support of the initiative.

Results

In June 2022, the World Bank agreed to extend the project given at the request of the new minister. In line with the overall objective of the project, the focus would be put on key obstacles of the reform agenda and new approaches to unlock the mineral potential of the island, especially in view of the energy transition.

In FY2023, at least two analytical works will be developed with a respective backward and forward look: the socioeconomic impact of industrial mining in Madagascar, and the mineral potential of the island to supply the global energy transition.

In FY23: the main results are expected to be under project Component B (Promoting sustainable development of strategic resources): two studies on the "Socio-economic impact of industrial mining at the local level" and "Critical Minerals Potential in Madagascar".

During FY22, the main results were under the project Component C (Streamlining the Extractive Industry Transparency Initiative): a series of reports to support the national EITI Secretariat. They cover 4 areas: the EITI Reconciliation Report (Rapport Assoupli), The Progress Report, Mainstreaming EITI data and Communication.

Global: Taxing Digital Oil and Gas Operations

Project ID: P170557

Total Budget: \$140,000

EGPS Grant #:	Effective	Closing	Status
TFOB5798	May 2021	September 2022	Ongoing*

Context

The tax policy and tax administration challenges associated with the increasing digitalization of the economy are areas of focus of a recent public consultation led by the Organisation for Economic Co-operation and Development (OECD) focusing on base erosion and profit shifting, as well as a recent IMF Board paper on corporate taxation in the global economy. Increasing digitalization across industries is testing the fundamental elements and effectiveness of the global tax system, that is, where taxes should be paid (“nexus” rules based on physical presence) and what portion of profits should be taxed (“profit allocation” rules based on the arm’s length principle). Three important phenomena associated with digitalization—scale without mass, reliance on intangible assets, and the centrality of data—amplify an old taxation challenge arising from the globalization of value chains and the tax planning by multinational enterprises.

While most of the digital initiatives are likely to drive cost efficiency and improve operational resilience to disruptors (including pandemics like COVID-19), their deployment requires collaborative models across affiliates and third-party companies (with associated shifting of profits) as well as increased emphasis on intangibles, with potentially important effects on government tax revenue. Limitations of the arm’s-length principle—under which transactions between related parties are to be priced as if they were between independent entities—and reliance on notions of physical presence of the taxpayer to establish a legal basis to impose income tax—currently at the basis of upstream fiscal regimes—can allow profitable firms to pay little tax.

Approach

The issue paper under preparation investigates the challenges associated with taxing oil and gas activities in an increasingly digitized world, and on the economic impact and administrability of emerging tax schemes in capacity-constrained petroleum producing countries. The paper’s target audience includes (a) policy makers and tax authorities in developing and emerging petroleum producing countries, and (b) World Bank staff who provide advice and technical assistance on matters related to the taxation of the oil and gas sector.

This grant finances research to advance the understanding of upcoming challenges for petroleum-producing developing countries’ tax policy and tax administration associated with the increasing uptake of digital technologies in the oil and gas upstream sector. To this end, a team of tax and digital economy experts has been identified and is carrying out research on digital trends in oil and gas exploration, development, and production activities, and their impact on organizational models and taxation. Questionnaires and focused group discussion for data sourcing and validation of the research hypotheses will complement desk research.

... carrying out research on digital trends in oil and gas exploration, development, and production activities ...

Implementation Challenges

This is a new area of research. Data required to model the impact of digitalization trends on government tax revenue are not publicly available and will need to be sourced through questionnaires and voluntary contributions from the private sector and industry regulators. The team combined targeted interviews and desk reviews to identify the parameters of an economic model to simulate the impact of digital initiatives on government revenue.

The task team also faced considerable difficulty in finding expert contributors. Technical experts identified at the concept note stage withdrew from the task because of its complexity and time requirement. It took several months to identify expertise to fill the gap. This was a considerable setback for the task, which resulted in delay on the planned implementation timeline for the study.

Results

The research work has been completed. The task team is currently working on guidelines for policy makers and expects a first full draft manuscript to be ready in October 2022.

Bolivia: Lithium Mining

Project ID: P170557

Total Budget: \$140,000

EGPS Grant #:	Effective	Closing	Status
TFOB3105	July 2020	June 2022*	Ongoing*

Context

This activity is a follow-on to the initial Bolivia lithium report. The activity will ensure outreach and dissemination of the report produced.

Beyond the serious challenges that COVID-19 is posing to the country's economy, this year the foundations of Bolivia's economy are going to be tested. Historically a global player, Bolivia's mining industry seems to have stalled. Although investment in mining has been consistently low, the sector remains critical to the national economy. Attempts to consolidate a strong and modern state-managed mining sector have not been very successful.

Long-term access to lithium chemicals is essential for the global battery supply industry that supports the expansion of electric vehicles and energy storage from renewables. The lithium market is growing exponentially, but it is marked by volatility in the short term. According to the US Geological Survey's latest lithium report, Bolivia has the largest known resources of lithium in the world, but this hasn't been translated into quantified reserves. Despite its resource riches, Bolivia has so far failed to become a lithium industry player.

In 2008, the country branded lithium as a strategic resource and national priority. By all accounts, lithium policy implementation has moved slowly, though some claim that Bolivia has also made progress. For its first commercial lithium project, Bolivia planned to construct a midsize operation plant capable of producing 30,000 tons of lithium carbonate a year at Salar de Uyuni. To seize the emergent demand for lithium hydroxide, in late 2018 the Bolivian government also signed a joint venture agreement with the German firm ACI Systems. In early 2019, Bolivia chose a Chinese consortium to become its strategic partner on new \$2.3 billion lithium projects, giving China a potential anchor in the country's huge untapped reserves of lithium. The size of the opportunity for Bolivia is still big, but its development depends on a sound policy approach.

The project development objective is to prepare a policy note on lithium informed by a stock-taking of the current state of the Bolivian lithium policy implemented over the last decade, evaluating overall progress, results, shortcomings, and challenges.

Approach

The team will conduct a number of activities with regard to recommending a roadmap for developing responsible lithium mining in Bolivia, including the following: (a) Advice for improved management, regulations, and institutional framework for the lithium development; (b) on the basis of overall progress, results, shortcomings, and challenges encountered over the past decade, advice on strategies for addressing technical, economic, environmental, and social challenges; and (c) recommendations for a strengthened institutional framework for improved governance.

Implementation Challenges

Because of the COVID-19 context, the instability of the previous government, and the difficulties of accessing information from the state lithium company (Yacimientos de Litio Bolivianos), the consultancy faced many implementation challenges, which were mitigated through virtual meetings, contacts with other specialists and different sources and levels of government, as well as comprehensive reports elaborated by the lithium state company at the request of the Bolivian Congress.

Results

Unfortunately, this activity has been interrupted and put on hold because of severe difficulties faced by the lead consultant, who had the responsibility of completing the national case study and integrating two other contributions, one on the feasibility analysis of the different options followed by Yacimientos de Litio Bolivianos for advancing its investments on lithium extraction and the other one on water/environmental issues. Both the feasibility analysis and the water analysis have been completed, but the core case study analysis remains incomplete and the team decided to cancel this contract. The activity would be restructured so that all the material generated by the consultants could be reflected in a publishable report.

... The team will conduct a number of activities with regard to recommending a roadmap for developing responsible lithium mining in Bolivia ...

Peru: Support for Improved Management of Mining and Sustainable Development

Project ID: P173795

Total Budget: \$450,000

EGPS Grant #:	Effective	Closing	Status
TFOB2452	April 2020	June 2022*	Ongoing*

Context

From approximately 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, Peru 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 down, including in the mining sector, which is the main contributor to GDP growth.

Despite its importance to the Peruvian economy, the mining sector faces major challenges in terms of 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. The World Bank and the Peruvian government advanced discussions to identify possible reforms to respond to these challenges.

In the short term, the government is considering adjustments to the legal and institutional framework that regulates mining operations and investments. In the medium term, the government is looking to promote investments in the economic corridors that support broad-based economic growth within a sustainable territorial development approach. To this end, a technical discussion with the World Bank proposed regulatory improvements to the mining sector in matters such as exploration, tax stabilization contracts, mining procedures and permits, mine closure, environmental management, and prior consultations. The government has asked the World Bank for technical assistance to address these challenges.

The project development objective is to support both the regulatory framework for sustainable use of mineral resources and to identify and prepare interventions to support sustainable territorial development in resource-rich regions.

Approach

The project focuses on producing assessments around the regulatory framework for sustainable use of mineral resources as well as sustainable territorial development in resource-rich regions. The assessment of best-practice regulatory reform and the dissemination of results through consultative workshops with key stakeholders are informing discussions within the government about possible improvements to the regulatory framework. To inform the institutional design and implementation support setup for proposed future interventions at the subnational level, a territorial assessment was conducted around the following themes: 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 economic activities, productive links, and value chains. In this manner, the project provides just in time support to the Ministry of Energy and Mines (MINEM).

