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EXTRACTIVES GLOBAL PROGRAMMATIC SUPPORT – ARTISANAL AND SMALL-SCALE MINING IN THE SAHEL (EGPS ASM Sahel)

A MULTI-DONOR TRUST FUND ASSOCIATED TO THE EXTRACTIVES GLOBAL PROGRAMMATIC SUPPORT UMBRELLA TRUST FUND (EGPS)

PROGRAM CONCEPT DOCUMENT

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Energy and Extractives Global Practice

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ABBREVIATIONS AND ACRONYMS

ASA	Advisory Services and Analytics
ALSF	African Legal Support Facility
AMLA	African Mining Legislation Atlas
ASM	Artisanal and Small-scale Mining
BE	Bank-Executed
CASM	Communities And Small-scale Mining
CSO	Civil Society Organization (including women's organizations)
DAC	Development Assistance Committee (of the OECD)
DPF	Development Policy Financing
EDD	End Disbursement Date
EGPS-2	Extractives Global Programmatic Support Umbrella Trust Fund
EI	Extractive Industries (defined as oil, gas, and mining)
EITI	Extractive Industries Transparency Initiative
FCV	Fragility, Conflict, and Violence
FY	Fiscal Year
GP	Global Practice
HSE	Health, Safety and Environmental standards
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IMF	International Monetary Fund
IPF	Investment Project Financing
LSM	Large Scale Mining
MDTF	Multi-Donor Trust Fund
MNRW TTF	Managing Natural Resources Wealth Topical Trust Fund (IMF)
MTR	Mid-Term Review
OECD	Organization for Economic Cooperation and Development
OHS	Occupational Health and Safety
PDO	Project Development Objective
RRA	Risk and Resilience Assessment
RRDC	Resource-Rich Developing Country
RE	Recipient-Executed
SC	EGPS Steering Committee
SDG	Sustainable Development Goals
TA	Technical Assistance
TF	Trust Fund
TTL	Task Team Leader
WBG	World Bank Group

THE EXTRACTIVES GLOBAL PROGRAMMATIC SUPPORT – ARTISANAL AND SMALL-SCALE MINING IN THE SAHEL ASSOCIATED TRUST FUND

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Definitions:

The World Bank Group defines social inclusion as¹:

1. The process of improving the terms for individuals and groups [including women and girls] to take part in society, and
2. The process of improving the ability, opportunity, and dignity of those disadvantaged based on their identity [including women and girls] to take part in society.

Inclusive development as used in this document means a development that strives for social inclusion.

¹ “World Bank. 2013. *Inclusion Matters: The Foundation for Shared Prosperity. New Frontiers of Social Policy*; Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/16195> License: CC BY 3.0 IGO.”

I. Background

1. The Artisanal and Small-Scale Mining in the Sahel (ASM Sahel) is a multi-donor Associated Trust Fund (ATF) under the Extractives Global Programmatic Support Umbrella (EGPS). The EGPS ASM Sahel ATF contributes to sustainable development and poverty reduction in resource-rich developing countries (RRDCs)² in the Sahel Region³. The scope of EGPS ASM Sahel is coherent with the EGPS-2 Anchor TF results framework, expounding upon Component 4 of the results framework (“Local community benefits for all and mitigating impacts on local ecosystems”), adding specific objectives and activities designed to improve the capacity of state- and non-state actors in the Sahel to manage mineral resources exploited by artisanal and small-scale methods in a transparent, sustainable and gender-inclusive manner. The path to achieving this goal is formalizing the largely informal artisanal and small-scale mining (ASM).
2. The primary and immediate beneficiaries will be the affected artisanal and small-scale miners and local communities. In the longer term, the Sahel countries will benefit from mitigating negative impacts of informal mining such as environmental damage, human rights violations, illegal financial flows, and financing of armed groups and the destabilizing effects that come with it.
3. Gold and gemstones have been mined for centuries by artisanal methods in the Sahel. However, the sharp increase in gold prices since 2004 led to a regional mining boom of the “rush-type”, which extended from Sudan to Mauritania.
4. The activity has evolved from mere digging and panning to using mechanical devices (including metal detectors, water pumps, compressors, and crushers), chemicals (mercury and cyanide) and sometimes explosives. Yet, it continues to be marred by uncertainty, caused by precarious legal rights that encourage the illicit trade of minerals, poor geological knowledge of the zones exploited and low upfront investment, as well as vulnerability caused by armed conflict and various forms of human rights abuse. Informality leaves artisanal miners vulnerable to financial dependence, corruption, fraud, and criminality, and results in lost revenue for local and national governments.

II. Rationale

If managed responsibly, Artisanal and Small-Scale Mining can make a positive contribution to the economies of the Sahel and constitute a lever for development and poverty reduction.

5. Artisanal and Small-Scale Mining provides jobs and is a source of income and livelihood for millions of people in the region, especially for young people. Globally, ASM provides direct

² The definition is consistent with that used by the International Monetary Fund and refers mostly to low- and lower-middle-income countries whose exhaustible natural resources (e.g., oil, gas and minerals) comprise at least 20 percent of total exports or 20 percent of natural resource revenues.

³ For the World Bank, the *Sahel* comprises parts of 10 *countries*: northern Senegal, southern Mauritania, central Mali, northern Burkina Faso, southern Algeria, southwestern Niger, northern Nigeria, central Chad, central Sudan and northern Eritrea.

labor to 42 million people and livelihoods for an estimated 100 million people in more than 80 developing countries in Africa, Latin America and the Asia-Pacific. In the Sahel countries, the sector is the second largest provider of jobs after agriculture. According to recent estimates, more than 2 million people are directly involved in artisanal gold mining in Burkina Faso, Mali, and Niger. About 6 million people are more indirectly dependent on the activity. About 2 million people are directly or indirectly engaged in gold production in Sudan, with an estimated 4 million dependents benefiting from ASM.

6. ASM generates significant revenue which contributes to local and national economies. More than US\$8 billion of value are produced annually in Burkina Faso, Mali and Niger and Sudan alone. Sudan is the second gold producer in Africa after South Africa, with an estimated 93 tons in 2018, roughly 80% of which is extracted by artisanal methods. A large part of it exported illegally through Togo to Dubai, which reports US\$ 1.9 billion in annual gold imports from these countries. Various studies indicate that approximately 90% of ASM revenues are collected by national actors in the value chain, thus contributing directly to poverty alleviation in the Sahel.
7. ASM can play a major role in local community development by providing additional local revenues that increase local purchasing power, funds for local infrastructure and increased business opportunities, often as a complement to agricultural income more and more affected by climatic and environmental hazards. Yet, ASM still occupies a peripheral position on the economic development agenda of the Sahel and continues to be overlooked in most international, regional, and local economic policies and programs.

But ASM is also related to some of the most intractable challenges in the Sahel.

8. Every ASM rush drives migration. A flow of specialized laborers moves from site to site within countries to monetize their skills, followed by various traders of licit and illicit goods, services, arms, drugs, chemicals, etc. Many aspiring migrants to Europe and other OECD countries make stops in artisanal mining fronts to finance their journey out of the Sahel. The illicit movement of people and goods has recently become a central concern of the Sahel countries and their international partners.
9. Current artisanal small-scale mining practices in the Sahel cause environmental degradation and pose severe health and safety risks for artisanal miners.
10. Due to its informal nature, ASM faces challenges such as child labor and human rights abuses.
11. Money laundering. The informality of the sector results in lost revenue for local and national governments. It also enables illicit trade of minerals and facilitates money laundering and illicit financial flows.
12. ASM is one of the financing mechanisms for armed groups. The gold boom attracted the attention of various armed groups in areas where government authorities have few resources to guarantee security and oversee the sector and deliver essential services to the population. In

some cases, entire communities must pay prevalent armed groups for “security” against other forms of aggression.

13. Gender issues. Because they tend to occupy lower levels of the value chain, women are particularly vulnerable to health issues (given limited use of protective gear, access to health care or water) and gender-based violence. In addition, they suffer from limited participation in the elaboration of community development plans, resulting in a reduced focus on gender-sensitive activities in local development plans and corporate social responsibility activities of extractives firms.
14. Economic exposure. ASM communities generally depend entirely on mining revenues for their livelihoods. There is little opportunity to diversify income or to add value to the mining product, be it gold or gemstones. The economic exposure to large gold price variations or drops in production impacts communities’ ability to secure their livelihoods.

