The World Bank Group in Extractive Industries
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Abbreviations and Acronyms

**ADB:** Asian Development Bank  
**AfDB:** African Development Bank  
**ASM:** Artisanal and Small-Scale Mining  
**bcm:** billion cubic meters  
**CAO:** Compliance Advisor/Ombudsman  
**CAS:** Country Assistance Strategy  
**CASM:** Communities and Small-Scale Mining  
**CommDev:** Oil, Gas and Mining Sustainable Community Development Fund  
**CPS:** Country Partnership Strategy  
**CPF:** Country Partnership Framework  
**CSO:** Civil Society Organization  
**DOTS:** Development Outcome Tracking System  
**DPL:** Development Policy Lending  
**EBRD:** European Bank for Reconstruction and Development  
**EE:** Energy Efficiency  
**EGPS:** Extractives Global Programmatic Support  
**EIR:** Extractive Industries Review  
**EITI:** Extractive Industries Transparency Initiative  
**EI-TAF:** Extractive Industries Technical Assistance Facility  
**FCS:** Fragile and Conflict Affected States  
**GGFR:** Global Gas Flaring Reduction Partnership  
**GHG:** Greenhouse Gas  
**IBRD:** International Bank for Reconstruction and Development  
**IDA:** International Development Association  
**IDB:** Inter-American Development Bank  
**IFC:** International Finance Corporation  
**IMF:** International Monetary Fund  
**IsDB:** Islamic Development Bank  
**JSDF:** Japanese Social Development Trust Fund  
**LNG:** Liquefied Natural Gas  
**MDB:** Multilateral Development Bank  
**MDTF:** Multi-Donor Trust Fund  
**MIGA:** Multilateral Investment Guarantee Agency  
**NOAA:** US National Oceanic and Atmospheric Administration  
**OECD:** Organization for Economic Co-operation and Development  
**OFID:** OPEC Fund for International Development  
**OPEC:** Organization of the Petroleum Exporting Countries  
**PNG:** Papua New Guinea  
**RE:** Renewable Energy  
**SE4All:** United Nations Sustainable Energy for All  
**SME:** Small and Medium Enterprises  
**UK:** United Kingdom  
**UN:** United Nations  
**UNEP:** United Nations Energy Program  
**USA:** United Nations of America  
**US$:** United States Dollars  
**WB:** World Bank  
**WBG:** World Bank Group
Executive Summary

This report provides a summary of World Bank Group (WBG) activities in the extractive industries (EI) sector in Fiscal Year 2016 (FY16). The WBG’s objective in the extractive sector is to ensure that natural resources contribute positively to inclusive economic growth and sustainable development. The WBG engages along the extractive industries value chain to help ensure these objectives. IBRD and IDA offer support directly to governments, and IFC and MIGA engage with the private sector, supporting investment in new or expanded physical capacity and seeking to engender best practices. Through its advisory work, IFC also aims to enhance the shared benefits from EI investments with local communities and stakeholders.

WBG Extractive Industries Financing in FY2016

The overall volume of FY2016 WBG financing in the EI sector was US$3,099 million compared with US$1,075 million in FY2015. Total WBG EI commitments were about 5 percent of total WBG financing in FY16. The unusually high volume in extractives is mainly driven by a handful of projects which had been in preparation for several years and are supported by different arms of the WBG (IFC, IBRD/IDA, MIGA), leveraging the various institutional capabilities to generate transformational impact in client countries. The landmark Oyu Tolgoi mining project in Mongolia comprised half of this year’s volume (with US$1,000 million MIGA guarantee and US$400 million IFC investment). Moreover, two projects with significant impact were approved in FY16: in Ghana, an IBRD/IDA guarantee package worth US$700 million was extended to Ghana National Petroleum Corporation, the gas off-taker of the Sankofa gas project, thereby de-risking the project structure and facilitating the private sector financing. In Nigeria, MIGA approved a US$200 million guarantee to build a gas processing facility and a pipeline in Nigeria. In terms of number of projects, WBG investments in FY16 decreased from a total of 33 to 27 largely driven by a drop in the quantity in IFC’s mining investments.

In FY16, IFC’s oil, gas and mining client companies contributed approximately US$2,500 million to government revenues, created or sustained about 60,000 direct jobs and funded US$41 million of dedicated community-related spending. Total spending by these companies on goods and services from local and national suppliers approached US$9,600 million, demonstrating significant linkages to local business and making a major contribution to local economies.

