



Extractive Global Programmatic Support Programme (EGPS) II

SECO finances the Extractives Global Programmatic Support (EGPS) multi-donor trust fund to improve the governance of the extractive sector in resource-dependent developing countries. In its second phase, the EGPS continues to focus on supporting the implementation of the EITI and thus constitutes a core instrument for SECO's engagement in the governance of the extractive sectors. It also deepens its programmatic approach to cover transversal issues, in particular artisanal and small-scale mining (ASM) and gender.

Rationale

While natural resources, especially non-renewable resources, promise prosperity, many developing countries fail to use them for the benefit of their people. High rents create incentives for corruption and conflict. Exhaustibility of resources, price and revenue volatility undermine macroeconomic stability if poorly managed. As a result, resource-rich developing countries often suffer from lower economic growth and higher conflict rates than their theoretically poorer neighbours. The problem is likely to be exacerbated as the global transition to clean energy requires more minerals and metals and the global energy mix shifts substantially from fossil fuel dependence to mineral dependence. Among the stakeholders, artisanal and small-scale miners are a particularly vulnerable group. They contribute around 12-24% of the world's cobalt used in electric vehicle batteries, 20% of the world's gold, 25% of tin and 26% of tantalum (found in smartphones and laptops).

Objectives and activities

The Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund helps resource-dependent developing countries manage their extractive resources to support poverty reduction and promote inclusive, sustainable growth and development. Its work focuses on strengthening transparency, governance, institutional capacity, local economic diversification and regulatory frameworks to ensure social and environmental sustainability. It has a strategic focus on supporting poor, fragile and conflict-affected countries in the governance of extractive resources. EGPS grants support governments in implementing a range of reforms that build a robust, transparent extractive industries sector. The EGPS invests significantly in climate change mitigation projects, in particular through the Climate-Smart Mining Initiative. This is relevant to the energy transition, with growing demand for clean energy technologies.

The EGPS operates through four thematic components. Component 1 supports countries in implementing and mainstreaming the EITI into public financial management systems to ensure the long-term sustainability of transparency reforms. In Component 2, EGPS supports stakeholders in identifying key sector issues, setting reform priorities and designing appropriate regulatory and governance solutions for the extractives sector. In Component 3, EGPS supports countries in creating

SECO country/region
Global

Funding partners
Belgium, EU
Commission,
Germany, Norway,
France, UK, the
Netherlands

Implementing partner
World Bank

Project duration
2019-2025 (Phase II)

Total budget
USD 34,000,000

SECO contribution
CHF 9,000,000



new opportunities for local value and shared infrastructure in the context of green growth by promoting innovation, long-term competitiveness and regional cooperation. In Component 4, it works to consolidate environmental protection and community benefits while supporting activities to minimise the environmental impacts of extractive industries, including artisanal and small-scale mining, and to develop viable solutions and mitigation measures to mitigate their negative impacts. EGPS also supports resource-rich developing countries to benefit from the growing demand for minerals and metals, while ensuring that the mining sector is managed in a way that minimises its environmental and climate footprint. The specific outcomes of the Climate-Smart Mining activities are to support capacity-building and awareness-raising activities, decarbonise and reduce the material footprint of strategic mineral supply chains needed for the low-carbon, clean energy transition, while enabling resource-rich developing countries to benefit from the increasing demand for minerals to support economic growth and sustainable development.

Governance Structure

A Partnership Council is established to provide strategic guidance and direction for the implementation of the EGPS Trust Fund. The Partnership Council comprises representatives of the Bank, including the Chair, a representative of each donor contributing to this Trust Fund, and a representative of each donor contributing to associated Trust Funds. The Bank's country teams regularly coordinate with in-country representatives of donors contributing to the EGPS Umbrella TF to discuss technical and/or operational aspects of trust-funded activities, as appropriate. An integral part of project governance is the "Meet the TTL" seminar series. These meetings provide donors with information on the progress and challenges of EGPS projects. They also facilitate direct interaction between donors and implementation teams.

Results so far

- Support to EITI implementation in more than 18 countries, including publication of EITI Reports, building the capacities of the EITI multi-stakeholder groups and national EITI secretariats, building capacities of civil society to engage more deeply on the extractives sector, and embedding the EITI process within the national legislative framework.
- Implementation of a Covid-19 emergency window in 2020 with more than 20 projects. Activities included social protection for vulnerable populations, improvement of conditions for women miners, and COVID-19 awareness campaigns. Other projects supported the economic resilience through activities to mitigate the impact of debt escalation on mining cooperatives and improve market access for ASM. More than 40 women-led or women-owned mining entities were supported to address gender gaps and 10 initiatives addressed gender-based violence. More than 9'000 stakeholders were trained with at least 6'000 people receiving COVID-19 prevention-related training and awareness campaigns.
- Support for regulatory reform in eligible countries, e.g., mining sector diagnostics (Colombia, Peru), mining legislation (Armenia)
- Establishment of the first global database on artisanal and small-scale mining to help policy-makers and practitioners take an informed approach to the sector (DELVE)
- Publication of knowledge products such as the African Mining Legislation Atlas, the study on the growing role of minerals in a low-carbon future and the analytical tools on local economic diversification.

Further information:

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