The key to change is formalizing Artisanal and Small-Scale Mining

15. Many countries in the Sahel have introduced regulatory, organizational, and administrative reforms and promoted different programs to bring ASM into the formal economy. However, these initiatives are often carried out without an integrated strategy. A successful strategy needs to have in place several key enablers:
16. The first enabler is a set of clear and coherent policies and legal frameworks providing artisanal miners with legal protection, security of tenure and access to land. Currently, sector policies and laws are not harmonized, roles and responsibilities of public authorities are poorly defined, horizontal coordination among them is weak, and there is no structured consultation or exchange of information between governmental entities and artisanal mining communities. A core impediment to formalization is the widespread legal vulnerability of ASM workers. Without legal protection and security of tenure, artisanal and small-scale miners have no reason and no motivation to formalize their businesses and incur the associated costs. Security of tenure is however rarely granted. National mining laws tend to focus more on foreign investment and less on enablers of formalized ASM.
17. The second enabler is institutional capacity and decentralization. While a broad range of institutional structures to handle artisanal mining exist in the Sahel, the common prevailing problem is inadequate enforcement of the legislation. Mining agencies do not have enough human, technical and financial capacity to manage ASM on their own. Moreover, the poor performance of formalization programs in the past is mainly due to the top-down nature of approaches, centralized implementation, and lack of inclusion of relevant stakeholders. Decentralization is crucial for efficient administration, i.e. licensing, supervision and taxation of ASM. Mali is the only country in the Sahel where the administrative decentralization law mandates local governments to supervise and tax artisanal gold mining. The results suggest a significantly improved administration of the sector.
18. The third enabler is access to finance and markets through transparent trade channels. Currently, gold prices in ASM are primarily defined by traders who pre-finance artisanal miners’

activities. Purchases are usually made in cash, sometimes at prices higher than in the world market, without any invoices or documentation of the materials' origin. Fraud and tax evasion in the production, transport and trade of gold are rampant, as gold serves as a legal parallel currency. Informality and the resulting financial dependence on informal intermediaries such as landowners, buyers of minerals, and providers of "security" not only captures a substantial portion of the miners' work product, but it also hampers their capacity to invest in mechanization and better performance. Therefore, legal formalization needs to be combined with giving ASM operators access to affordable and formal finance and breaking the power of informal buyers.

19. Implementation of the enabling factors will allow for leveraging of ASM for socio-economic development in the Sahel and mitigating the negative social impacts of ASM, especially on women, children, and vulnerable people.
20. However, there are substantial barriers to formalization in the Sahel: In addition to the challenges found in most developing countries, formalization of ASM in the Sahel is made more difficult by conditions of prolonged conflict, migration, human trafficking, food insecurity, high frequency of climate shocks, and vulnerability to climate change. Due to ASM's informal nature, many mining communities across the Sahel have become 'hotspots' for human rights abuses, namely child labor, money laundering and financing for armed conflict that lock them in a vicious cycle of poverty.
21. Perhaps the strongest resistance against the setup of formal trade networks originates in the established system of informal buyers. Lack of access to formal credit has created a huge borrowing business for sponsors and buyers of ASM products and has driven many ASM operators into a vicious cycle of debt, dependency, and poverty.

The ASM in the Sahel ATF builds on previous experiences of the World Bank and other organizations.

22. Previous efforts in the sector: Over the last three decades, governments, multilateral and bilateral development institutions, international organizations, private sector and civil society initiatives have been working, albeit in an uncoordinated way, towards better integration of ASM into national and global economies, through the development of more responsible extraction and sourcing practices. The World Bank has traditionally been a leader in this effort, having funded several hundred million dollars in investment project components aimed at formalizing artisanal miners, particularly in Africa, Asia, and Latin America.

In addition, the World Bank's flagship knowledge initiative, "Communities and Small-scale Mining" (CASM) called for a participatory ASM development strategy aimed at "harnessing the potential of ASM to improve rural livelihoods, stimulate entrepreneurship in a socially-responsible manner, promote local and integrated national development as well as regional cooperation". In a joint World Bank-IFC study (2009), CASM highlighted the importance of Large-Scale Mining (LSM) and ASM collaboration⁴.

⁴ CASM (2009), *Mining Together – Large-Scale Mining Meets Artisanal Mining: A Guide for Action*

23. Lessons learned: Many countries in the Sahel have introduced regulatory, organizational, and administrative reforms and programs to bring ASM into the formal economy. However, these initiatives were often carried out without an integrated strategy aimed at making the sector a tool for economic development and improved living conditions of impacted populations. Governments' approaches to develop and deploy assistance to ASM were primarily reactive, top-down and technology-oriented, revealing an incomplete understanding of the problem. Institutional deficiencies and human, technical, and financial resource constraints limited the scope of the interventions and their scalability, while the lack of inclusion of relevant stakeholders in the formulation and implementation of these programs was a frequent cause of their poor performance. Many projects failed to improve the livelihoods of ASM miners and impacted communities, primarily because they were standalone sector-specific programs, implemented for the most part independently of core country-level and regional development efforts.
24. What will the ASM Sahel ATF do differently? Based on the lessons learned, the ATF aims at supporting several key enablers that can contribute to unlock the full economic potential of ASM and leverage its role in the socio-economic development of the Sahel (paragraphs 16 to 18). The proposed approach places access to land, security of tenure and access to finance at the center of the formalization process. These three factors are needed to break the vicious circle of poverty that limits technological change and modernization in ASM. The ATF also acknowledges that decentralization is a crucial question in supporting efficient approaches for licensing and taxing ASM and directing the revenues from the activity to investments in meaningful development opportunities. It articulates the importance of emerging technologies in facilitating an effective and responsive strategy for ASM in the Sahel and adopts a regional approach that speaks to the cross-border trade and financial flows that derive from ASM.

III. The ASM Sahel ATF in the context of the World Bank's broader engagement

25. The ATF is aligned with the World Bank's Western & Central Africa Region Priorities 2021-2025 and aims at building resilience and accelerating reforms. The approach will favor supporting inclusion and improved quality of service delivery, strengthening institutions and government capacity, fostering transparency and accountability, empowering women, and supporting citizen engagement at the community level while making use of the most innovative technologies. By doing that, the ATF will contribute to regional initiatives intended to increase resilience to climate change, prevent the expansion of violent conflict, improve tax collection, and ensure the transparent use of resource revenues. It will also help reducing corruption, elite capture, and illicit financial flows by supporting efforts to strengthen transparency and accountability. The ATF will ensure links with IDA for the scale-up of activities through the use of instruments like ASAs in support of operational work via DPOs and IPFs and add value to FCV and governance projects.
26. The Sahel Regional Risk and Resilience Assessment has dedicated sections exploring the links between ASM and Fragility, Conflict and Violence (FCV). Countries like Mali, Niger and Chad are updating or preparing national Risk and Resilience Assessments (RRAs) that are relevant to the ATF activities. As stated in the Regional RRA Assessment, the conflicts in the Sahel reflect a crisis of confidence of certain marginalized groups towards state institutions

that have failed to protect, deliver justice, ensure shared management of natural resources and conditions for inclusive economic development. It is the perception of economic, social, and political exclusion, rooted in inequalities in access to opportunities and discrimination which provide armed groups searching for funding sources with the opportunity to thrive by offering their protection to vulnerable communities. ASM in the Sahel is at the center of conflict and fragility and the Bank's engagement in this area requires a conflict-sensitive approach.

27. Artisanal and Small-scale gold mining must be at the heart of national conflict resilience strategies. ASM is part of an informal economy that has experienced significant growth in recent years and has extraordinary potential to provide jobs and resilience. Artisanal gold mining acts in most Sahelian countries as an absorber against social and security shocks, but it can also fuel significant aggravations when the sector is poorly managed. In the absence of sufficient supervision, intra- and inter-communal conflicts over access to land, water, and extractive resources are common where mining operations co-exist with neighboring communities. These issues, which are widespread in the Sahel, tend to be accentuated under the triple effect of climate change, significant population growth, and poor governance (rent-seeking and clientelism).
28. The FCV agenda is complex and cannot be addressed from a stand-alone ASM perspective. ASM, as it relates to environmental degradation, child labor, gender violence, illicit financial flows, and financing of armed groups, plays a role in the fragility in the region. But it also suffers from a support deficit which exposes artisanal miners to many social, economic, health and security vulnerabilities, that must be managed with caution. Governments must pay close attention to inclusion, participation, transparency, and accountability, including the fight against corruption, in all ASM policies and programs.
29. An engagement in ASM in the Sahel can make a significant contribution to the FCV agenda in different ways:
 - By generating knowledge and a deeper understanding of the links of ASM to FCV, money laundering, and financing of armed groups. ATF activities will include knowledge generation, building on existing work such as the Sahel Regional Risk and Resilience Assessment (RRRA) and national RRAs, and new research that will feed into ATF activities.
 - Through inclusive approaches suggested in the Sahel Regional Risk Assessment (RRA), designed to facilitate formalization, and improve the sector's economic contribution. These suggestions include policy changes, strengthening legal rights of ASM operators, FCV-sensitive decentralized capacity building and enforcement, and increased opportunities for artisanal miners to access finance and markets outside the traditional circuit of financial intermediaries and local elites.
 - On the regional level, by addressing cross-border issues such as illicit financial flows and smuggling through harmonized taxation regimes, information exchange and other means. Charging high taxes on ASM is counterproductive, especially in conflict-affected areas where extortion or informal taxation by different actors are common. Large differences in taxation among different countries in the Sahel are a key factor in encouraging smuggling and tax evasion which fuel instability in the region. Cross-border projects can play a powerful role in supporting regional dialogue on major ASM issues.