Partnerships and Initiatives

Important partnerships and initiatives supported by the WBG in FY16 included:
Extractive Industries Transparency Initiative (EITI). With active WBG support, the Extractive Industries Transparency Initiative continues to grow and have a positive impact on the transparency of oil, gas and mining sector payments to government, and on multi-stakeholder engagement. As of June 2016, there were 51 EITI-implementing countries, of which 31 were declared EITI-compliant—having completed an external assessment and validation of their national EITI process under the EITI Rules. The validation of the first batch of countries under the 2016 EITI Standard started in mid-calendar year 2016 which is an important milestone for EITI. The World Bank actively supports the initiative through: (a) administration of the EITI Multi-Donor Trust Fund (MDTF) (which closed December 31, 2015), and its successor—Extractive Global Programmatic Support (EGPS) (see paragraph below); (b) direct support to national civil society groups; and (c) global knowledge work. As more countries attain EITI-compliant status and adopt strengthened EITI Standards, WBG/MDTF will increasingly support activities that link EITI to sector reforms.
Extractive Industries Technical Advisory Facility (EI-TAF). The EI-TAF was established to facilitate the provision of advisory services to governments needing rapid assistance on prospective EI development. The facility had established partnerships with five supporting countries and financing commitments totaling US$26.6 million and the MDTF was closed in December 2015. EI-TAF supported work in Chile, Colombia, Republic of Congo, Côte d’Ivoire, Dominican Republic, Ethiopia, Guinea, Haiti, Honduras, Madagascar, Peru, Seychelles, Togo, Uganda, and Uruguay.

Global Gas Flaring Reduction Partnership (GGFR). GGFR is a public-private partnership comprised of governments and oil companies working to increase the utilization of natural gas associated with oil production. Associated gas is flared when barriers to the development of gas markets and gas infrastructure prevent it from being utilized. Gas flaring wastes a valuable energy resource and results in more than 300 million tons of CO2 emissions per year. In FY16, GGFR began a new phase of its ambitious work program (2016-2019) with a focus on key oil-producing countries, including Iraq, Mexico, Nigeria, and Russia; and its new “Zero Routine Flaring by 2030” global advocacy campaign.

Extractives Global Programmatic Support (EGPS). The EGPS has replaced the EITI-MDTF and the EI-TAF MDTF which both closed December 31, 2015. EGPS was established in June 2015 to provide programmatic support on extractives governance sector reforms. The new setup allows to combine reforms along the entire EI Value Chain (under the same financing arrangement), thus improving coordination across components, and on balance reducing processing time and cost of preparation, supervision and implementation of projects. The EGPS enables all partners to benefit from synergies across a broad portfolio of EI focus areas and activities. As of June 2016, five donors have committed US$15.2 million to EGPS. Additional donors and contributions are expected by the end of 2016 to reach US$30 million total commitments. Full transition from old MDTFs to the new EGPS platform is expected to be complete by mid FY17.

Gender and the Extractive Industries. The World Bank’s Oil, Gas and Mining Policy Division has a steadily growing program on Gender and Extractive Industries. Gender is increasingly incorporated into the oil, gas, and mining projects (Tanzania, Uganda, PNG, DRC, Ethiopia), into the assessments that are part of project preparation and implementation, into indicators, and into various project activities.

World Bank Governance Global Practice—Governance for Extractive Industries (GEI). During FY16, the GEI program supported the mandate to harness knowledge, expertise and experience across the GGP to reinforce governance along the extractive industries value chain from licensing and contracting to revenue capture and management to assuring a clear development dividend at the local level. The reorganization of the World Bank Group into Global Practices in FY16 led to the creation of the Extractives Governance Global Solutions Group (GSG), signaling the importance of the sector within the broader governance portfolio of the World Bank Group.
The World Bank Group continued to be active in the extractives sector in FY16. IBRD and IDA supported a number of countries through policy advice and capacity building with the aim of assisting in the sustainable development and effective management of their EI sectors. Both IFC and MIGA provided financing and guarantees for private sector EI investments. In addition, the WBG maintains a number of active partnerships with different stakeholders to address key issues in the sector.
The overall volume of WBG EI financing in FY16 was US$3,099 million, compared with US$1,075 million in FY15. IBRD and IDA contributed US$1,075 million to support new capacity investments, policy advice and capacity building. IFC invested US$824 million in private sector EI development for its own account. MIGA provided US$1,200 million for risk coverage. Total WBG EI commitments were about 5 percent of total WBG financing in FY16.