Implementation Challenges

The main challenge on implementing the planned activities referred to government instability and excessive rotation of mining sector authorities. Ministerial changes within MINEM have affected the pace of implementation. Eight ministers were appointed between January 2020 and June 2022, along with new vice ministers. Likewise, key counterparts at the Ministry of Economy and Finance (MEF), including the vice minister of hacienda, have been changed, which requires frequent reengaging with the new authorities. The project team has been interacting with the new sector's leadership to get them up to speed and agree on specific next steps toward implementing recommendations from the activity.

Results

The grant has achieved the following results:

- A multisectoral government working group was set up through a ministerial resolution that drove the initial stage for drafting a national multisectoral mining policy.
- A "business case" report (Analysis of Pertinence) was completed by the working group, which MINEM delivered to CEPLAN, the national planning authority.
- An institutional assessment to define options for implementing a territorial development intervention in the resource-rich southern economic corridor has been completed and was discussed with MEF. A more detailed follow-up presentation with MEF has been agreed and will be confirmed with the new, recently changed authorities.
- The government included an investment operation to support territorial development in the mining corridor in its 2023 public debt law.

The project has provided critical inputs and informed the formulation of two possible national investment programs or projects—one aimed at strengthening the mining sector management framework and institutional capacity, and a second aimed at articulating public and private sector investment in regional investment in the southern corridor to economic opportunities for the local population.

Once CEPLAN reviews and approves the Analysis of Pertinence, the government would be able to launch formally a systematic and participatory process of policy formulation to develop the new national mining policy for Peru. A possible investment operation with World Bank financing has been agreed with MEF to be included in the World Bank's lending pipeline for FY2024.

Yemen: Yemen Flaring Abatement and Liquefied Natural Gas (LNG) for Energy Supply Technical Assistance

Project ID: P178128

Total Budget: \$550,000

EGPS Grant #:	Effective	Closing	Status
TF0B8222	March 2022	October 2023	Ongoing

Context

Civil conflict has severely impacted energy access and electricity supply in Yemen, which in turn has further aggravated the already dire humanitarian conditions in the country. To date, the provision of public electricity has essentially collapsed. Six years into the conflict, only about 12 percent of the population has access to grid electricity because of both extensive conflict-driven damage to the national grid and persistent and severe fuel shortages.

Yemen's electricity is currently largely reliant on expensive liquid fuels—heavy fuel oil and diesel—most of which are imported. Before the conflict, Yemen was reliant on its hydrocarbon sector, which in 2010–2012 accounted for almost two-thirds of government revenues and 90 percent of total exports. Because of the lack of investment, the natural decline of operating fields, and frequent attacks on oil infrastructure, oil production in Yemen collapsed from close to 200 thousand barrels per day (MBbld) in 2013 to 43 MBbld in 2016. Production partially recovered to 95 MBbld in 2020.

First, the government's plans to address energy access and increase the utilization of the existing generation capacity rely on eventually increasing the availability of domestic natural gas for thermal power generation and for the displacement of expensive, imported, higher-carbon content heavy fuel oil and diesel.

Second, the government has also sought to import liquefied natural gas (LNG) into the port of Aden, launching an unsuccessful tender for a large floating storage and regasification unit (FSRU) in 2018, capable of supplying enough LNG to power stations in Aden.

Third, the government is now seeking to develop new gas-fired generation in the governorates of Shabwah and Hadramout, close to existing oil and gas fields, where a significant 872 million cubic meters (MMcm) or 84.4 MMcfd of associated natural gas were being flared in 2020 according to VIIRS satellite data, roughly equivalent to 525 MW of much-needed combined cycle gas turbine (CCGT) generation capacity.

Quickly switching from imported heavy fuel oil and diesel to domestic natural gas could produce significant savings of scarce government resources and enable a transition

to sustainable renewable energy sources if (a) gas that is currently being flared as a by-product of oil production could instead be captured, processed, and allocated to power generation; and (b) small-scale LNG (SS-LNG) solutions were considered instead of a large-scale LNG regasification (FSRU or on-shore LNG storage facility). The technology of SS-LNG has advanced in the last 5-10 years, reducing its unit costs significantly, and making it a cost-effective option compared with traditional large-scale approaches to LNG delivery and regasification.

Following the government's request, the World Bank conducted a scoping mission in 2021 that identified a range of priority analytical and advisory activities to improve the energy supply situation in Yemen, reduce the severe fiscal imbalances, and allow for the reallocation of scarce resources to address immediate humanitarian needs and the provision of basic services.

Approach

Address the project objective through an updated diagnostic assessment of the situation of the oil and gas sector, as well as the condition of the sector's value chain production, processing and transport facilities; conduct an assessment of the technical, economic, and commercial feasibility of addressing wasteful gas flaring and its capture for power generation, in order to displace the use of imported diesel and heavy fuel oil and catalyze the introduction of renewable sources of energy; and assess the technical, economic, and commercial feasibility of using small-scale LNG for power generation.

In assessing the potential for flaring reduction, women's voice and agency is a paramount consideration during any environmental and social impact assessments in surrounding communities.

Results

The project team concluded the procurement process for the consultants in mid-July and is in consultations with Yemeni counterparts to prepare for the preliminary studies. It is expected to deliver the following:

- Short-term optimization of the fuel supply chain: Advising on improvements to the fuel supply chain logistics to support increased electricity supply to meet essential needs
- Flaring reduction: Assessing the technical, economic, and commercial feasibility of addressing gas flaring at Yemen's oil production facilities, capturing wasted natural gas associated to oil production, processing it, and allocating it for power generation
- Small-scale LNG: Assessing the technical and economic merits of importing LNG to the port of Aden (and/or Mukalla) to supply LNG for power generation,

particularly focusing on small-scale LNG (and micro LNG) against other larger-scale FSRU options that have so far been considered

- Private sector participation framework: Developing a contractual framework for private sector investment in (a) gas flaring reduction, gas capture, processing, transportation, and commercialization; and (b) LNG imports using small-scale LNG and/or micro LNG

The project development objective is to support the government of Yemen in its efforts to improve access to energy and the supply of grid electricity.

Western Balkans: Decarbonization and Clean Energy Transition in the Western Balkans Region

Project ID: P171194

Total Budget: \$360,000

EGPS Grant #:	Effective	Closing	Status
TFOB4952	January 2021	June 2022*	Ongoing

Context

The World Bank’s support to coal regions in transition draws on lessons learned from current projects in Bosnia and Herzegovina, Bulgaria, Greece, Serbia, Ukraine, and Western Macedonia, as well as long-standing experience from Poland, Romania, and Russia. The World Bank is advising countries on solutions for decarbonization that are economically viable, tailored to their unique needs, and reflect the latest policy, financial, and technological innovations. As part of the Supporting Energy Transition in Coal Regions Initiative, the World Bank together with the European Commission assists coal regions in developing roadmaps that implement effective policies and strengthen institutional capacities. Ongoing assistance to coal regions can take many forms, spanning a variety of challenges and solutions associated with regional transformation.

The project development objective is for assisted coal-dependent regions in the Western Balkans to be equipped to manage the energy transition they face.

Approach

Build the evidence base for decarbonization by assessing the coal sectors, understanding the current plans for decommissioning and the socioeconomic impact of coal mine closure. The project team will also investigate how natural gas can help with the energy transition, along with demand-supply forecasting for natural gas. Furthermore, the team will commission research to develop an understanding of constraints to a just transition. The purpose of the survey and accompanying focus group discussions will be to highlight to client countries where efforts in citizen and broad stakeholder engagement will need to be made to ensure a just transition.

The grant focuses on enhancing the capacity of coal regions to plan for a just transition through job creation, repurposing of former mining lands, and stakeholder engagement.

Results

The project has made good progress against the intended deliverables. The gas transition study was successfully completed in September 2021 with the integration of received review comments and has been shared with the World Bank country director and country managers for further discussion and bilateral follow-up. The market

model underpinning the conclusions has been used as input into a parallel electricity market study—to verify assumptions of future gas-to-power opportunities supporting a transition away from coal - for WB6 countries (Albania, Bosnia and Herzegovina, Macedonia, Kosovo, Montenegro, and Serbia).

Considering the dramatic change in the energy landscape that has occurred since the completion of the study, and the complete shift in the natural gas supply situation, it is noted that the conclusions from a year ago would need to be revisited in their entirety.



**COMPONENT 3
REGULATION AND
INSTITUTIONAL
STRENGTHENING**

Egypt: Support to Egypt’s Gold Mining Sector

Project ID: P176321

Total Budget: \$800,000

EGPS Grant #: Effective

Closing

Status

TFOB5530 April 2021

October 2022

Ongoing*

Context

The Ministry of Petroleum and Mineral Resources in Egypt launched the Egyptian Mining Sector Modernization Program to grow mining sector revenue, foreign direct investment, and employment. This program has completed the first phase (diagnostics) and is now looking to move to the second phase (implementation) with donor assistance.