- By strengthening the decentralization of the sector technical administrations' services, ensuring that activities systematically rely on the inter-ministerial coordination of these decentralized services. This will contribute to reduce intra- and inter-communal conflict linked to land use, land degradation and environmental degradation, as well as disputes between local communities/authorities and the central government over control of artisanal mines and the revenues they generate.
 - By promoting the local development planning process as a tool for dialogue and engagement with subnational governments and communities. Governance systems in the Sahel are marked by highly centralized modes of administration that reinforce the territorial and political isolation of remote areas. The rents generated from ASM are widely perceived to be shared inequitably, which generates grievances. Intransparent administration of revenues facilitates corruption and reduces government accountability.
30. To be effective, the ATF will work across the World Bank's Global Practices (GPs). It will support multi-sectoral approaches to unlock ASM's potential based on improved understanding of the interrelated issues in areas such as environment, social, economic and community development, health, education, culture, gender and governance at the regional and national level. All proposed projects will seek synergies across the Infrastructure GP, as well as with other GPs. The ATF will also work with country teams (CMUs) in the Sahelian countries to ensure close linkages with active projects.

IV. Program Design

31. *Rationale for establishing an Associated TF under EGPS Umbrella:* The main focus of the EGPS Umbrella is on industrial mining and its governance. ASM is within its scope, but projected allocations are less than 10% of total funds. ASM Sahel ATF relates to areas of great priority within the donor community, such as migration, human rights issues, illicit financial flows, and others. This ATF, focused on ASM in the Sahel, is designed to speak to these priorities and capture the funding required to engage as outlined below.
32. *The Project Development Objective (PDO) of this program is to improve the capacity of state- and non-state actors in the Sahel to manage mineral resources exploited by artisanal and small-scale methods in a transparent, sustainable and gender-inclusive manner*. This development objective is aligned with the EGPS-2 anchor TF PDO, that seeks to improve the capacity of current and emerging resource-rich developing countries to use their oil, gas and mineral resources in a transparent, sustainable and gender-inclusive manner.
33. *A holistic approach:*
On the national level: Addressing the complex issues faced by ASM in the Sahel, Governments must be prepared to move beyond legal reforms implemented at the central government level. The EGPS ASM Sahel Associated Trust Fund (EGPS ASM Sahel) will support countries' efforts to enable legal, regulatory, institutional, and fiscal frameworks to manage ASM as a formal economic activity and decentralize implementation to the local level. It will promote legislation that reinforces the security of legal land and mining rights. To fight illicit trade, it will support efforts that incentivize artisanal miners to sell through formal channels. The EGPS ASM Sahel will support governments in assessing the viability of buying schemes, traceability,

and certification processes that relate to value chain due diligence requirements on international markets. Formalization efforts will be accompanied by access to capital. Viability of different mechanisms to facilitate access to capital such as grants, help to form credit unions, and obtain microcredits will be assessed, and related implementation will be supported. The EGPS ASM Sahel will assist governments in supporting ASM operators and communities with training and equipment to enhance environmental protection rules as well as health, safety and environmental (HSE) standards and practices. It will also help strengthen the role, representation, and security of women in ASM, and promote mechanisms to avoid child labor in ASM communities⁵.

On the regional level: A regional approach is necessary to address the political economy issues that create the conditions for the exploitation and illegal trade in artisanal gold. The EGPS ASM Sahel will provide support to initiatives that focus on common problems, such as smuggling and tax evasion, illicit financial flows, financing of armed groups, human trafficking, and cross-border pollution. Where necessary, the ATF will support the harmonization of fiscal frameworks in the Sahel to reduce taxation disparities among the different countries. The ATF will also establish transparent networks for trade and commercialization of gold.

Knowledge work: The EGPS ASM Sahel will facilitate a better understanding of ASM at all levels of government and among miners and their communities to enable informed decisions by all stakeholders. The ATF will finance baseline studies, mapping the demographic, sociological, environmental, and economic characteristics of the sites and studies that focus on ASM supply chains from the mining pits to the export markets.

34. *Target group:* EGPS ASM Sahel primarily targets client governments. This will be complemented by support to cooperatives and other types of producers' associations, so they can adopt technically efficient and environmentally friendly mining methods, and relevant civil society organizations (CSOs) to build their capacity to improve the performance and accountability of the sector. Priorities and criteria described in paragraph 50 apply.
35. *Alignment with Sustainable Development Goals (SDGs):* ASM makes positive contributions to almost all SDGs⁶, and particularly those concerned with social (SDGs 4, 5 and 10) and economic development (1 and 8); and peace, justice, and governance (16). However, ASM also has negative impacts on the majority of the SDGs, and particularly those concerned with human health (SDG 3), environment (13), social development (4 and 5), decent work (8), and peace, justice and governance (16). The integration of ASM in the formal economy is essential to mitigate the sector's negative impacts and realize its full socioeconomical potential. Without it, negative impacts will be aggravated, deepening the sector's marginalization and association with human rights abuses and armed conflict.

⁵ Gender inequality in the extractives sector: In the past it has become widely recognized that most of the benefits of extractives (in particular employment and income) go to men, whereas most social harm (including gender-based violence) and environmental damage falls disproportionately on women and the family members they care for, such as children, the elderly or infirm or those with disabilities. There is a need to level the playing field so that women can have equal access as men to extractives-related benefits and to empower women to manage, mitigate and reduce the harmful impacts of EI activities on their families and communities.

⁶ See de Haan, Jorden, Dales, Kirsten, and McQuilken, James. 2020. Mapping Artisanal and Small-Scale Mining to the Sustainable Development Goals. Newark DE: University of Delaware (Minerals, Materials and Society program in partnership with PACT); <http://www.pactworld.org> and <https://sites.udel.edu/ceoe-mms/>

36. *Timelines*: EGPS ASM Sahel is expected to become effective and operational by June 2021 with a planned End Disbursement Date (EDD) in April 2026.
37. *Coordination of EGPS ASM Sahel*: EGPS ASM Sahel will be coordinated with donors and partners as is the practice under the EGPS Umbrella. Where appropriate and relevant to the clients, World Bank staff from other practices and departments will be involved in implementation to ensure better linkages of reforms and deeper impacts.
38. *Grant types*: Both Bank-executed (BE) and Recipient-executed (RE) activities will be eligible under this ATF. World Bank staff will be responsible for all BE activities including procurement and implementation. All BE activities are administered in accordance with the World Bank's Planning, Budgeting and Performance Management Manual and relevant Administrative Policies and Processes. For RE activities, grants are made to eligible recipients who implement the activities including procurement, with supervision support provided by World Bank staff. All RE activities financed are administered in accordance with the Operational Policies and Procedures that apply to IBRD and IDA financing; and payments for expenditures are made based on the activities through systems and arrangements agreed with the recipient.
39. *Gender equality*: In the EGPS Umbrella, gender is a crosscutting feature to leverage project activities where possible, regardless of the component, to:
- level the playing field so that women have the same rights and effective access as men to ASM-related benefits, especially employment and income;
 - support women's voice and agency so that they are empowered to (i) participate in decision-making concerning ASM-related benefits; and (ii) manage, mitigate, and reduce the harmful impacts of ASM operations on women and the family members whom they care for; and
 - ensure that there be no harm caused by EGPS grants based on gender or other potential dimensions of discrimination or exclusion; and
 - promote alternative skills and livelihoods for the ASM community, in particular for women and girls. Human capital and productivity will be monitored using OECD HC indicators.

EGPS ASM Sahel aims to mainstream gender as a cross-cutting theme. Gender-related activities include strengthening representation of women in cooperatives and other types of producer-association groups, developing gender- and culture-sensitive consultation and grievance redress mechanisms around ASM activities and improving the data basis for gender disaggregation of participants and beneficiaries. The ATF will also develop more specific programs to implement gender-specific policies and action plans.

The gender focus in grants could include initiatives and measures to:

- improve women's access to direct and indirect employment along the value chain, their access to markets and their control on how their income is invested;
- improve the workplace environment for women in artisanal mining sites and support initiatives to protect girls and women from violence;
- share successful experiences regarding the advancement of gender equality among producers' associations, community-based organizations, and women's groups;

- build a community of practice connecting women’s groups working on ASM-related issues in the Sahel;
- strengthen the capacity of governments, the private sector and CSOs to address gender equality challenges in artisanal and small-scale mining;
- promote the implementation of comprehensive gender impact assessments on ASM sites, alongside social, environmental, and human rights impact assessments; and
- support activities that promote women’s participation and leadership in developing and implementing of policies, projects and programs related to ASM.