1. Details provided in Annex B.

Source: World Bank Group; Sizeable projects drive FY16 volume: Oyu Tolgoi (IFC, MIGA), Sankofa Gas (Ghana)
The unusually high volume in extractives in FY16 is driven by a handful of projects which had been in preparation for several years and are supported by different arms of the WBG (IFC, IBRD/IDA, MIGA), leveraging the various institutional capabilities to generate transformational impact in client countries. The landmark Oyu Tolgoi mining project in Mongolia contributed half of this year’s volume (US$1,000 million MIGA guarantee; US$400 million IFC investment). Moreover, two projects with significant impact were approved in FY16: in Ghana, an IBRD/IDA guarantee package worth US$700 million was extended to Ghana National Petroleum Corporation, the gas off-taker of the Sankofa gas project, thereby de-risking the project structure and facilitating private sector financing. In Nigeria, MIGA approved a US$200 million guarantee to build a gas processing facility and a pipeline in Nigeria. In terms of number of projects, WBG investments in FY16 decreased 18 percent.

By region, East Asia and Pacific outstripped sub-Saharan Africa as the biggest destination for WBG financing in extractive industries, with a 49 percent share—driven by the Oyu Tolgoi mining project in Mongolia. Sub-Saharan Africa accounted for 37 percent due to the IBRD/IDA guarantee package for the Sankofa gas project in Ghana and MIGA’s support to Accugas in Nigeria. Middle East and North Africa and Latin America and the Caribbean regions registered an eight and six percent share of financing, respectively.

### IBRD & IDA

IBRD and IDA provided US$1,075 million for extractives this year compared to the previous year’s financing amount of US$537 million. The vast majority of financing in FY16 was devoted to the oil and gas sector, driving the doubling of volume. The US$700 million partial risk guarantees for the Sankofa gas project in Ghana make up 65 percent of the IBRD/IDA FY16 program. Without the Sankofa project, total extractives financing would have amounted to US$375 million—in line with past financing trends. The number of projects increased from eight to 11 projects this year, of which the majority were part of larger programs, often with a focus on sector governance, and transparency.

In addition, IBRD and IDA provided US$14 million in grant financing, twice as much as in the previous year, mostly due to two larger than typical financings—one providing technical assistance to the Government of Chad to improve the quality of the sector and another to help improve the quality of sector governance in Papua New Guinea. The rest of the grants were mainly focused on supporting EITI-related activities.

### IFC

**New Financing Commitments**

In FY16, IFC committed 14 financings in more than 11 countries for a total of US$824 million for its own account for oil, gas and mining client companies. The overall lending volume doubled from last year, which was due to IFC’s participation in the landmark Oyu Tolgoi mining project in Mongolia. Oyu Tolgoi, one of the largest copper and gold mines globally, has a projected mine life of at least

### Table 1: WBG FY16 Financing by Sub-Sector

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>MINING (US$ millions)</th>
<th>OIL &amp; GAS (US$ millions)</th>
<th>E&amp;S AND POLICY CAPACITY BUILDING</th>
<th>MINING</th>
<th>OIL &amp; GAS</th>
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<tr>
<td>IBRD/IDA*</td>
<td>—</td>
<td>—</td>
<td></td>
<td>$77.02</td>
<td>$997.70</td>
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<td>IFC</td>
<td>$460.91</td>
<td>$362.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MIGA</td>
<td>1,000.00</td>
<td>200.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,460.91</td>
<td>562.91</td>
<td>77.02</td>
<td>997.70</td>
<td></td>
</tr>
</tbody>
</table>

* Includes blend countries—See Annex B
40 years and is set to generate thousands of jobs and billions of dollars in government revenues and local spending, while providing high-quality, low-cost ore for industrial and other use. IFC committed a loan facility of US$1,200 million to the project, including a US$400 million loan for IFC’s own account, and syndicated loans from a large number of other financing institutions. In addition, MIGA provided a guarantee of US$1,000 million to many of the same investors. This results in WBG support of US$2,200 million for the total US$4,400 million project financing, one of the largest project debt finance deals in the history of the metals and mining industry.