Once established, the Hub is expected to encourage project sponsors to source services from local enterprises. To effectively promote and market this centralised Hub, an appropriate strategy is required to address all levels of stakeholder engagement, from the identification of the actual raw material suppliers (mines), processing facility operators, suppliers, Hub service providers, customers, clients, investors, government departments and potential international partners.

As the next step, the government is requesting donor support for its gold mining sector in three components: accreditation of laboratories, a master plan for a “gold hub,” and an artisanal formalization plan. A formal request for World Bank support through the Ministry of International Cooperation (WBG Governor) is being processed. The beneficiaries are the Egyptian Ministry of Petroleum and Mineral Resources, Mining Authority (EMRA), mining private sector, artisanal mining labor force, and citizens benefiting from regional development.

... the government is requesting donor support for its gold mining sector ...

The project development objective is to modernize Egypt’s gold mining sector, thereby attracting private investment.

Approach

The project will conduct an assessment and develop a high-level master plan for a gold hub in the Eastern Desert. The assessment includes considering the viability of a gold refinery, exploration/exploitation services, logistics companies, laboratory, vocational training center, mining university, and social infrastructure requirements such as residential/recreational areas for people working in the hub.

From the analysis, a high-level masterplan will be drafted for a prospective gold hub. The activities include but are not limited to (a) defining options for the location for the gold hub; (b) studying potential gold mining activities in the Eastern Desert to define services/facilities to be established within the hub; (c) preparing phasing strategy for the hub facilities covering, for each, capex, timing of implementation, business model, pre-feasibility study and document for promotion; (d) preparing a site plan for the hub facilities; (e) conducting a scoping study of utilities and infrastructure requirements within the hub and including these requirements in the hub site plan; (f) conducting a scoping study for infrastructure demands for hub development, associated increase in gold mining, and the social and environmental impacts of the hub development in the Eastern Desert; (g) suggesting the governance model of the hub administration entity; (h) preparing a community engagement plan, including consultation via free prior and informed consent; and (i) including a local content plan.

Implementation Challenges

The short time frame to deliver a complex assessment has been a challenge throughout this project. This has impacted the ability of the consultancy to deliver high-level reports and information for each component under the activity, particularly details on a cost-benefit analysis from the government’s perspective. It should be noted that most aspects of the assessment have been of high quality and that client participation has been impressive, always available, and providing input in a timely manner.

Results

The project delivered a series of reports assessing the possibility of a gold hub (service center, academic facilities, and potential for a gold refinery) in the Eastern Desert. The final reports were completed by the end of July 2022 and state that the gold hub project is viable considering assumptions made of refinery operating to its 50 tpa capacity within three years. The reports provide an initial grasp of what is needed for estimating infrastructure development, with cost estimates based on the preferred site selected via an assessment process.

... project delivered a series of reports assessing the possibility of a gold hub ...

The reports were well received by the client, including the development timeline and environmental and social impact recommendations. The reports are currently being used by the client to attract potential investors into the gold hub.

Global: Extractives-Led Local Economic Diversification (ELLED) Phase II and Broadening the Impact of the ELLED CoP

Project ID: P156743

Total Budget: \$490,522

EGPS Grant #:	Effective	Closing	Status
TFOA8299	August 2018	September 2021	Closed
TFOB2317	March 2020	September 2022	Ongoing

Context

Extractives-led local economic diversification (ELLED) is a complex and rapidly evolving policy area. Policies and regulations differ widely among countries and, at times, between oil and gas and mining in the same country. While these policies have the potential to stimulate broad-based economic development, their application in petroleum and mineral-rich countries has achieved mixed results. For ELLED policies to achieve their potential, there is a need for creating common understanding, shared values, and collaboration among stakeholders.

This knowledge program is part of a wider initiative aimed at supporting inclusive growth by promoting innovation, long-term competitiveness, and regional synergies.

The project development objective is to address knowledge gaps for improved policy design and implementation, improve awareness, and provide a platform for knowledge creation and sharing, and sustained professional learning.

Approach

The objective of this project will be achieved through selected research targeting knowledge gaps, outreach and advocacy, workshops and training programs, and the establishment of an online community of practice (CoP) to support the development of strategic partnerships. The program will also provide the theoretical foundations for World Bank Group operations.

This program of work has three deliverables:

- Knowledge creation
 - Leveraging the mining sector to achieve green growth—delivered March 31, 2019
 - [ELLED interactive framework](#)—delivered December 31, 2019
- Knowledge sharing and outreach—ELLED CoP

Design and management of an online ELLED CoP to connect policy makers, companies, practitioners, and other stakeholders and support continuous professional

learning: The CoP was launched in 2015 as one of the outcomes of the first Global Conference on Local Content Policies (Vienna, Austria, 2014). The CoP is an invitation-only platform that targets local content experts from around the world among extractive companies, policy makers, practitioners, nongovernmental organizations, academia, and donors. Since 2020, the CoP is jointly administered and financed by EGPS and Engineers Without Borders Canada. It relies on the voluntary contribution of time and knowledge of its members.

Its program focuses on “frontier” knowledge and practice, with themes selected by the CoP program managers based on observed trends and input from CoP members and program donors. This strategy is compatible with the CoP’s limited financial resources and core team time to actively manage the CoP programs. This strategy also aims to capture and retain members’ limited time and attention and contribution by proposing innovative content. CoP members have access to local content data and practice through quarterly webinars and e-discussions, collection and dissemination of relevant papers and documents, a monthly newsletter, and “Ask the CoP” services.

Results

In FY2022, the ELLED launched a new map that compiles key information pertaining to local content in the extractive industries, organized by country. The ELLED Map provides easy-to-access, high-level information for users looking to understand local content-related policy contexts in different host countries, as well as information on relevant initiatives and organizations.

... The ELLED Map provides easy-to-access, high-level information for users ...

The ELLED CoP continued to rank very highly among the World Bank Group’s various CoPs, with a strong and growing member base and a large body of knowledge on extractive policies. Members’ engagement rates remain strong: The monthly newsletter’s open rate stands far above the sector average at 44.5 percent (versus 25.2 percent for the nonprofit sector worldwide, and 28.8 percent for the government sector worldwide), and the newsletter has a click rate of 7.4 percent (versus 2.8 percent for the nonprofit sector worldwide, and 4.0 percent for the government sector worldwide).

The ELLED CoP grant closing date was extended to accommodate the finalization of the CoP strategy for the next phase of the ELLED CoP (calendar years 2023–2024). The strategy is expected to be finalized in September 2022 and include measures to refocus the CoP to industrial policy and green industrial policy for the mining sector. Greater integration with other thematic programs supported by EGPS (such as artisanal mining and climate smart mining) is being proposed, which will require the rebranding of the ELLED CoP and the realignment of its membership.

Western Balkans: GOXI Regional Platform for Coal Regions in Western Balkans and Ukraine

Project ID: P171194

Total Budget: \$143,000

EGPS Grant #:	Effective	Closing	Status
TFOB3682	August 2020	June 2022*	Ongoing*

Context

The World Bank is committed to helping countries achieve their nationally defined clean energy transition targets. In 2019, a new initiative Supporting Energy Transition in Coal Regions was established. In the first phase of the initiative, the project team collaborated with the European Commission to establish an online Regional Platform for Coal Regions in Western Balkans and Ukraine, which facilitated knowledge sharing and peer learning amongst 14 different coal regions undergoing energy transition and provide formal training technical assistance, to implement transition programs.

GOXI (www.goxi.org) is an established online platform for dialogue, interactive learning, connections, innovation, and collaboration across stakeholder groups, countries, and initiatives that aims to strengthen governance of the extractives sector. For this proposed activity, a dedicated space was created on GOXI named “Regional Platform for Coal Regions in Western Balkans and Ukraine.” This space became a membership-based interactive platform for all coal regions in transition in the Western Balkans and Ukraine as well as relevant stakeholders.

Approach

Establish a membership-based interactive platform on the GOXI webpage called “Regional Platform for Coal Regions in Western Balkans and Ukraine.” This exercise will also provide training to relevant stakeholders to ensure functionality and use.

The College of Europe, the World Bank’s knowledge partner for the Coal Regions Learning Academy, is responsible for substantive input and preparation of the e-learning courses. To develop online course content, the College of Europe will conduct surveys to identify stakeholders’ topics of interest, and select subject matter experts to support the various modules for each course. The course logical framework aligns with the World Bank’s three-by-three assessment methodology supporting energy transition in coal regions: (a) the three-phase programmatic approach (pre-closure, closure, regional transition), and (b) the three key thematic areas (institutional governance, people and communities; environmental reclamation and repurposing land and assets). Six courses will be provided. The first

The project development objective for this activity is to facilitate knowledge exchange, experience sharing, and learning among coal regions in the Western Balkans and Ukraine.

three courses focus on horizontal learning; the next three provide vertical sectoral deep dives related to energy sector transition.