Program implementation will ensure that at least 75 percent of the grant portfolio have specific gender equality actions. Outputs and impacts will be monitored using gender-sensitive indicators (see Annex 1).

V. Program Implementation

40. *Funding.* The EGPS ASM Sahel is a multi-donor associated Trust Fund under the EGPS Umbrella Trust Fund, with a proposed start date in June 2021 and a funding target of US\$ 50 million. New Administration Agreements will be signed with donors contributing to the EGPS ASM Sahel. No amendments will be needed to the Administration Agreements with existing donors to the EGPS-2 TF.
41. *Trust fund reform “Umbrella 2.0”:* The EGPS Umbrella is set up in accordance with the World Bank trust fund reform “Umbrella 2.0” as the Extractives Unit’s Umbrella Trust Fund. The reform is meant to streamline administration, governance, and reporting and maximize the impact of development partner resources. EGPS ASM Sahel is an Associated Trust Fund (ATF) under the EGPS Umbrella as stated in the principles of “Umbrella 2.0”, sharing the same governance structure and using a common results- and reporting framework. There will be one overarching results framework, one donor report and one Steering Committee.
42. The World Bank’s Trust Fund *Cost Recovery Framework* (January 1, 2021) will apply.
43. *Governance:* The EGPS Steering Committee (SC) will provide high-level endorsement and oversight over program implementation. It will be composed of high-level representatives from government and non-government donors committing at least US\$2 million to the EGPS Umbrella. Donors may contribute lesser amounts. This would, however, not provide them with decision-making or endorsing power in the Steering Committee. The SC will meet at least once annually and will be chaired by the World Bank Energy and Extractives Global Practice Director, or in his absence his designated representative.

The SC governs all TFs under the EGPS Umbrella Program. It approves grant selection criteria and provides strategic guidance to the EGPS Secretariat. It discusses the annual business plan that contains target funding levels for the individual EGPS components including the EGPS ASM Sahel as described in paragraph 49, and provides feedback and guidance on the overall strategic direction and funding priorities. The SC oversees the EGPS Umbrella (including EGPS ASM Sahel) implementation.

Budget and work programs of this EGPS ASM Sahel ATF are discussed in the plenary but endorsed by its donors only. A member of the SC cannot block a decision on work plan and

budget, or annual business plan pertaining to the EGPS ASM Sahel if the SC member does not contribute to it.

Decisions by the SC will be made by consensus and become effective based on the recorded meeting minutes.

44. *Information sharing:* Decisions and agreements reached during the meetings with its SC members are made publicly available. However, information prepared for or exchanged during the deliberations with its SC members will not be disclosed. SC meetings will allow observers during a general briefing section. Subsequently, the SC will hold closed meetings to discuss resource allocation, priority-setting and strategic questions.
45. *Management:* The EGPS ASM Sahel work program will be managed by the EGPS Program Secretariat. On the operational level, grant activities are carried out under the leadership of the World Bank Extractives Unit staff. The Program Secretariat will specifically have the following functions:
 - a. managing day-to-day operations of the EGPS Umbrella Trust Fund, including the ASM Sahel, such as administering the flow of funds and managing funding projections and plan;
 - b. preparing and submitting an annual business plan (paragraph 49) for SC endorsement;
 - c. proposing a work program (grants pipeline) and budget on a rolling basis based on the previously agreed annual business plan and selection criteria (specified in paragraphs 50) for endorsement by the SC in accordance to the procedure described in 0;
 - d. implementing the EGPS work plan (grants pipeline) and budget using the contribution funds to ensure an efficient project flow;
 - e. managing donor relations, communication and outreach, including reaching out to potential donors;
 - f. providing administrative support to the SC, including organization and coordination of meetings;
 - g. preparing annual progress and results reports for submission to the SC and for publication (where the World Bank's standard reporting requirements will apply); and
 - h. facilitating mid-term and final performance evaluations of the EGPS Umbrella program, based on the criteria of the OECD Development Assistance Committee (DAC) for evaluation of development projects, and terms of reference agreed by the SC. Reporting on EGPS ASM Sahel implementation will be included in the EGPS-2 Umbrella Trust Fund report.
46. *Private sector donors:* Private sector donors will be eligible to provide financing (subject to fulfilling the World Bank donor requirements) but they will not be eligible to appoint a representative on the SC in view of potential and/or perceived conflicts of interest. Subject to the approval by the Chairperson of the SC, private sector donor representatives will participate in a SC meeting as observers.
47. *Staffing the EGPS Program Secretariat:* The EGPS Program Secretariat is led by a full-time Program Manager supported by several part-time staff members. The latter include technical

leads, an operations specialist, a communication officer and other technical-level World Bank staff as needed. The technical leads will be responsible coordinating activities within the EGPS ASM Sahel and will also play a lead role in knowledge management, developing and disseminating good practices and lessons learned, engaging with other World Bank Global Practices, and providing technical advice to TTLs managing individual grants.

48. *EGPS ASM Sahel portfolio build-up* will follow the same approach as in the EGPS Umbrella Trust Fund with a competitive allocation of funds based on issuing a call for proposals on a rolling basis. This system is designed to be demand-responsive while ensuring a high quality of the proposals and being conducive to innovation. The call for proposals will be announced to the donors on the SC as well as to client countries via World Bank country offices.
49. *Business plan*: The SC will provide strategic guidance to the EGPS portfolio (including EGPS ASM Sahel) through review and endorsement of an annual business plan that contains allocation targets to activity groups under EGPS and within EGPS ASM Sahel. The business plan will be proposed by the EGPS Secretariat to the SC for discussion and endorsement. The business plan for the EGPS ASM Sahel will be endorsed by the donors to the EGPS ASM Sahel within the SC.
50. *Project selection*: The grant selection process is entrusted to the World Bank. It consists of two stages, whereby the first stage screens proposals with exclusion criteria to ensure that the proposed grants (i) are ready for implementation; (ii) have a clear demand and strong government ownership; and (iii) are consistent with one or more core elements of the relevant World Bank Country Partnership Framework, and approved by the World Bank Country Manager or Director.

In the second stage, bank-executed and recipient-executed grant proposals will be assessed against the following criteria: (i) soundness of the proposal, measurable impact, clear monitoring indicators; and (ii) strategic alignment with other World Bank work (to obtain leverage).

In addition to (i) and (ii), bank-executed grant proposals will also be assessed against (iii) a clearly defined audience and dissemination plan and (iv) the potential to spark innovation and inform reform measures. Grants that pass the second stage are eligible for funding.

All screening and selection criteria are subject to revision or amendment by the donors to the EGPS ASM Sahel within the SC when needed. Revised selection criteria will be agreed upon by the donors to the EGPS ASM Sahel within the SC, documented in meeting minutes and become effective immediately.

EGPS ASM Sahel grants generally range between US\$100,000 and US\$1,000,000.

51. *Time-critical responses*: The EGPS Secretariat is entitled to make discretionary allocations to fund time-critical activities. The activities will be consistent with the selection criteria set out by the SC and follow the normal rules for Bank-financed activities, including safeguards. Discretionary allocations will be submitted to donors of the EGPS ASM Sahel within the SC for post-review (ex-post endorsement).
52. *Preferencing*. Regular (non-preferenced) contributions to the EGPS ASM Sahel remain the most efficient funding mode to obtain the results set out in this concept document. It should therefore be the preferred modality and the default. In addition to the input provided to this

document, the donor through its representation in the Steering Committee will have the opportunity to provide active strategic guidance via an annual business plan (paragraph 49). However, in accordance with the principles of “Umbrella 2.0”, the development partner interested in a specific theme or country will have the option of indicating non-binding preferences for the allocation of the contributed funds.

53. *Communication and visibility requirements:* A targeted communication program and strategy will raise the visibility and awareness of EGPS ASM Sahel and the results and impacts from the grants it has funded. The communication strategy will focus on case studies and grant-level success stories and target relevant media and wider stakeholders and influencers in the extractives sector. The overarching, long-term objective will be to position the EGPS ASM Sahel as a donor-funded, demand-driven, responsive, and relevant facility in the extractives sector, and embedded in the World Bank as the leading global organization for technical advice and support for reforms in the extractives sector. The World Bank’s standard communication and visibility requirements will apply to all EGPS communication. The communication budget will be made available out of the program management budget.

VI. Resources and Schedule

54. Country-specific grants and regional activities will utilize and leverage existing implementation arrangements and local expertise to the maximum extent possible through the active participation of regional staff and staff from other Global Practices. This arrangement will maximize efficiency and ensure uniformity of approach while leveraging existing knowledge and capacity.
55. A tentative work plan and budget for the EGPS ASM Sahel is presented in Table 1 below, subject in large part to the amount of donor contributions. The target funding for EGPS ASM Sahel is US\$ 50 million, based on the needs-assessment.