IFC commitments decreased from 21 to 14 in FY16, mostly because of fewer mining investments, given the dramatic slowdown in the metals markets. IFC’s oil and gas sector investments were made across the entire value chain with only one project focused on new upstream appraisal activities. Out of eight projects, one project focused on exploration activity, five financings supported production and development, one project involved the construction, and operation of an LNG terminal and one supported natural gas distribution. Of the five mining investments in FY16, three supported exploration and appraisal work while the remaining two supported Oyu Tolgoi and the expansion of an existing mine in the Democratic Republic of Congo.

The largest share of investments in FY16 were made in the East Asia and Pacific region, accounting for 53 percent of IFC investments by volume, mostly because of the US$400 million investment in the Oyu Tolgoi mining project in Mongolia. Latin America and Sub-Saharan Africa competed for second place by volume, contributing 23 percent and 21 percent, respectively. The Middle East and North Africa region’s contribution has decreased to three percent this year.

**Portfolio**

Overall, IFC holds an active natural resource portfolio of US$2,890 million, roughly 71 percent in oil and gas and 29 percent in mining in volume terms. By number of projects, 60 percent of the portfolio is in oil and gas and 40 percent in mining. As of June 30, 2016, IFC has investments in more than 37 countries with Sub-Saharan Africa and Latin America and Caribbean together accounting for about two thirds of the lending volume. Loans account for 81 percent of the IFC portfolio and equity investments are the balance.

**Development Results of IFC Investments in the Natural Resource Sector**

In FY16, IFC’s oil, gas and mining portfolio companies contributed approximately US$2,500 million to government revenues and created or sustained more than 60,000 jobs during the reporting period of calendar year 2015. Many IFC client companies are active in supporting the development of local communities, and spent about US$41 million on such activities. Domestic procurement of goods and services approached US$9,600 million. Moreover, IFC oil, gas and mining investments aim to ensure natural resources are developed sustainably and in accordance with leading environmental and social standards.

Weak and volatile commodity prices continued to have a negative effect on IFC client companies in FY16, affecting the development impact of projects as they generated lower financial returns, fewer payments to government and other benefits that normally accrue to local communities from a thriving extractive

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3. For further information see the IFC’s Annual Report for the year ended June 30th 2016 (FY2016): http://goo.gl/O4vHY4
industry. Moreover, mining exploration projects, which inherently have a higher risk profile, were particularly impacted by the external environment and negatively impacted the overall IFC development results. Despite weaker financial and economic performance as tracked by IFC’s Development Outcome Tracking System (DOTS), IFC clients have demonstrated strong and continuous commitment to best environmental and social practices.

IFC Infrastructure and Natural Resources (INR) advisory service team works with companies to facilitate the design of community investment strategies, the development of supply chains, and the delivery of revenue management and water stewardship programs. In addition, IFC INR advisory services manages a robust knowledge repository, CommDev (CommDev.org), where it captures and shares lessons learned with a broad community of practitioners. In FY16, INR advisory managed a portfolio of 11 engagements with existing and new EI clients. Activities focused on strategic community investment (45 percent), local supplier development (27 percent), and revenue management (18 percent), with the majority taking place in sub-Saharan Africa and Latin America and the Caribbean.

Notable engagements in FY16 include:
- The completion of the Royalty Innovation Project in Colombia, which supported 103 municipalities (including indigenous communities) in building their capacity to design public investment projects that qualify for funding under Colombia’s General Royalty System. By financing investments in infrastructure, housing, agribusiness, water and health, addressing community needs, these royalty funds help bring tangible benefits to communities in areas where extraction takes place. To date, projects worth US$24 million, expected to benefit nearly 400,000 people with improved access to infrastructure and services, have been approved for funding by the General Royalty System.
- The design and delivery of a “One Stop Shop” to simplify doing business in the Guinean mining sector by accelerating the processing of licenses, permits and other approvals for integrated mining and infrastructure projects (e.g. environmental assessments, road and railway construction, etc.). Employees of the Shop will work with mining operators and government agencies to expedite the licensing process, while a dedicated website will provide users with instant access to relevant materials.
- The launch of a partnership with the Government of Canada on a new multi-country program in sub-Saharan Africa.