Implementation Challenges

The project faced delays in the overall development of the Coal Regions Learning Academy e-learning courses. The different modules of each course were identified, the College of Europe liaised closely with subject matter experts for the various modules of each course, to deliver research and/or practical lessons learned (case studies) and other relevant knowledge resources. However, content delivery delays. Consequently, the College of Europe took more time to curate and package the knowledge pieces within the learning curriculum and generate course file packages for each course uploaded in the learning management system (LMS) for the Learning Academy on the GOXI web page.

To help mitigate prolonged and future delays, the World Bank team supported the College of Europe by following up with subject matter experts to deliver their contributions. In addition, the World Bank team worked with Assyst to provide a flexible approach where the College of Europe could deliver course file packages for each module as soon as these were generated, without waiting to have the full course finalized. This measure has helped facilitate the review and user acceptance testing processes that are required before moving courses to production in the LMS.

Given the delays, the World Bank team requested a three-month extension from September 30, 2021, to December 31, 2021, to help with the ongoing activities. The request was approved, and the team is confident the first three e-learning courses will be available in the Learning Management System by the end of October 2021, with all six available by December 2021.

Results

The GOXI platform in Support of Coal Regions in Transition in Western Balkans and Ukraine (WBUA) was officially launched virtually on December 10-11, 2020. Over 180 participants from Bosnia and Herzegovina, Germany, Greece, Kosovo*, Montenegro, North Macedonia, Poland, Serbia, Ukraine, and United States joined the online two-day event to share experiences and lessons learned on the energy transition. The Annual Meeting of the WBUA Platform initiative took place on June 23-24, 2021, with wide representation from coal regions, governments, civil society, workers, enterprises, and development agencies.

During the platform development phase, the World Bank project team worked closely with Assyst to design an interactive learning management system with full functionality and create dashboards for the Learning Academy’s various users (students, course coordinators, and administrator). The Learning Academy was designed to initially host six e-learning courses composed of five modules each, and provide access to

key knowledge resources, including knowledge packages to serve as guides through the basic literature and terminology.

The College of Europe, the World Bank’s knowledge partner for the Learning Academy, provided input and prepared the e-learning courses. To develop the online course content, the College of Europe conducted surveys to identify stakeholders’ topics of interest and selected experts as knowledge providers for the different modules under each course. The courses use a logical framework aligned with the World Bank’s three-by-three assessment methodology dashboard supporting energy transition in coal regions: (a) the three-phase programmatic approach (Pre-closure, Closure, Regional Transition), and (b) the three key thematic areas (Institutional Governance, People and Communities, and Environmental Reclamation and Repurposing Land and assets). The first three courses focus on horizontal learning, while the remaining three courses provide vertical sectoral deep dives related to energy sector transition.

As of September 2022, the learning management system contains all six courses that require only small technical attention before being published. In addition, the knowledge packages curated by Ecorys, which include background documents pointing to basic definitions, processes, and literature, were also developed and are part of the Learning Academy’s knowledge repository. An interactive version of the three-by-three assessment methodology dashboard is also accessible from the Learning Academy’s homepage, pointing users to relevant knowledge resources. By the end of 2022, six online courses with their respective course materials will be available, allowing participants to progress module by module, passing tests, and finally obtaining a certificate of completion. In addition, users will be able to interact with knowledge providers included in GOXI’s member database and engage in discussions with other members. It is expected that additional course offerings prepared for the Learning Academy will also be included.

Global: Decarbonization Pathways for the Oil and Gas Sector

Project ID: P156743

Total Budget: \$400,000

EGPS Grant #:	Effective	Closing	Status
TF0B5225	February 2021	September 2022	Ongoing*

Context

Emerging markets and developing economies (EMDEs) confront a double challenge: increasing access to reliable and efficient energy while finding context-sensitive pathways to participate in the global transition to clean, low-carbon energy systems. Properly paced policies that support increased efficiency, decarbonization of extractive value chains, greater fuel diversity, and lower GHG emissions were identified as promising and impactful areas for engagement.

Approach

A study, Decarbonizing Pathways for the Oil and Gas Sector, will be undertaken. The resulting report is intended to help policy makers in hydrocarbon-dependent Emerging markets and developing economies (EMDEs) (a) design effective policy, legal, institutional, and regulatory frameworks to address the carbon intensity of oil and gas operations while transitioning to a low-carbon energy mix and economy; and (b) identify sector-specific targets to strengthen their Nationally Determined Contributions (NDCs) and implementation strategies in view of COP27 and thereafter. The report will also provide reference data for the integration of climate considerations in our legacy portfolio, and the identification of priority reforms.

The report will contain a detailed analysis of Greenhouse Gas (GHG) emissions from oil and gas operations, offer a review of existing and upcoming technologies to tackle GHG emissions (including carbon capture and storage, renewables, and low-carbon fuels), summarize the key decarbonization measures taken by leading countries and companies, and propose a tool to assess a country’s readiness to decarbonize. Decarbonization policies focus on two broad groups of interventions: those that prevent emissions from oil and gas operations and those that tackle emissions.

Results

The report was completed in May 2022 and is pending publication. The main findings of the report are summarized below.

Oil and gas accounts for about 53 percent of global energy supply, 15 percent of global energy scope 1 and 2 emissions, and 11 percent of global emissions. Upstream

operations are the largest contributor (58 percent) to sector emissions, followed by midstream (12 percent) and downstream (30 percent). Combustion and methane emissions represent, respectively, 50 percent and 43 percent of the sector's emissions, while flaring contributes 7 percent. There is a great variability in emission intensity across jurisdictions, assets, and operators, with only a handful of companies having rolled out clear decarbonization targets and investment. Emerging markets and developing economies and their respective Nationally Determined Contributions exhibit the highest carbon intensity on a per Barrel of Oil Equivalent (BOE) basis, and the least developed legal and regulatory frameworks to address it. A large share of emissions is low concentration and geographically scattered, requiring a combination of technical and regulatory solutions.

About two-thirds of sector emissions are the result of poor engineering and design philosophy. They are often easily addressed with existing technology and should be strategically prioritized. Policy and regulation are critical in shaping private sector focus and the pace of decarbonization efforts.

The report identifies six action areas for policy makers: decarbonization governance framework, decarbonization targets, implementation guidelines, policy and regulation, incentives and penalties, and stakeholder engagement. Practical tools to help determine, prioritize, and sequence the most appropriate decarbonization pathways are also discussed (including GHG emissions baselines, marginal abatement curves, decarbonization roadmaps, carbon taxes and offsets, and emissions targets).

...The report identifies six action areas for policy makers ...

Global: Water Management in Oil and Gas Operations

Project ID: P156743

Total Budget: \$500,000

EGPS Grant #:	Effective	Closing	Status
TF0B5071	February 2021	September 2022	Ongoing

Context

Steadily increasing demand makes water scarcity a threat to sustainable development and an increasing number of regions are chronically short of water. Putting caps to water consumption, increasing water-use efficiencies, and better sharing of the water resources is now critical to reduce the peril posed by water scarcity on biodiversity and human welfare. Freshwater demand in oil and gas operations is a small fraction of global water demand, but oil and gas fields are commonly clustered in smaller areas where their operations often dominate freshwater abstraction and wastewater discharge. At the same time, oil production generates large amounts of produced water (with the water-to-oil ratio ranging between 3 and 20) that may be used to reduce freshwater abstraction and possibly serve beneficial purposes outside the petroleum sector (cross-sectoral linkages, shared infrastructure).

In the most advanced countries, regulation promotes the sound use of freshwater in oil and gas operations and incentivizes the reuse or beneficial use of treated produced water. Regulation is also used to prevent the contamination of the freshwater resource from the disposal of improperly treated produced water. This is not the case in many developing and emerging economies, where regulation is often lacking or nonexistent or, when present, poorly enforced.

This report aims to raise awareness on the challenges and opportunities associated with the use of freshwater and the reuse of water produced in oil and gas operations, with the view to support evidence-based policy making and regulation. To that end, the report proposes a list of operational and policy guidelines for the use and reuse of water. It focuses on the water-hydrocarbon nexus, but most of the insights and findings are relevant to mining activities in general. The report will also be useful for donor organizations, helping them structure policy dialogues and interventions designed to tackle climate resilience in water-scarce, resource-rich regions.

Approach

The grant will finance the review of industry practice and public policy regarding freshwater abstraction and the management of produced water in oil and gas upstream

operations, with the objective of identifying policy and regulatory options for the management of water in oil and gas upstream operations.

The resulting report will contain an overview of facts and trends in freshwater abstraction and produced water generation and use in oil and gas operations; a review of industry practice with water management in upstream operations; a review of tools and methodologies for assessing water sources and supply risks at the national level; an overview of the legal, regulatory, and contractual framework 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.

Implementation Challenges

This specialized area of research and policy work required knowledge of upstream oil and gas operations and of water treatment technologies and uses. Publicly available data on water production and water abduction in oil and gas operations are scarce, yet access to such data is required to prioritize policy and regulatory solutions as well as to identify cost-effective solutions. The lack of data was the main challenge for this knowledge work, which was mitigated through interviews with leading oil and gas companies and regulators.