The proposed allocations to types of activities are indicative. The distribution of funds between activity groups will be finalized in the annual business plan endorsed by the donors to the EGPS ASM Sahel within the SC (paragraph 49).

Table 1: EGPS ASM Sahel Budget Allocation by Components (US\$ million)

EGPS ASM Sahel Component Description	FY21		FY22-26		Total
	BE	RE	BE	RE	
1. Policies, legal and fiscal frameworks	0.4	1.2	0.75	2.25	4.6
2. Institutional capacity for ASM formalization	1.7	1.7	6.65	6.65	16.7
3. Environmental and social sustainability	0.75	2.25	2	6	11
4. Innovation and learning	2	0	4.5	0	6.5
5. Regional cooperation activities	0.25	0.75	1.3	3.9	6.2
Subtotal TF Activities	5.1	5.9	15.2	18.8	45
Program Management and Administration (10% of total)					5
GRAND TOTAL					50

VII. Program Risk Assessment and Mitigation

The following risks and mitigation measures have been identified:

56. **Strategic:**

Risks: EGPS ASM Sahel will support programs and activities that improve the ability and capacity of current and emerging artisanal and small-scale mining countries in the Sahel to use their mineral resources transparently for poverty alleviation, shared prosperity, and gender equality. As such, EGPS ASM Sahel responds to the World Bank Group’s overarching goal of ending extreme poverty by 2030 and boosting shared prosperity. While these goals are shared by all donors at a strategic level, there is a risk of misalignment between the selection of specific EGPS ASM Sahel grants to achieve these objectives on the one hand and the grant-type activities and country priorities of individual donors on the other.

Further, there is a risk that the program doesn’t gain traction within the Bank due to lacking CMU interest and support to engage in ASM in the Sahel. This would seriously hamper the deployment of activities as outlined in the PCN.

Mitigation measures: Under an ATF, donors may not earmark funds but may state a non-binding preference that their contribution be used to finance one or more components. The EGPS-2 Secretariat will consider such preferences in its decision-making to the extent possible given that the overriding priority will be to optimally manage the ASM Sahel ATF funds to maximize overall development impact.

To gain traction with CMUs, the EGPS will create a clear narrative that explains how the sector relates to specific challenges in the Sahel and that illustrates the complementarity of the suggested approach with the broader engagement of the Bank, specifically the FCV agenda and IDA portfolio. It will initiate a communications campaign within the Bank to raise awareness of the potential positive impacts to be obtained through an engagement in ASM in the Sahel.

57. **Financial:**

Risks: There is a financial risk that EGPS ASM Sahel funding is lower than the targeted funding level.

Mitigation measures: To maintain the level of engagement and impact over the duration of the program, the EGPS Secretariat will seek close coordination with donors and alignment with their priorities to facilitate their ability to increase the level of their contributions to the ATF.

58. **Operational:**

Risks: EGPS ASM Sahel operational risks include lengthy preparation, approval, and response time. At the grant level, there is a risk of poor impact and sustainability due to deficient ownership and commitment on the client side or poor project preparation on the World Bank’s side. Moreover, it might be challenging to build implementation capacity because of shortcomings in addressing fragmentation across institutions and enhancing their financial sustainability.

Mitigation measures: EGPS uses World Bank procedures for small grants to accelerate approval procedures. For time-critical response, the EGPS Secretariat will make use of the “fast-tracking” option to allocate funds as described in paragraph 51.

At the grant level, the risk of deficient ownership and commitment is addressed through the grant selection, a process in which evidence for client commitment and ownership as well as readiness for implementation are among the requirements for approval. Additionally, if a grant does not become effective due to delays on the client side, allocated funds can be freed and made available for other allocations in accordance with a procedure agreed with the SC.

Regarding achieving the desired impact, the World Bank’s project preparation and implementation procedures ensure that projects be well designed and implemented, and that funds be properly used and not diverted or misused. The EGPS Secretariat will also continue to leverage co-funding where feasible through synergy of EGPS grants with industry- and other donor-led projects, and where possible will design EGPS-grant-funded activities so that they can be followed by traditional IDA/IBRD or other donors’ technical assistance projects, which will expand the benefits attained from the EGPS grants. Coherence and complementarity with other organizations’ activities will be ensured through coordination with Embassies, Resident Representatives of UN and EU and other relevant organizations.

59. **Environmental and Social:**

Risks: By supporting projects that are associated with extractives sector development, the EGPS ASM Sahel grants may have environmental and social risks. There are also risks that EGPS ASM Sahel activities have unintended negative impacts, e.g. operations targeting increased benefits for women have the risk of creating community animosity where one group is seen prioritized over another.

Mitigation measures: All EGPS ASM Sahel grants will adhere to the World Bank’s established safeguards mechanisms which are designed to prevent or mitigate harm to people and their environment in the development process⁷. EGPS ASM Sahel grants will include activities that will aim to address the environmental and social risks of ASM operations through development of stronger legal and institutional frameworks and stronger government and civil society capacity to manage and mitigate risks. The teams will draw on the pool of World Bank safeguards specialists (both environmental and social development specialists), who will help to identify potential conflicts and design communication and other activities to mitigate them. On gender equality, EGPS ASM Sahel will support activities at two levels: (i) ensuring that at least 75 percent of the portfolio of grants have specific gender equality actions, in addition to broader gender-related efforts (such as sex-disaggregated data and gender-sensitive project design); and (ii) developing and financing ASM gender equality strategies in specific countries that will seek to deepen EGPS engagement on a few priority issues related to gender equality and the EI (see paragraph 39). The gender equality focus of the portfolio will include, but is not limited to, actions to empower women and girls in fragile and conflict-affected environments.

60. **Reputational:**

7. World Bank’s Guidance Note of Safeguards Application to Technical Assistance Projects, January 2014.

Risks: Governments of the Sahel are often structured around "elite coalitions" made up of political actors, economic operators, customary leaders, and army officers, contributing to situations of "elite capture" where dialogue with civil society remains tense. Given the potential for corruption and mismanagement in the natural resources sector, particularly in the contexts of low institutional capacity and weak governance, there is some reputational risk associated with EGPS' work. The World Bank, and by association EGPS donors, may become associated with specific extractives industry problems in client countries. However, because the Trust Fund's focus is on improving the sector's governance and transparency through identifying the right sector reforms and policy frameworks, and because it does not involve any direct investment in extractives projects, this risk is low. In addition, as noted, the World Bank applies rigorous social and environmental safeguards, and effective monitoring/supervision mechanisms to all its projects, including EGPS grants. This, along with strong analytical work and application of best practice and lessons learnt, ensures the quality and integrity of EGPS ASM Sahel activities.

Mitigation measures: Because the EGPS funds are pooled and decisions are taken by the Secretariat and endorsed by the SC, the individual reputational risks to the World Bank and to donors are collectively assessed and shared. As noted above, the World Bank will apply rigorous safeguards standards to all EGPS ASM Sahel grants. Analytical work and publications will ensure quality and integrity of activities and advice provided to the clients. Outreach and knowledge-sharing activities will also be designed with the objective of generating a common understanding, including through lessons learned on risk mitigation in EGPS ASM Sahel activities. But if it so happens that the World Bank and EGPS donors become associated with specific EI issues in client countries, strong measures will be promptly taken to correct the situation. If the issue is completely unrelated to EGPS ASM Sahel activities in that country, then (i) the EGPS Secretariat will put in place strong communication to clarify the situation and outline the EGPS activities and how risks have been mitigated; and (ii) the EGPS Secretariat will consult with the Task Team Leader (TTL) of the activity and the World Bank Country Manager to determine whether and how the EGPS can provide any useful and appropriate input to the government to address the issue. In addition, The ATF will adopt measures to mitigate intra-communal conflict in community dialogue mechanisms.

61. **Sahel specific:**

Risks: The Sahel presents a specific set of conditions that could impede the implementation of the program and its outcomes, including threats posed by prolonged conflicts, migration, illicit financial flows, human trafficking, food insecurity, the high frequency of climate shocks, and vulnerability to climate change. Considering the World Bank's mandate limits on issues involving national security and military operations, the insecurity challenges (proliferation of non-state armed actors, elite capture) in the Sahel pose a risk to the ATF.

Mitigation measures: EGPS ASM Sahel will support a regional approach to manage artisanal mining among Sahelian countries, within the framework of existing African initiatives and in conjunction with relevant international programs. The effort will build on previous work conducted by the World Bank with specific programs supporting formalization of ASM, the creation of transparent and responsible trade chains, mitigating environmental impacts, and strengthening the role of women to gain equal access to ASM-related benefits. EGPS ASM Sahel will support the coordination and the participation of different entities across countries in the development of specific mechanisms to fight human trafficking and illicit financial

flows, enhancing ASM's role as a social safety net that provides marginalized youth, migrants and ex-combatants in conflict-affected areas with an alternative to armed groups and criminal networks. It will seek parallel coordination with development partners with more relevant mandate and expertise to manage the risks involving national security.