**Figure 3:**
FY16 Portfolio Development Results, IFC Oil, Gas & Mining

<table>
<thead>
<tr>
<th>Development outcome</th>
<th>58%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial performance</td>
<td>43%</td>
</tr>
<tr>
<td>Economic performance</td>
<td>51%</td>
</tr>
<tr>
<td>Environmental &amp; social performance</td>
<td>67%</td>
</tr>
<tr>
<td>Private sector development impact</td>
<td>70%</td>
</tr>
</tbody>
</table>

| Private sector development impact | 52% |

- [IFC](#) | [Oil/gas/mining](#) |
Africa related to Enhancing Extractive Sector Benefit Sharing (EXCEED) focuses on improving social and economic benefits for communities hosting oil, gas and mining projects. The program, which began conducting diagnostic surveys in FY16, will focus on extractives-related development assistance to enrich the contributions of and mitigate the risks related to the extractives sector on the socio-economic wellbeing of women, men and youth.

- Under the Mongolia Water project, IFC worked on the development and adoption of a Voluntary Code of Practice related to water resources for the mining industry in the South Gobi region of Mongolia. The Code requires mining companies to publicly report water risks and management practices, support training and awareness-raising on groundwater protection, and involve impacted communities in monitoring a mining company’s water performance. The Code has been lauded as a critical step towards building trust among local stakeholders, including government authorities, local communities, civil society organizations (World Wildlife Fund, The Nature Conservancy and the Asia Foundation), and the media (Mongolia Mining Journal, UB Post and the Guardian (UK)).

In FY16, INR advisory continued to create and disseminate knowledge products relevant to the EI sector and delivered a series of events to spur dialogue and intellectual exchange. Throughout the year, INR advisory facilitated workshops in sub-Saharan Africa, Latin America and the Caribbean and Asia that brought together representatives from communities, companies, and government to unpack the frequently diverging expectations of benefits and costs from natural resource development across stakeholder groups.

In May 2016, INR advisory hosted its 10th annual Sustainability Exchange, which brought together more than 300 professionals to reflect on and debate critical issues related to large footprint projects, disruptive technologies, climate change, and other key business concerns.

INR advisory also published a number of reports, handbooks and training guides to help advance the discussion on issues of interest to the EI sector, including public investment, water value and risk, and foundations. (Please visit www.commdev.org for a complete list)

In addition, EI advisory launched the development of a gender toolkit to help companies better understand and address gender dimensions in their operations and enable the companies to enhance opportunities for men and women related to formal employment, entrepreneurship, and participatory engagement.

**MIGA**

In FY16, MIGA’s financing in natural resources has seen a tremendous increase in volume due mostly to the provision of a US$1,000 million guarantee to the Oyu Tolgoi project in Mongolia. Also, MIGA provided a US$200 million guarantee to build a gas processing facility and a pipeline in Nigeria. For more details, see Annex E.
Select WBG Publications in Extractive Industries

Preparing Public Investment Projects—A Guide for Indigenous Communities in Colombia
Spanish: https://goo.gl/8zU64H

Rethinking the Value & Risks of Water for the Private Sector
https://goo.gl/2meR9w

Supporting Revenue Management Initiatives in Peru & Colombia
https://goo.gl/TXuRcG

Water & Mining in Mongolia’s South Gobi Region
https://goo.gl/7HI8F9

Social Accountability in Pictures
English: https://goo.gl/CCwYNw
Spanish: https://goo.gl/x0OVSa
Since its inception in 2003, the Extractive Industries Transparency Initiative (EITI) and its principles have become a well-established and recognized global standard for resource revenue transparency, applied at the country-level. EITI has continued its strong momentum and became the established standard for transparency in the oil, gas and mining sectors.

As of mid-2016, EITI included 31 Compliant Countries which are confirmed to have met all EITI requirements and 20 Candidate Countries which are implementing EITI but not yet compliant. There are presently 47 IDA/IBRD eligible (non-OECD) EITI Compliant and Candidate implementing countries and 4 OECD EITI implementing countries (Norway, Germany, UK and USA). Australia has announced its intention to move towards candidacy but has not taken formal steps yet. The continuing importance of EITI to the World Bank’s extractives work program is reflected by references to EITI in World Bank country strategy documents (CAS, CPS, CPF, etc.) for 43 of the 47 IDA/IBRD EITI implementing countries. Annex A provides a full listing of EITI countries by geographic region and implementation progress to date.