Results

The report on water management for the oil and gas sector was completed in May 2022. However, the decision meeting has yet to be held, pending senior management decision. Meanwhile, the report is undergoing a review to include additional information that has been made available to the task team since May 2022.

Key findings: Optimal policy and regulation of the use of freshwater and reuse of water generated by oil and gas operations depend on a range of geographic, geological, technical, and economic factors.

Nonetheless, the report identifies common policy principles, organized around key regulatory functions and critical links of the oil and gas value chain, and offers practical solutions to guide policy makers and regulators seeking to minimize the environmental impact of oil and gas operations, to promote sustainable cross-sectoral economic linkages and to reduce competition and potential conflicts for the water resource.



Global: EGPS-2 Emergency Response: Artisanal Mining Communities Impacted by COVID-19

Project ID: P175100

Total Budget: \$5,725,000

EGPS Grant #:	Effective	Closing	Status
TFOB3823	September 2020	December 2022	Ongoing

Context

In developing countries, the COVID-19 crisis is having an immediate and amplified impact on the poorest and most vulnerable regions. The 40 million people working in informal and often illegal, precarious conditions in artisanal and small-scale mining worldwide are particularly vulnerable. This emergency response builds on the World Bank's work to promote ASM formalization through long-term engagement and government-owned policy reforms. It uses the full range of EGPS capabilities, responding to crises as they unfold in vulnerable, rural ASM areas.

In April 2020, EGPS financed a systematic data collection exercise on how COVID-19 had affected ASM communities. Working with 17 partners across 22 countries, the World Bank was able to quickly investigate and publish on the Delve platform specific COVID-19 impacts on select ASM communities that inform this emergency relief response. The research findings revealed encouragingly high levels of COVID-19 health awareness in remote mining communities. They found that miners were relatively confident that, if needed, they have adequate access to health support. However, an overwhelming number of miners are facing food insecurity because of cost inflation of basic goods and reduced income resulting from temporary mine closures, a drop in mineral prices, and disruptions in the gold trade chains of ASM-sourced products/materials.

The findings informed the design of a targeted COVID-19 emergency response facility under EGPS. The emergency response was formally established in June 2020 with seed funding of 1 million Swiss francs from the Swiss State Secretariat of Economic Affairs (SECO). The window has since received \$4.8 million from Belgium and Germany. The EGPS emergency response addresses ASM vulnerabilities and provides short-term assistance to a range of international, regional, national, and local organizations engaged in artisanal mining. A total of \$5.2 million was approved, for a project from October 2020 to May 2022.

The overarching goal is to strengthen local community benefits for all and mitigate adverse impacts on the local ecosystem. The aim is to strengthen institutional capacity to deliver services among governments as well as artisanal and small-scale mining rural communities. The project objective is to respond to COVID-related impacts in select ASM communities.

Approach

The project used a phased approach spanning three rounds of financing to support a wide range of interventions.

The first round of projects began allocation at the end of 2020, going to 22 organizations for short term, three-to-six-month activities related to health awareness, training on environmentally friendly mining methods, gender-based violence, and alternative livelihoods and economic support to mining cooperatives and self-help groups. Emphasis was on COVID-19 awareness prevention and efforts to mitigate pandemic impacts. Recipients spanned 18 countries, with just over half including organizations in Africa, and with two organizations in each of the three regions of East Asia and the Pacific, South Asia, and Latin America and the Caribbean.

For rounds 2 and 3, from February 2021 to December 2022, the focus moved to medium-term (up to one year) activities. This supported one global networking project covering Africa, East Asia and the Pacific, South Asia, Latin America and the Caribbean, and seven other awards for Sub-Saharan Africa, Latin America, and Asia. Activities worked on formalizing and aiding disrupted supply chains, environmental cleanup, mining site improvements, as well as capacity building of government monitoring systems, local mining cooperatives, and other mining-related groups. Funds also helped with the expansion and continuation of phase 1 COVID-19 awareness campaigns and activities. Research to improve policy and reimagine the ASM gender-mainstreaming is also under way along with work on formalization, network building along the ASM value chain, and ASM exchange platforms. To understand how ASM has changed or not since the beginning of the pandemic and what trends may have emerged, the project plans to conduct a second data collection exercise that will help identify current priorities for ASM policy and programs globally.

In 2022, a capstone conference gathering ASM stakeholders, including emergency response implementing partners and beneficiaries, leading technical experts and academics, representatives from the private sector, government, civil society, the media, as well as donors, will build on the lessons learned from the two-year COVID-19 emergency response to facilitate knowledge sharing, fill knowledge gaps, and provide solutions to the most pressing challenges facing mining communities.

Implementation Challenges

Many projects faced challenges in implementation primarily owing to a range of impacts from the COVID-19 pandemic, including staff contracting COVID-19, COVID-19 denial among beneficiaries (Afghanistan, Burkina Faso, Colombia, Democratic Republic of Congo, India, Nigeria), implementation of lockdowns and restrictions (Afghanistan, Brazil, Colombia, Côte d'Ivoire, Ghana, India, Indonesia, Kenya, Mongolia, Mozambique, Uganda). In a variety of projects, impacts were addressed through the use of or change to remote tools and activities (Brazil, Ghana, Mongolia); in Mongolia, this transformation led to additional challenges because of low levels of digital literacy,

although the team in Mongolia and others note this as opportunities to introduce new levels of learning among beneficiaries. In several places, testing of staff for COVID-19 was needed (Guinea, India, Mozambique).

In other instances, activity locations were swapped (Burkina Faso, India, Nigeria). Other projects (Burkina Faso, Ghana, Mozambique, Nigeria, Uganda) also faced general external challenges, including local elections, regional insecurity, conflict at mining sites or challenges from local response to issues related to women's rights. The volume of partner organizations engaged through the emergency response has required intensive support from the World Bank's contracting and administration team to manage procurement and issue agreements over a short time frame, resulting in some manageable delays. More than 80 percent of collaborators, most of whom are grassroots local civil society organizations, had previously never worked with the World Bank. This engagement therefore represents for most of these organizations a significant opportunity for future engagements with international donors in the ASM sector.

The emergency response project team provided support and guidance to organizations and thereby helped increase their organizational capacities. This resulted in the successful completion of 31 of the 48 projects.

Results

The project comprised two phases and three rounds of funding, with 48 projects, of which a third included women mining organizations. Eighty percent of recipients led COVID-19 awareness campaigns and activities such as social protection for vulnerable populations and improvement of conditions of women miners. Another 74 percent engaged in economic activities such as support for mining cooperatives' work on debt escalation, formalization efforts, transparent trade chains, improved ASM market access, and access to complementary/alternative livelihood activities. Sixteen percent of the funding moved forward environmental activities such as prevention of encroachment in protected areas and mercury reduction. Seventy-five percent (31) of the projects are successfully closed, benefiting thousands trained on socioeconomic activities and COVID-19 prevention, contributing to improved quality of life—exemplified by the success stories in the main body of the report.

... project comprised two phases and three rounds of funding, with 48 projects, of which a third included women mining organizations. ...

Global: Closing the Gender Gap in Extractives

Project ID: P168863 / P176868

Total Budget: \$431,083

EGPS Grant #:	Effective	Closing	Status
TFOA8675	September 2018	August 2021	Closed
TFOB5833	May 2021	September 2022	Ongoing

Context

The World Bank has committed to increasing the number of operations (IDA and IBRD) that are gender tagged. “Gender tagged” implies that a lending project intends to bring about transformational change when it comes to gender gaps in development. These gaps are (a) human endowments, (b) ownership of assets, (c) better jobs, and (d) voice and agency. A significant part of this project’s strategy involves the creation and dissemination of the field-specific knowledge.

The project development objective is to provide operational support to extractives task teams in their endeavors to design gender-sensitive projects that would qualify for the gender tag.

Approach

The project team conducted root-cause analyses of gender gaps and proposed tangible and measurable remedy actions and results indicators into World Bank lending projects’ design (in Brazil, Guyana, Mali, Niger, Solomon Islands). Specifically, project support encompassed (a) guidance on gender assessment, (b) guidance on World Bank corporate requirement on gender-tag, (c) guidance on lending operations design and results framework to include gender-specific actions, and (d) funding to conduct country-level gender assessment and gender gap analysis.

Beyond technical support, the task team partnered with the organization International Women in Mining to produce the report *Impactful Women: Examining Opportunities and Constraints for Women in Mining Organizations Worldwide*. The team also edited a special issue of the *Extractives Industries and Society* journal, which included papers submitted by the panelists of the second Global Gender in Oil, Gas and Mining Conference and the World Bank Gender Strategy as well as by other experts on the topic. The task team will remain in contact with women in mining organizations and experts in the field to brainstorm collaborations in the future for capacity-building and empowerment activities.

