



Extractive Global Programmatic Support Programme (EGPS) II

SECO finances the Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund to improve the management of the extractive sector in resource dependent developing countries. In its second phase, the EGPS maintains its focus on supporting EITI implementation and thereby constitute a core instrument for SECO's engagement in governing extractive sectors. Additionally, it deepens its programmatic approach to cover transversal topics, in particular Artisanal and Small Scale Mining (ASM) and gender.

Rationale

While natural and in particular non-renewable resources promise prosperity, many developing countries fail to use them for the benefit of their population. High rents incentivize corruption and conflict. Exhaustibility of resources, price and revenue volatility deteriorate macro-economic stability when poorly managed. Hence, resource rich developing countries often suffer from lower economic growth and higher conflict rates than their theoretically poorer neighbours. The problem is likely to aggravate, as the global clean energy transition will require more minerals and metals and the world's energy mix will essentially shift from being fossil fuel-dependent to being mineral-dependent. Among the actors, a particular vulnerable group are the artisanal and small-scale mining producers. They contribute to approximately 12–24% of the world's cobalt used in electric vehicle batteries, to 20% of the world's gold and 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 mining resources to support poverty reduction and boost 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 assist Governments to implement a range of reforms that build a robust, transparent extractive industries sector. EGPS places substantial investments into climate change supportive projects, particularly through the *Climate-Smart Mining Initiative*. This is relevant in the energy transition with the growing demand for clean energy technologies.

EGPS works in four thematic components. In **Component 1**, it supports the countries toward 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 to identify key sector issues, define reform priorities, and design adequate regulatory and management

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



solutions for the extractives sector. In **Component 3**, EGPS supports countries in creating new opportunities for local value and shared infrastructure in the context of green growth through the promotion of innovation, long-term competitiveness, and regional collaboration. In **Component 4**, it engages in consolidating environmental protection and community benefits while supporting activities to minimize the environmental impact of extractive industries including the artisanal and small-scale mining sector as well as develop workable solutions and remedies to mitigate their adverse effects. EGPS also supports resource-rich developing countries to benefit from the increasing demand for minerals and metals while ensuring the mining sector is managed in a way that minimizes its environmental and climate footprints. Specific outputs on the Climate-Smart Mining activities are to support capacity building and awareness raising activities, the decarbonization and reduce the material footprint of strategic mineral supply chains needed for the low carbon clean energy transition whilst enabling resource-rich developing countries to benefit from the increase in demand for minerals for supporting economic growth and sustainable development.

Governance Structure

A Partnership Council is established to provide strategic guidance and direction on the implementation of the EGPS Trust Fund. The Partnership Council comprises representatives from the Bank, including as 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 country-based representatives of Donors that contribute to the EGPS Umbrella TF to discuss technical and/or operational aspects of trust-funded activities, as appropriate. An integral part of the project governance is the "Meet the TTL seminar series". In these meetings, the progress and challenges of EGPS projects are shared with donors. They also facilitate direct interaction between donors and implementing teams.

Results so far

- Support to EITI Implementation in more than 18 countries, including publication of EITI Reports, building capacities of the EITI multi-stakeholder groups and national EITI secretariats, communication and data dissemination about the EITI process and results to stakeholders, building capacities of civil society to engage more deeply on the extractives sector, and embedding the EITI process within the national legislative framework by providing support for formulation of draft EITI legislations
- Implementation of a Covid-19 emergency window in 2020. Over 20 projects were implemented in a short period of time with a strong gender contribution. Activities included social protection for vulnerable populations, improvement of conditions of women miners, and COVID-19 awareness campaigns. Other projects supported the economic resilience through activities for mitigating impact on mining cooperatives from debt escalation and improved ASM market access. More than 40 women-led or women-owned mining entities were supported to address gender gaps, 10 initiatives addressed gender-based violence. More than 9'000 stakeholders were trained with at least 6'000 people received COVID-19 prevention related training awareness campaigns.
- Support to regulatory reform in eligible countries, e.g., Mining sector diagnostics (Colombia, Peru), Mining legislation (Armenia)
- Establishment of the first global database for 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

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