62. **Evaluation of the program impact:**

Risk: There is a difficulty in assessing ASM's true contribution to socioeconomic growth at the national and local levels given the predominantly informal state and exclusion of the sector in national statistics. This lack of information may lead to inaccuracies in impact assessment.

Mitigation measures: Component 4 will collect data and baseline information on ASM and support the setup of online data bases and georeferencing systems, improving the data basis for gender disaggregation of participants and beneficiaries. Each activity would be required to have a data collection and reporting component to ensure timely sharing and distribution of information of baseline data and impacts of interventions. In addition, EGPS ASM Sahel will support innovative methods of data collection, such as citizen-based data collection using smart phones.

VIII. Components and Activities

63. This section provides more detailed activity descriptions. The EGPS ASM Sahel contains three components of country specific activities, one cross-cutting component of knowledge work and one of regional cooperation activities. The EGPS ASM Sahel Results Framework is provided as an annex to this Concept Document (Annex 1).

Many countries in the Sahel have introduced regulatory, organizational, and administrative reforms to bring ASM into the formal economy. However, these initiatives were often carried out without an integrated strategy aimed at making the sector a contributor to economic development and improving living conditions of ASM communities and regions. Activities eligible under the EGPS ASM Sahel need to be planned and implemented in an inclusive and comprehensive manner, integrated into policy frameworks that reflect national and regional development priorities, and prioritized as part of post-COVID-19 reconstruction and broader sustainable development efforts.

All activities described in the following will be funded in compliance with the Bank's eligibility criteria for BE and RE grants, and will include awareness campaigns, training, capacity building and dissemination of good practices.

Component 1: Policies, legal and fiscal frameworks

This component focuses on facilitating evidence-based, inclusive sector policies, legal, regulatory, and fiscal frameworks. Reform efforts will address the security of tenure for artisanal miners, access to geologically prospected land, and reasonable levels of taxation, among others.

EGPS ASM Sahel will assist governments in establishing equitable, fair, and transparent legal and fiscal frameworks that promote transparent licensing procedures, access to land and security of tenure as significant preconditions to formalization.

Legislation in most Sahelian countries does not provide appropriate security for the legal rights granted to artisanal miners. Cumbersome legal requirements, high legalization costs, and the limited territorial presence of central authorities leave artisanal and small-scale miners at a clear disadvantage in obtaining mining titles and complying with the law.

EGPS ASM Sahel will also assist governments in creating taxation levels for ASM that mitigate current conflict and community tensions. These include mechanisms that ensure that revenues are shared with local authorities for social investments in local communities. They are critical steps towards ensuring that ASM provides a positive contribution to sustainable and equitable development.

Grants will facilitate inclusive and participatory procedures in the design of sector reforms by supporting consultation and outreach processes, diversity (including gender diversity), and the involvement of civil society and socially disadvantaged groups. This includes capacity building to CSOs, producer associations and artisanal mining affected communities to enable their full and meaningful participation in preparing and implementing sector policies and regulation.

Improving sector policies, legal, fiscal, and regulatory frameworks links to three SDGs. It provides the groundwork for investment and economic growth (SDG 8) and access to justice (SDG 16).

EGPS ASM Sahel will support gender-sensitive efforts that enhance women's access to mining titles and facilitate participation in decision-making, aimed at enhancing women's resilience, while providing them with prospects for social and economic empowerment (SDG 5).

Activities include:

- Support to participatory (multi-stakeholder) integrated (multisector) approaches for the formulation of national policies and strategic plans for ASM.
- Legal support for the update of the legal, regulatory, and fiscal frameworks for ASM that contemplate licensing, security of tenure, land use, taxation of ASM among others.
- Design of revenue sharing mechanisms with municipalities and local communities.

Component 2: Institutional capacity for the formalization of ASM

This component facilitates ASM formalization by strengthening institutions at all levels of government and provides support to artisanal miners and affected communities. It facilitates access to finance and markets to reduce artisanal miners' dependence on intermediary pre-financing and mitigates fraud and tax evasion in the production, transport, and trade of minerals.

EGPS ASM Sahel will support the implementation of legislation on ASM, based on institutional decentralization. Capacity building for government officials at the national and subnational levels, artisanal miners and affected communities falls under this component. EGPS ASM Sahel will help build human, financial, and technical capacity of government agencies and other relevant stakeholders to enhance the quality of ASM formalization programs and

support communities to better manage specific challenges such as organization of sites, trade and migration flows. This requires bringing together central and local government representatives from different agencies to coordinate services with cooperatives and other types of producers' associations and local communities.

The program will support government efforts to implement “ASM zones” and assist ASM miners in improving sustainability of operations and economic resilience of their operators. This support will reduce incentives for artisanal miners to enter areas already licensed to LSM operations or environmentally sensitive areas. Assistance will consist of geological services and technical support to increase mineral recovery at ASM sites.

EGPS ASM Sahel will also support the strengthening of tax administration, which is critical to ensure the efficient mobilization of resources. Qualifying activities include capacity building to address issues related to the traceability of trade and commercial transactions, and tax administration procedures. New opportunities are being created by emerging low-cost technologies that allow for cost-effective monitoring of operations. The ATF will promote the adoption of modern technologies like smart cards, digital platforms, drones, time series satellite imagery analysis, citizen-based science, and data collection using smart phones, modern means of money transfer, as well as the use of blockchain technologies to track the origin and movements of minerals and improve traceability and visibility throughout the supply chain.

Effective support to ASM requires facilitated access to finance to expedite productive investments, overall improvements in competitiveness along the value chain and mitigation of tax evasion and fraud. EGPS ASM Sahel will support formalization of ASM operations through formal access to finance of producer associations, cooperatives, and operators. Combined with security of tenure, affordable finance allows AS miners to escape debt, dependency, and poverty, and to purchase materials, equipment, and technology.

EGPS ASM Sahel will contribute reduce illicit financial flows by facilitating access to markets via formalized buying schemes, certifications, and other arrangements that allow for market access.

Improvement of artisanal and small-scale miners' access to finance and formal markets will incentivize investment into more resilient and competitive mine sites (SDG 9), contribute to local economic growth and have positive spillover effects on other economic sectors (SDG 8), creating jobs in rural areas, especially for otherwise unemployed youth.

Activities include:

Area 1: Adequate Licensing, Monitoring and Taxation

- Assistance in design and implementation of shared responsibilities for administration and enforcement between central and local governments.
- Capacity building for central and local governments for the provision and facilitation of social services, geological work and the improvement of technical processes and management practices of ASM operators.
- Technical assistance and capacity building in licensing, taxing and land-use planning and monitoring in the ASM sector.
- Capacity building and training for tax authorities to establish control systems to fight against fraud and tax evasion in the production, transport, and trade of minerals.

Area 2: Access of ASM operators to Markets and Finance

- Viability assessment of government sponsored buying mechanisms and other arrangements that facilitate integration of ASM into formal supply chains and market access.
- Technical assistance to facilitate access to capital and provision of grants for ASM cooperatives and producers' associations.

Area 3: Empowered Communities and Producers Associations

- Supporting the creation of cooperatives and other forms of producers' associations, building their capacity and of affected communities for the management and organization of sites, trade, and migration flows.
- Capacity building to enhance the quality of multisector service delivery for the organization of artisanal mining sites, trade, and migration flows, in close coordination with decentralized authorities and associations of artisanal miners.

Component 3: Environmental and social sustainability

This component strengthens community benefits and local economic opportunities for all and enhances environmental and social management and impact mitigation at ASM sites.

Many countries in the Sahel have improved the livelihoods of their population through resource extraction, including artisanal and small-scale mining. Environmental degradation, gender-based violence, disruption of community structures rank among the most challenging unintended consequences on the ground. Such negative outcomes of resource extraction, however, are not inevitable.

Environmental protection and social inclusion in ASM have attracted more attention over the last decades, from being a marginal aspect of operations to becoming decisive preconditions for avoiding conflict and improving the sustainability of operations. Environmental and social considerations are continuously evolving, and affected stakeholders claim active participation in decision-making. Activities in Component 3 will seek to minimize environmental and social impacts of artisanal mining as well as support the development of workable solutions and remedies to mitigate their adverse effects, thereby directly contributing to SDG 12 (sustainable production).

This includes addressing the gender gap, child labor and other impacts of ASM activities by means of policies and strategies to increase the meaningful economic engagement of women (in good employment, local procurement and decision-making, and gaining greater respect for women's rights), and combatting discrimination, harassment and violence. Activities will be focused on gender equality, notably in ensuring women's voices, decision-making, and rights, supported by sex-disaggregated data and a gender-sensitive approach to dissemination.