Implementation Challenges

COVID-19 restricted our ability to host in person the Second Global Gender in Oil, Gas and Mining Conference. The team made the event virtual, which in the end allowed for greater global participation. Challenges related to adapting to the online format included the need to hire a firm to handle all the prerecordings, building out a platform site to host the event, and dealing with new IT logistical challenges.

Results

Externally, the project team collaborated with international nonprofit mining organizations to conduct research and pilot programs. In partnership with International Women in Mining, the team produced the report [Impactful Women: Examining Opportunities and Constraints for Women in Mining Organizations Worldwide](#), which shines a light on the inner workings of women in mining organizations in over two dozen countries. The findings were presented at [an event](#) to celebrate International Women’s Day on March 9, 2022, and to donors. The team is now collaborating with women in mining organizations to design a sound capacity-building program that will operationalize findings of the report.

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This project has previously provided technical assistance internally to five World Bank lending projects: (1) Guyana Petroleum Resources Governance and Management Project (P166730), (2) Mali Governance of Mining Sector (P164242), (3) Brazil Energy and Mineral Sector Strengthening Project II (P170850), (4) Niger Governance of Extractives for Local Development & COVID-19 Response Project (P164271), and (5) Solomon Islands Sustainable Mining Development Technical Assistance (P173018). Four of the projects (80%) have been approved by the Board and categorized as gender tagged by the Gender Group, and one project (P173018) is expected to be approved in FY2022. For each project, the team provided the summaries of the type of support for lending operations aimed at closing the gender gaps, as well as the summaries of gender-sensitive activities and indicators, in the report *Closing the Gender Gaps: Summary Report of Support to Task Teams*.

The project team did not receive any new internal requests in FY2022 for support on designing a gender component in lending operations, as no new lending operation entered the pipeline in FY2022.

Lao PDR: Sustainable Mining Investment and Benefit Flows

Project ID: P170557

Total Budget: \$600,000

EGPS Grant #:	Effective	Closing	Status
TFOB4865	January 2021	June 2022*	Ongoing

Context

The Lao People's Democratic Republic boasts a variety of mineral resources that have been only partially explored and have attracted only intermittent interest from investors. The mining sector contribution to the Lao economy, which peaked at 12 percent in 2014, is already less than 5 percent and is forecast to fall further as economic reserves of the initial discoveries run out. Assorted small- and medium-scale operations mine diverse metallic and nonmetallic minerals in many parts of Lao PDR, but they are mostly undercapitalized and often operate to low technical, environmental, and social standards. The country faces the challenge of a sector whose benefits and sustainability are declining, while the authorities and host communities face a mounting burden to mitigate environmental and social impacts.

A revision of the Mining Law was approved in 2018 and addressed some deficiencies of the former law, including a clearer assignment of responsibility for sector management to the Ministry of Energy and Mines. Nevertheless, proper implementation requires completion of a set of new regulations across a range of licensing and compliance issues.

In January 2021, the government lifted a longtime moratorium imposed on new licensing of metallic minerals exploration at a time when it feared the sector could not be managed effectively and regulation would be overwhelmed. Ending the moratorium is planned in the context of a mining sector strategy that aims to relaunch the sector as a key driver of socioeconomic development. However, authorities have been slow to restart the permitting of new licenses.

Timely support and advisory services would increase the chances that the Ministry of Energy and Mines will be able to perform its responsibilities effectively and fairly when the moratorium is lifted. Failure by the ministry to do this would result in the perpetuation of a situation in which the mining sector fails to deliver potential benefits while imposing a growing burden on the authorities to mitigate the impacts of poorly performing and regulated operators, with many of the costs falling on host communities.

The objective of the advisory activities is to strengthen capacity of the Lao government to adequately plan and regulate the mining sector with the ultimate objective of improving the generation of benefits and operational performance.

Approach

Mineral license management will be supported at three levels: (a) guidance notes and training on assessment of investment proposals to identify and promote proposals with the highest expected returns to the national economy, (b) support to monitoring and enforcement of investors' performance to rigorously track exploration and preproduction activities on the basis of existing IT systems and toolkits, and (c) policy notes and support to drafting of a national strategy for rare earth developments.

The advisory services and analytics will also support a more equitable distribution of benefit flows by means of a review and modernization of applicable community fund procedures.

Implementation Challenges

In the absence of nationally based industry experts, the travel restrictions imposed by COVID-19 have seriously hampered dialogue and support. Videoconferencing dialogue has facilitated implementation, but actual on-the-job training continues to be off-limits.

Political influence on investment decisions remains a challenge to objective administration of the licensing and approval process. Such influential factors hamper the authority and effectiveness of the Ministry of Energy and Mines. Dialogue with decision-makers persists, although to date, the lifting of the moratorium has yet to take full effect. Sustained support to the technical and administrative levels is intended to provide proof of concept for the various system enhancements that have been supported in recent years.

Results

An initial sector strategy document and a functional analysis of the mineral cadastre management system guided the detailed advisory services. Outputs include (a) a draft mineral investment manual, (b) a strategy paper on rare earth elements, and (c) implementing guidelines for local development funds.

Global: Delve 1 & 2

Project ID: P159661 / P177009

Total Budget: \$950,539

EGPS Grant #:	Effective	Closing	Status
TFOB0843	August 2019	August 2021	Closed
TFOB6136	July 2021	March 2024	Ongoing

Context

Artisanal and small-scale mining is a vital livelihood for over 40 million people in developing countries, particularly for those living in remote, rural areas. Although ASM is the most important rural, nonfarming activity in the developing world, the sector remains underresearched and its potential to be part of broader development initiatives has not been realized.

EGPS, alongside partner Pact, decided to shine a light on this vital sector by creating Delve, a global platform for ASM data. As the sole database covering ASM across the world, Delve is necessary for policy makers and practitioners to take an informed approach to the sector.

The project launched the online database in 2019 and has focused on scaling up the platform through the creation of original content (*Delve Country Profiles*), linking to other specialist sources of ASM information, and production of the annual *State of the ASM Sector* report (*2019, 2020*). With the onset of the COVID-19 pandemic, Delve pivoted activities to focus on information sharing on COVID responses in the ASM sector and supported coordination of a COVID-19 rapid baseline survey. Data on the impacts of COVID in ASM communities and response efforts were made publicly available through the Delve platform. Ultimately, efforts to date have demonstrated Delve's value to the ASM sector as a knowledge clearinghouse for data and resources, a neutral convening platform for sector stakeholders forming working groups and shared outputs like the *State of the ASM Sector* report, and most recently as a data generator coordinating global data collection activities for COVID-19. The project development objective is to demonstrate artisanal and small-scale mining's contribution to global development.

Approach

The project aims to solidify Delve as the leading knowledge-sharing platform for the ASM sector. A core activity for this current phase is growing the platform's data and resources by organizing focused data drives to publicly catalog available information from data-generating institutions on pertinent themes and geographies. Strategic

outreach will focus on building partnerships for data sharing and financial sustainability to integrate Delve's efforts with other key entities across the sector.

The initiative's flagship *State of the ASM Sector* report will return with a focus on gender equality (Sustainable Development Goal 5) and target a release in spring 2023. Finally, the platform will engage in more activity-based methods to gather data where Delve serves a convening role, and the World Bank is a principal funder of activities. In compliance with new World Bank standards, the initiative has brought implementation of the initiative internal with the hiring of a full-time project manager and communications lead.

Implementation Challenges

Following the introduction of new rules governing externally hosted websites funded by World Bank sources, the platform was required to complete a World Bank Digital Product Management System (DPMS) review to ensure the systems and underlying operations met standards for external website security, accessibility, and governance. During the review, project activities were paused. The review's outcome required management of the site to be transferred from implementing partner Pact to the World Bank, which delayed implementation of the current phase of the activity until April 2022.

Results

The Delve platform continued to successfully operate over the last year despite the interruption of project activities. The team executed an ambitious work plan for the first 100 days of the next phase of operations starting in FY2023. This included a full site review of existing pages and site analytics to ensure content accuracy and system functionality, and to understand user behavior. As a result of this review, six site development priorities were set to be executed with the platform developer, and the expansion of Delve country and mineral pages was scoped.

A review of external communication channels resulted in the creation of a new Communication and Visibility Plan that establishes target audience groups and a core content calendar and expands Delve's original content offerings. The team has also engaged in an extensive stakeholder consultation to reconnect with 23 different partners, incorporate user feedback, and identify synergies for targeted collaborations.

One of the main partnerships Delve undertook in FY2022 is work with the Kimberley Process's Working Group on Artisanal and Alluvial Production (WGAAP) to deepen understanding of the diamond data landscape, promote data sharing between the respective initiatives, and develop interventions to build capacity for data management in the sector. A full project proposal for collaboration has been developed and is being solicited among potential funding institutions.

Delve has supported EGPS COVID-19 emergency response activities by developing a global survey to assess dynamics in ASM communities related to the pandemic

for comparison with the 2020 global survey. The team has designed a global survey instrument to be deployed in 32 countries by over 30 data collection partners in July and August 2022.

In November 2021, Delve was officially recognized as a Digital Public Good by the Digital Public Goods Alliance, a multi-stakeholder initiative with a mission to accelerate the attainment of the Sustainable Development Goals by supporting digital public goods. Delve is proud to be one of 104 Digital Public Goods recognized by the alliance and intends to leverage the recognition for increased visibility and opportunities for knowledge exchange with other Digital Public Goods.

Delve was officially recognized as a Digital Public Good by the Digital Public Goods Alliance,

Global: Global Knowledge & Gender Impact on Energy Transition in Coal Regions

Project ID: P171194

Total Budget: \$1,336,316

EGPS Grant #:	Effective	Closing	Status
TFOB1089	September 2019	September 2021	Closed
TFOB6357	July 2021	September 2022	Ongoing

Context

Coal mine closure is part of the global energy transition, driven by country governments' commitments to decarbonization and clean air, technology development and mine mechanization, national policies, and competition from other fuels in downstream energy demand markets. There is tremendous inertia around governments facing a transition from coal in coal-dependent regions. Smaller, loss-making mines and assets along the value chain are closing, but governments are shifting some coal production and redundant labor to larger mines, creating the potential for even greater disruption in the future.

The narrow economic base of coal mining regions requires careful mitigation of coal sector transition impacts. The reduction of coal production capacity and loss of mining employment substantially reduce the flow of income through the local economies—directly and indirectly affecting retail, food services, and other dependent sectors, as well as social services. Globally, most coal-dependent regions in transition have experienced severe impacts to labor and community, resulting in job losses and lagging economies lasting for decades. Therefore, coal sector transition and coal mine closure are, in large part, about mitigating impacts on affected people and communities.

Although women make up only a small share of the formal mining workforce, they are present in large numbers in the informal, artisanal, and small-scale mining sectors. Irrespective of the size or nature of the coal mining operation, women generally are poorly paid and typically engaged as low-level staff or casual, informal, or daily-wage labor within the coal sector. Gender roles and relations in coal mining communities are at the root of gender disparity. In some countries, the important role of informal labor in coal-based economies further exaggerates the challenge to achieve gender equality during a transition away from coal. Rather than perpetuating existing gender inequalities, the transition needs to be seen as an opportunity to transform current gender relations, creating more gender equal conditions.

This grant falls under the broad Supporting Energy Transition in Coal Regions global initiative, which aims to assist coal-dependent regions to be equipped to manage the energy transition they face. It addresses global knowledge gaps on coal mine closure,

especially in the aspects of environmental reclamation, land, and assets repurposing, abandoned mine methane capturing, and gender-differentiated impacts of coal transition.

Approach

On August 14, 2019, the World Bank's Energy and Extractives Global Practice approved a new trust fund initiative, Supporting Energy Transition in Coal Regions. This initiative has three programmatic components: (1) Regional and bilateral dialogues, which focuses on building dialogue, facilitating exchange of experiences, and providing just-in-time knowledge to countries that are in the preliminary stages of reducing the share of coal-derived power in their total energy mix; (2) country-level engagements, which supports client coal regions (and countries) that have taken the decision to transition; and (3) global knowledge on transition in coal regions, which seeks to close global knowledge gaps on approaches and measures to support coal regions in transition.

Under this initiative, and with the objective to facilitate knowledge sharing and address the global knowledge gap on coal mine closure, this grant focused on the following activities:

- Official launch of the Platform Initiative in Support of Coal Regions in Transition in Western Balkans and Ukraine (WBUA) (partial contribution)
- Poland-Ukraine Coal Regions Twinning Activities (full contribution)
- Coal Regions Learning Academy (full contribution)
- Communication materials related to just transition (full contribution)
- Knowledge product: *Socioeconomic Transition in the Appalachia Coal Region Case Study* (partial contribution)
- Knowledge product: *Repurposing of Land and Other Assets: A Toolkit for Implementation* (full contribution)
- Knowledge products: *Mitigation of Abandoned Mine Methane (AMM) and Coal Mine Methane (CMM) Monitoring and Utilization after Coal Mine Closure* (full contribution)
- Knowledge product: *Just Transition for All: A Feminist Approach for the Coal Sector* (full contribution)

Implementation Challenges

COVID-19 restrictions pushed the Poland-Ukraine Coal Regions Twinning Activities into online mode, and three of the visits were conducted virtually, but it was agreed with the government of Ukraine that the last two would be organized face-to-face. Unfortunately, the war in Ukraine poses a challenge for delivering this commitment.

To mitigate this risk, the team is in contact with the governments of both Ukraine and Poland, and it seems both are open to deliver even if additional effort is required. The issue is on the World Bank side, where ESMAP has geographic limitations, and

organizing the visit now via the Ukrainian system is limited if not impossible. Therefore, the team requested an exemption for this case to procure the support for Ukrainians via the Polish system and awaits a response.

Results

In FY2022, the project team worked on multiple deliverables, such as a study on the gendered impacts of coal mine closure, the knowledge products *Mitigation of Abandoned Mine Methane (AMM) and Coal Mine Methane (CMM) Monitoring and Utilization after Coal Mine Closure*, and various activities related to the Coal Regions Learning Academy.

- Gendered impacts of coal mine closure: The paper [*Just Transition for All: A Feminist Approach for the Coal Sector*](#) is an important analytical piece that introduces—for the first time ever—a feminist approach to consider just transition in the coal sector undergoing energy transformation. The paper is now officially available on the World Bank website. Additionally, at the suggestion of the World Bank Global Director for the Energy and Extractives Global Practice, the team worked with the World Bank corporate Gender Group on an operational guidance note based on this paper, with the objective to guide future work on gender and just transition for both internal World Bank task teams and external partners and clients. Currently, the team is working with the Energy and Extractives Communications Team on further dissemination, including a publication page on the World Bank website, a blog, and possibly a launching event in FY2023.
- Poland-Ukraine twinning: The Energy and Extractives Global Practice designed and [*launched*](#) a knowledge exchange between Ukrainian and Polish coal regions. The program was launched in October 2020, with two preparatory workshops organized in December 2020 and January 2021, followed by the first study tour at the end of February/beginning of March 2021 in virtual mode because of COVID-related restrictions. In the first half of FY2022, three study tours were conducted virtually because of continued COVID-related restrictions. Both countries' governments agreed to hold face-to-face sessions for the subsequent workshops. The war in Ukraine has posed a challenge to this and the project team is exploring possible solutions.
- Coal Regions Learning Academy:
 - Since July 2020, 16 videos have been recorded, with topics ranging from governance arrangement for coal transition to the future of jobs in coal-dependent regions, from lessons learned during World Bank technical assistance to transition experience in the Appalachian region of the United States, from socioeconomic transition to repurposing of land and coal-fired power plants. The project team continues to work with partners (such

... an important analytical piece that introduces—for the first time ever—a feminist approach to consider just transition in the coal sector ...

as the European Bank for Reconstruction and Development, European Commission) to record videos on diverse topics.

- The College of Europe Natolin Campus has implemented a user needs assessment, working in partnership with the Platform Initiative Secretariat and the European Commission DG Energy. Additionally, the new secretariat (Ecorys) supported identification of potential students for the Learning Academy, their needs, and learning materials to be contributed.
- Work on revising the World Bank’s GOXI platform for use in the Learning Academy is being finalized. The platform is being used in the Poland-Ukraine twinning activity and to troubleshoot issues for the Learning Academy.
- The online delivery of all activities for the WBUA Learning Academy will be finalized in September 2022. The College of Europe delivered the learning modules, which are being uploaded to the online LMS to be embedded in the GOXI platform ahead of COP27 in Sharm El Sheikh.
- Knowledge packages were prepared to guide participants through basic literature on the subject, and additional resources (reports, presentations) are being selected to be made available via resources as part of the Learning Academy
- Mitigation of Abandoned Mine Methane (AMM) and Coal Mine Methane (CMM) Monitoring and Utilization after Coal Mine Closure: A background technical note was prepared in FY2020 and further research was undertaken during FY2021 on the costs and benefits of reducing coal methane emissions. In parallel, the World Bank has entered the global dialogue on the subject, with various discussions with the United Nations Economic Commission for Europe (UNECE) and the Global Methane Initiative (GMI). During FY2022, as a follow-up to the Global Methane Pledge, it was proposed to launch a review of the possible role of the World Bank on methane.