Many ASM communities across the Sahel have become 'hotspots' for human rights abuse, namely child labor. EGPS ASM Sahel will address child labor issues through advocacy and training in complementary and alternative livelihoods and provide opportunities for on-the-job-learning and skills-based training, which are also transferrable to other economic activities (SDG 4).

Occupational health and safety (OHS) conditions in ASM are generally poor. ASM sites are dangerous places to work and can be destitute sources of livelihood for people, often women,

engaged in lower value jobs. EGPS ASM Sahel will include advice on how to better assess and mitigate OHS impacts and facilitate training to improve OHS conditions, and health care services for miners and communities to mitigate the sector's local and global health impacts, thereby contributing to public health (SDG 3) and to strengthen the productive structure of the local economy (SDG 8).

Grants will support the development of sustainable and resilient local economies around ASM sites by promoting competitiveness and new economic opportunities, including through community development plans. EGPS ASM Sahel will also finance alternative education opportunities for miners (e.g., welders, electricians, mechanics), marginalized groups, women and children and support opportunities for downstream value addition (e.g. jewelry).

Activities include:

- Supporting information and awareness campaigns and training in environmental, health and safety good practices and mitigation measures for governmental officials, ASM operators and their families, miners' associations, and communities.
- Supporting community dialogue mechanisms to strengthen the inclusion of marginalized groups and the role and security of women in ASM sites, paying attention to intra-communal conflict, and for a better representation of women in the governance structures of cooperatives and producers' associations.
- Fostering citizen-based collection of FCV relevant data using smart phones and other emerging technologies.
- Financing alternative income generating activities in artisanal miners' communities.

Component 4: Innovation and learning

This cross-cutting component will focus on improving the understanding of the context and dynamics of ASM and all relevant stakeholders by collecting data and baseline information, profiling the actors in the ASM ecosystem, and preparing impact assessments and benchmark indicators for measuring the sustainable development of communities.

The World Bank's flagship Communities and Small-Scale Mining (CASM) platform made a significant effort to improve the quality of data on the sector but, since the initiative's closure, most of the data on ASM are dispersed. Things are changing however with the launch of the World Bank's DELVE initiative and the recent commitment by the Extractive Industries Transparency Initiative (EITI) to include ASM in its reporting.

Moreover, the African Mining Legislation Atlas (AMLA) project, financed by EGPS and now hosted by the African Legal Support Facility (ALSF), offers a free online platform for African mining legislation. The platform provides the public with current mining codes from 53 African countries. The Guiding Template, a work-product of the AMLA project speaks to the need for a more robust articulation of rights, duties, and processes for the ASM sector in the suite of mining legislation and regulations of African countries.

Each country must develop a better understanding of the context and dynamics of its domestic artisanal and small-scale mining sector, as a starting point for a more comprehensive policy for the sector, and aim at transforming artisanal mining into a fully integrated part of the national economy. The component will facilitate the development and adoption of formalization

policies for artisanal gold mining based on good analysis of the social context and the political economy of the sector. It will also pay close attention to the impact of the measures taken on the actors involved at all levels of the value chain. Improved understanding of environmental, social, health, cultural, gender, and economic issues will inform grant implementation under the other components.

Grants will finance the preparation of country-specific, broad, and systematic studies for evidence-based decision-making, baseline studies, mapping of demographic, sociological, environmental, and economic characteristics of the sites, and of ASM supply chains from the mining pits to export markets. The grants will fund data collection of artisanal mining sites on geology, equipment used, stakeholders involved, technical assistance needs, trade networks, financial aspects, and conflicts associated with ASM, among others. Grants will be given for the collection and collation of data and information, data processing using geospatial analysis, and the dissemination of lessons via publications, workshops, and conferences.

Support will also be given to the preparation of strategic environmental and social impact studies and gender assessments to determine the impacts of ASM on the environment, health and safety, gender issues, human rights, and to assess labor standards and socioeconomic benefits. These indicators will facilitate sector monitoring as well as impact assessment of the ASM Sahel ATF.

The knowledge products funded under EGPS ASM Sahel will advance the understanding of current and upcoming challenges (in ASM management) and improve the quality and responsiveness of the World Bank's support to client countries in the Sahel.

Activities include:

- Financing of baseline studies, strategic environmental and social impact studies and mitigation plans, data collection, online data bases and georeferencing systems.
- Preparation of land-use and community development plans, and design and adoption of indicators for measuring ASM contribution to the sustainable development of communities.
- Pilots to address key social and environmental dimensions including rehabilitation.
- Enhancement of digital platforms to strengthen data quality, develop early warning systems to detect emerging smuggling activity and potential conflicts, etc.
- Dissemination of lessons learned via publications, workshops and conferences.

Component 5: Regional Cooperation Activities

This set of activities supports broader cooperation among Sahel countries to integrate country specific ASM policies and plans into a wider set of coordinated regional interventions aiming to strengthen the productive structure of the sector and mitigating illicit financial flows and smuggling.

Components 1 through 4 contain country specific activities designed to facilitate formalization and mitigate negative social and environmental impacts ASM. However, the Sahel presents a set of conditions of regional character that greatly complicate ASM formalization, including threats posed by prolonged conflicts, migration, human trafficking, smuggling, illicit financial

flows, food insecurity, the high frequency of climate shocks, and vulnerability to climate change.

EGPS ASM Sahel will support a regional approach to manage artisanal mining among Sahelian countries, within the framework of existing African initiatives and in conjunction with relevant international programs. Regional grants could coordinate information gathering and the exchange of data among different entities to address common domestic ASM problems, such as smuggling and tax evasion, illicit financial flows, financing of armed groups, human trafficking, trafficking of illegal chemicals, cross-border pollution, among others.

EGPS ASM Sahel will also support countries' efforts to harmonize their legal frameworks to regulate ASM as an economic activity and the harmonization of fiscal regimes to set taxes at a level that encourages legal trade. Large differences in taxation among different countries in the region are a key factor encouraging smuggling and tax evasion. High taxes to generate revenue from ASM are counterproductive, especially in conflict-affected areas where extortion or informal taxation by different actors are common as they can further push ASM into informality.

Grants will finance the coordination and the participation of different entities in the fight against human trafficking and illicit financial flows and in the development of specific mechanisms to tighten control over gold marketing channels. Eligible activities would include strengthening the exchange of information to improve the traceability of gold supply chains (equipment, mercury, etc.) and monitoring suspicious import and export transactions and other dubious operations in the financial and other high-risk sectors.

ASM can serve as a social safety net and provide marginalized youth, migrants and ex-combatants in conflict-affected settings with an alternative to armed groups and criminal networks. EGPS ASM Sahel can facilitate social and economic inclusion and enable artisanal miners to combat exploitative practices, supporting the fight against violence and financing of armed groups, and with it, SDG 16's dimensions of peace, justice and strong and inclusive institutions.

Tapping these opportunities requires bringing together central and local government representatives from different sets of agencies through the implementation of regionally coordinated country-specific programs, empowering cooperatives and other types of producers' associations, local communities, and disadvantaged groups like single mothers, poorly educated youth, former combatants, displaced people, refugees, and economic migrants.

The component includes activities to:

- support dialogue and the harmonization of policies, legal and regulatory frameworks, tax regimes, trade, the organization of supply chains for ASM among Sahel countries;
- strengthen the institutional architecture, exchange of information and coordination of different entities involved in the fight against smuggling, money laundering and illicit financial flows, tax evasion and funding of armed groups, and trafficking in human people;
- build capacity to enhance border and customs controls, implement information sharing and conduct joint law enforcement initiatives.