Global: Climate-Smart Mining (EGPS 1 & 2)

Project ID: P174003/P166278

Total Budget: \$1,760,007

Grant #:	Effective	Closing	Status
TF0A6332	December 2020	August 2019	Closed
TF0B5525	July 2020	September 2021	Closed
TF0B3743	May 2020	December 2022	Ongoing

Climate-Smart Mining—Associated Trust Fund

Global: Climate-Smart Mining Initiative II—WB & IFC

Project ID: P166278

Total Budget: \$1,349,957

TF0B9031	July 2021	June 2024	Ongoing
TF0B6849	September 2020	January 2024	Ongoing

Context

Climate-Smart Mining (CSM) supports the sustainable extraction, processing, and recycling of minerals and metals needed to secure supply for low-carbon technologies and other critical sectors by creating shared value, delivering social, economic, and environmental benefits throughout their value chain in developing and emerging economies. With international cooperation at its core, CSM, a joint initiative between the World Bank and IFC, specifically aids governments and private entities in building a robust policy, regulatory, and legal framework that promotes the CSM concept and creates an enabling environment for its adoption by the private sector.

Approach

CSM achieves this objective by focusing its activities on a framework developed in consultation with key stakeholders in government, industry, and civil society, serving as guidance to help developing countries and projects integrate climate-smart approaches through four pillars: (1) climate mitigation, (2) climate resilience, (3) circular economy, and (4) creating market opportunities.

A review of the initiative was commenced in FY2022 will continue into FY2023. Early indications show that CSM has made progress on analytics and research focusing on the demand side of minerals and metals by providing a range of analytical work and pilots tailored at providing governments, mining companies, and downstream users of minerals the necessary underpinnings to develop and implement climate-smart mining practices.

Moving forward, the initiative is considering focusing on the supply side of these minerals. Country or region-specific analysis is needed to define the competitive advantage and develop strategies for resource-rich countries to benefit from the projected growing demand for minerals and metals. Thus, upcoming efforts could focus on explaining and publicizing CSM opportunities and risks for governments of resource-rich countries.

For CSM to enhance its visibility in the fast-moving space of critical minerals for the clean energy transition, the initiative needs to continue securing additional funding from public and private sources that will enable the CSM program to take the knowledge and lessons learned from these activities and operationalize them at a country level.

Implementation Challenges

The prolonged COVID-19 pandemic generated some delays in the finalization of a few deliverables and resulted in all key dissemination events being virtual. Most important, the pandemic affected direct engagement with key stakeholders and hampered the exchange of experiences, as travel was to a large extent halted. As the CSM event at Indaba 2022 showed, in-person events are excellent opportunities to deepen existing relationships and develop new ones, all contributing to the dissemination and adoption of CSM approaches by both public and private actors.

The initiative was also affected by staffing issues, following the departure of several CSM team members. Interim arrangements helped sustain CSM's progress, even if there were some delays in a few deliverables as a result.

The availability of data on climate action minerals/critical minerals has been and will continue to be a difficulty to overcome. For example, information for CSM's Climate Mineral Explorer on lithium was difficult to compile (which is likely the reason it had not been done before). Partnerships with industry, such as the one currently in place with the Hydrogen Council, are one of the ways the CSM Initiative has sought to overcome some of these data gaps.

Results

The initiative not only raised awareness of the role of minerals and metals to achieve a low-carbon future, but also highlighted the important role that emerging and developing countries will have in enabling this transition and benefiting from it, as well as the challenges that may emerge if the clean energy transition is not managed responsibly and sustainably. In addition to successful advocacy and raising awareness, this active engagement on CSM includes completed reports and continuing work on toolkits and roadmaps, among other analytical and operational/country-specific results. Ultimately, financing EGPS's analytical work and country-specific projects is advancing the knowledge and implementation of the CSM framework in World Bank client countries.

From July 1, 2021, to June 30, 2022, the initiative focused on a range of analytical outputs that (a) highlighted the substantial increase in demand for several key minerals and metals to manufacture low-carbon energy technologies, (b) captured the challenges that will likely emerge to meet that demand, and (c) laid out potential solutions to manage these challenges responsibly and sustainably.

In June 2022, the [Forest-Smart Mining](#) Toolkit was completed, which consists of two reports and pilot activities. The [reports](#) look at ways to effectively use Forest Carbon mechanisms to minimize the forest footprint of the mining sector and maximize their contribution to forest conservation and reforestation. On April 28, 2022, a forest-smart mining event focused on [artisanal and small-scale mining](#) took place to advance the concept and practice of forest-smart mining for the ASM sector. On May 12, 2022, an event was held on [forest-smart mining in the large-scale mining](#) sector. The purpose was to examine the opportunities for and the advantages of nature-based solutions and the use of innovative financial instruments, such as the carbon market, to achieve net-zero GHG emissions and biodiversity targets.

In June 2022, the [Forest-Smart Mining Toolkit](#) was completed ...

Also in June 2022, the [Climate Mineral Explorer \(CME\)](#) was completed and launched. This interactive tool provides an overview of GHG emissions as well as other environmental, social, and governance (ESG) aspects of critical minerals supply chains, from mine to clean energy technologies. This deliverable is meant to allow downstream users of minerals to develop and implement climate-smart mining practices. In this first phase, it explores the GHG and energy footprints of lithium supply chains for electric vehicles (EV) and enables users to identify and map sustainable opportunities for decarbonization. The Climate Mineral Explorer was launched in a virtual event, "[From Mine to Electric Vehicle: Building Lower-Carbon and More Resilient Lithium Supply Chains](#)." More than 80 people actively participated from different parts of the world, which shows a high interest in the subject.

Two reports are currently being finalized: (1) *Competitiveness of Global Aluminum Supply Chains Under Carbon Pricing Scenarios for Solar PV*, and (2) *Materiality of Hydrogen*. The former is an analytical piece on the opportunities for decarbonizing aluminum for solar PV, consisting of a main report on global aluminum supply chains, and two case studies on bauxite mining and refining in Brazil and Guinea. The project provides decision-makers with data and analysis to understand the different options available for countries to reduce their climate impact while maximizing value-added opportunities of green aluminum production. The latter is a report developed in partnership with the Hydrogen Council on the materiality of low-carbon hydrogen deployment. Centered around the Paris Agreement climate scenarios—in line with CSM's previous [Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition](#)—it looks at opportunities for hydrogen to be a part of the decarbonization strategy for the mining sector.

A guidance note relating to exploration of climate action minerals was commissioned and is expected to be finalized in fall 2022. It is an internal multidiscipline and broad-reaching document, whose purpose is to guide the World Bank Group (WBG) as well as client countries, mining stakeholders, mining investors, and policy decision-makers to fill the gaps around geodata for strategic minerals, and their practical application to exploration mining. It is divided into three sections and will enable geoscientists and decision-makers to gain full use and understanding from existing geodata—from country scale to rock sample scale. In turn, the sections aim to determine which uncollected geodata types would improve exploration efficiency and models.

Also, a report investigating whether the re-mining of historical tailing sites - potentially one of the most climate-smart sources of strategic metals—can be combined with an approach of ecological restoration for these abandoned and polluted sites, was commissioned during 2022 for Armenia. The report provides an overview of the technical options and current practices for re-mining of tailings, and subsequently sketch the options of reprocessing tailings for Armenia. However, the report although complete is not in a state for public release.

Within the context of the World Bank Climate Change Action Plan, CSM is contributing to the World Bank's Climate Change Development Reports (CCDRs) that are being developed for all World Bank Group client countries to inform the dialogue and identify priorities for engagement/financing. The CSM team has provided inputs so far to over 13 CCDRs, highlighting (a) the potential for CSM minerals production at the national level, such as copper, lithium, graphite, cobalt, and others; (b) the contribution of the existing mining sector to a country's national GHG emissions and the need to address it (despite being limited by the fact that there are very few country-level data sets for emissions from the mining sector); and (c) the economic dependence on the mining sector, ideally measured by minerals rents as a percentage of GDP.

... The CSM team has provided inputs so far to over 13 CCDRs, ...

In June 2022, IFC published the blog "[Pedal to the Metal: Decarbonization Pathways for Copper and Nickel](#)," previewing the upcoming release of its Net Zero Transition Roadmap for Copper and Nickel. The roadmap is currently under review by the International Council on Minerals and Metals (28 mining companies) and International Copper Association (30 mining companies), with final endorsements expected by September 2022 for full publication and unveiling. This will result in a technology, ESG-focused, and consensus-based net-zero roadmap for the mining industry and downstream stakeholders. In addition, work on Community Climate Resilience in Critical Minerals is also under way, scheduled to be concluded in February 2023.

IFC-WBG participated in the CSM workshop [Minería Climáticamente Inteligente](#), organized jointly by CSM and GIZ for Colombia and Chile mining sector stakeholders on March 31, 2022. A Spanish-speaking video on CSM produced jointly with GIZ is forthcoming. A joint CSM/climate roundtable was also organized at Mining Indaba on

May 11, 2022, with 50 participants from government, mining companies, civil society, investors, think tanks, and academia.

Besides Indaba 2022, CSM participated in several international events and conferences, including the World Circular Economy Forum and OECD Forum on Responsible Mineral Supply Chains. Also, the teams organized two webinars during FY2021 to promote and inform stakeholders of the CSM Initiative, as well as carried out two Partnership Council meetings (September 2021 and April 2022) to discuss institutional and donor updates and adjust the ways forward.