Annex 1: Results Framework

EGPS-2 high-level results

The Project Development Objective (PDO) of this program is to improve the capacity of state- and non-state actors in the Sahel to manage mineral resources exploited by artisanal and small-scale methods in a transparent, sustainable and gender-inclusive manner

PDO indicators:

- No. of mining associations/organizations formalized through the appropriate licensing authority
- No. of miners participating in formalized mining associations/organizations disaggregated by gender (source: licensing authority)

Component 1: Policies, legal and fiscal framework				
Activity	Output	Output Indicators	Outcome	Outcome Indicators
<ul style="list-style-type: none"> • Support to the formulation of national policies and strategic plans for ASM • Legal support to reform of ASM licensing, security of tenure, land use, taxation among others • Design of revenue sharing mechanisms with municipalities and local communities 	<ul style="list-style-type: none"> • Assessment reports completed: Existing ASM policies across sectors; ASM strategic plans; taxation, licensing, decentralization arrangements thereof; revenue sharing • ASM procedures/policies/practices/standards drafted: ASM mining rights and land tenure, tax, licensing, revenue sharing mechanism with the municipalities and local communities • Consultations, workshops, training events held 	<ul style="list-style-type: none"> • No. of reports completed (assessments, feasibility studies, strategic plan reports) • No. of national ASM plans/ procedures/policies/practices/standards drafted: for ASM mining rights, land tenure, tax, licensing and revenue sharing mechanism with municipalities and local communities • No. of consultations, workshops, trainings held • No. of participants (gender disaggregated) in consultations, workshops, etc. 	<ul style="list-style-type: none"> • Increased community benefits from extractives for all⁸ • Public policies, laws, regulations, and plans, conducive to ASM formalization, adopted (including on ASM mining rights and land tenure, tax, licensing, revenue sharing mechanism with municipalities and local communities) 	<p>5 governments update public policy, laws, regulations to facilitate ASM formalization (via reformed ASM mining rights and land tenure, tax, licensing, revenue sharing mechanism with municipalities and local communities)⁹</p>

⁸ EGPS-2 Anchor outcome

⁹ EGPS-2 Anchor indicator

Component 2: Institutional capacity for ASM formalization				
Activity	Output	Output Indicators	Outcome	Outcome Indicators
<p><u>Supporting improved Licensing, Monitoring and Taxation, including</u></p> <ul style="list-style-type: none"> • Design and implementation of decentralized administration • Capacity building to central and local governments in licensing, taxing and land-use planning and monitoring in the ASM sector • Supporting provision of social services, geological information, and management practices of ASM operators • Capacity building and training for tax authorities <p><u>Supporting access of ASM operators to markets and finance through</u></p> <ul style="list-style-type: none"> • Viability assessment of schemes for market access that facilitate integration of ASM into supply chains • Assistance to the creation of mechanisms for access to finance <p><u>Supporting community empowerment through producers' associations for the management and organization of sites and trade</u></p>	<ul style="list-style-type: none"> • Reports completed (assessments, feasibility studies, strategic option reports) for geological data collection and processing • Assessments of social service delivery and ASM management practices completed • Policies, strategies, procedures and implementation plans drafted: for land planning, licensing, tax collection and control system • Consultations, workshops, and training events held 	<ul style="list-style-type: none"> • No. of reports completed (Assessments, feasibility studies, strategic option reports) • No of recommended procedures/policies/practices/standards drafted • No. of Consultations, workshops, trainings held. • No. of participants (gender disaggregated) in consultations, workshops, training events, seminars, conferences • Value of grants disbursed (US\$) 	<ul style="list-style-type: none"> • Increased formalization of ASM production, with improved social and environmental performance¹⁰ • ASM zones defined and/or No. of ASM miners' associations/miners reporting increased access to geographically prospected land • Institutions strengthened in provision of land use, licensing, monitoring, taxation, geologic information, and social services at local level • Value of minerals bought under Gov't sponsored buying mechanisms • Cooperatives/ producer associations registered 	<ul style="list-style-type: none"> • 5 government update laws, regulations and procedures or strengthen institutional enforcement capacity or take concrete steps to formalize ASM, provide alternative livelihoods or improve its environmental and social performance¹¹ • No. of ASM zones defined through geological surveys by MEM government officials • No. of ASM miners reporting increased access to geographically prospected land. • Total ASM tax revenue generated (local and central level breakdown) • No. of issued licenses to ASM • No. of social services improvement plans created for ASM communities • No. of cooperatives/ producer associations registered

¹⁰ EGPS-2 Anchor outcome

¹¹ EGPS-2 Anchor Indicator

Component 3 Environmental and Social Sustainability				
Activity	Output	Output Indicators	Outcome	Outcome Indicators
<ul style="list-style-type: none"> • Financing baseline studies, strategic environmental and social impact studies and mitigation plans, data collection, online data bases • Preparing land-use and community development plans and designing and adopting indicators for measuring ASM contribution to the sustainable development of communities • Facilitating community dialogue on strengthening the role and security of women in ASM sites and for a better representation of women in the governance structures of cooperatives and producers' associations • Financing alternative income generating activities in artisanal miners' communities • Conducting information and awareness campaigns and training in environmental, health and safety good practices and mitigation measures for governmental officials, ASM operators and their families, miners' associations, and communities. • Disseminating lessons learned via publications, workshops, and conferences. 	<ul style="list-style-type: none"> • ASM baseline studies, environment/social impact studies, online databases and geo referencing • Land use and community development plans, sustainable development indicators • Gender sensitive analyses of cooperative and producers' association governance structure • Plans/reports on credit associations/financial facilities formation • policies/regulations/standards related to the above • Consultations, workshops, training events 	<p><u>No. of reports, assessments, feasibility studies, strategic option reports for</u></p> <ul style="list-style-type: none"> • ASM baseline studies, environment/social impact studies, online databases and geo referencing • land use and community development plans, sustainable development indicators • Community dialogue mechanism/ Women security; Gender sensitive analysis of cooperative and producers' association governance structure. D) situational analysis-alternative income options. <ul style="list-style-type: none"> • No. of Recommended procedures/policies/practices/standards proposed for the above • No. of Consultations, workshops, trainings held for the above • No. of participants in Consultations, workshops, training events, seminars, conferences on the above 	<ul style="list-style-type: none"> • Improved impact and efficiency of the transparency agenda¹² • Greater gender equality in sector regulations and in sector practices¹³ • Financing facilitated (Credit associations/ alternative income mechanisms) • Improved health and safety provisions in mining operations 	<ul style="list-style-type: none"> • EGPS supports EITI with three global activities to strengthen the transparency agenda and the EITI process¹⁴ • 10 activities to support government in developing and adopting gender equality policies for the extractive sector¹⁵ • Value of financing facilitated (via credit associations/ alternative income mechanisms) • No. of accidents/health issues in mining operations

¹² EGPS-2 Anchor Outcome

¹³ EGPS-2 Anchor Outcome

¹⁴ EGPS-2 Anchor indicator

¹⁵ EGPS-2 Anchor Indicator

Component 4: Innovation and learning

Under Component 4, the ASM Sahel ATF will finance baseline studies, strategic environmental and social impact studies and mitigation plans, data collection, online data bases and georeferencing systems; prepare land-use and community development plans, and design and adoption of indicators for measuring ASM contribution to the sustainable development of communities; pilot activities to address key social and environmental dimensions including rehabilitation and disseminate lessons learned via publications, workshops and conferences. All these activities are weaved into Components 1 through 5 and are reflected in their outputs and output indicators.

Component 5: Regional Cooperation Activities

Activity	Output	Output Indicators	Outcome	Outcome Indicators
<ul style="list-style-type: none"> • Facilitate dialogue and the harmonization of policies, legal and regulatory frameworks, tax regimes, trade, land use, and the organization of supply chains for ASM among Sahel countries • Strengthening of the institutional architecture, international exchange of information and coordination of different entities involved in the fight against smuggling, money laundering and illicit financial flows, tax evasion and funding of armed groups, and human trafficking • Capacity building to enhance border and customs controls, implement information sharing and initiate joint law enforcement initiatives 	<ul style="list-style-type: none"> • Reports completed (assessments, feasibility studies, strategic option reports) on existing ASM policies across countries, land use; regional ASM strategic plans, taxation, licensing, decentralization arrangements, smuggling, money laundering and illicit financial flows, tax evasion and others • Capacity building reports/plans drafted on border & customs controls / info sharing / joint law enforcement initiatives • Recommendations to harmonize regional ASM procedures/policies/practices/standards proposed for improvement or elimination (ASM land tenure, taxation, and licensing) • Consultations, workshops, training events held 	<ul style="list-style-type: none"> • No. of assessments/reports /studies completed on existing ASM policies across countries, land use, regional ASM strategic plans, taxation, licensing, decentralization arrangements • No. of analyses completed on regional smuggling, money laundering and illicit financial flows, tax evasion, funding of armed groups, and human trafficking • No. of plans drafted on coordinated border & customs control initiatives, info sharing arrangements, joint law enforcement initiatives, anti-corruption investigations • No. of recommended harmonized regional ASM policies / procedures / standards proposed for improvement (ASM land tenure, taxation, and licensing.) • No. of consultations, capacity building workshops, trainings held • No. of participants (gender disaggregated) in consultations, workshops, training events, etc. 	<ul style="list-style-type: none"> • Coordinated initiatives active to harmonize regulatory frameworks, policies and tax regimes for ASM • Regional coordinated strategic initiatives launched on smuggling, tax evasion, illicit financial flows and money laundering, funding of armed groups, human trafficking • Joint law enforcement initiatives/anti-corruption investigations active 	<ul style="list-style-type: none"> • No. of active coordinated initiatives¹⁶ to harmonize regulatory frameworks, policies, and tax regimes for ASM • No. of regional coordinated strategic initiatives launched on smuggling, tax evasion, illicit financial flows and money laundering, funding of armed groups, human trafficking • No. of joint law enforcement initiatives/anti-corruption investigations launched

¹⁶ Active initiatives: Where an agreement e.g. MOU has been signed to operationalize such an initiative