In almost all implementing EITI countries, the WBG provides support, which is an integral part of the WBG strategy for engagement, especially in fragile and post-conflict settings. The World Bank Group’s support spans the following activities: (i) administration and management of the EITI Multi-Donor Trust Fund (MDTF), comprising 15 donors and cumulative contributions of US$71.4 million (closed in December 31, 2015 and support migrated to the new Extractives Global Programmatic Support MDTF which was established in July 2015); (ii) technical assistance to 50+ countries throughout the EITI implementation cycle up to EITI-compliance stage and beyond. The work program also includes direct support to civil society organizations to strengthen their capacity to engage on EITI issues; and (iii) training, knowledge management and policy inputs in coordination with the International EITI Secretariat. The WBG also serves as an observer on the International EITI Board.

The EITI MDTF (which closed in December 31, 2015) supported 30 of the 31 compliant countries (the only Compliant County not receiving MDTF support is Norway) and 17 of the 20 Candidate Countries (the three countries not receiving MDTF support were Germany, the United Kingdom and the United States). At the current date, EGPS finances 18 of EITI countries based on the current demand. The EGPS takes into account expanded mandate of the EITI Standard and provides technical assistance on improving government systems which are now a part of the EITI disclosures.

Compared to the initial stages of EITI, when the World Bank Group focused on outreach and education to encourage early joiners, WBG efforts are now much larger in scope and coverage, and are differentiated according to specific EITI country circumstances and the needs of national stakeholders. In particular, there are significant changes to the EITI support after the EITI Standard was adopted in 2013 and updated in February 2016 by the EITI Board during the EITI Global Conference in Lima, Peru. WB work now focuses on helping countries to meet this upgraded EITI Standard, and help use EITI as a platform for continued sector reform and institution-building. There is a focus on establishing good practices and mechanisms for mainstreaming transparency initiatives in a sustainable manner and on rolling out implementation of the new requirement to report on the beneficial ownership of extractives companies in EITI countries. Embedding EITI reporting principles in financial systems will help to institutionalize and deepen transparency, which facilitates further sector reforms. EITI is facing a number of challenges as reforms are getting deeper and more complex, while more donor funding is required to support these reforms where countries cannot afford them. Validation of countries under the EITI Standard have been considerably delayed (there are still no countries that were validated under the EITI Standard as of this report).

There is emerging evidence of positive results at the country-level, especially concerning data on EI revenues. At the same time, the data reported in each
EITI country is presented in a different way which makes comparisons across countries very difficult. Increased efforts are focusing on an Open Data initiative to develop guidance on standardizing the way in which EITI data is being reported. The Bank had completed and published a report on EITI data standards. With financing from the Bank, the EITI International Secretariat has also updated its public data portal and has made more data available from the EITI reports (see eiti.org).

Despite progress, the broader improvement in how EI resources are managed remains a longer-term goal, and an ongoing challenge for EITI to demonstrate its long-term impacts. Accordingly, both globally among EITI stakeholders and within the WB Extractives team, an ongoing effort is in place to create and implement results frameworks, which help EITI countries and stakeholders to orient their national EITI processes to achieve the “higher-order” outcomes of better sector management and to build systematic linkages with other domestic reform initiatives. A study by German Development Cooperation (GIZ) on EITI impacts took place over fiscal year 2016 which confirmed the assumptions of positive correlation between EITI and better governance but that the empirical collection and results monitoring is weak. In this respect, the World Bank Group has been working with the International EITI Secretariat in Oslo, GIZ and other bilateral partners and international civil society as well as with other international institutions such as the International Monetary Fund, the African Development Bank (AfDB) and the Asian Development Bank (ADB), to promote results orientation for EITI. The new EITI Standard aims to help EITI countries make tighter linkages between the EITI process and sector reforms and other systemic improvements.
Billions of cubic meters of natural gas are flared annually at oil production sites around the globe. Flaring gas wastes a valuable energy resource that could be used to support economic growth and progress in oil-producing countries. It also contributes to climate change by releasing millions of tons of CO₂ into the atmosphere. Through GGFR, the World Bank Group is working with governments, oil companies, and other development institutions to stop wasting this gas, and to either conserve it or create markets in which to sell it and put it to productive use.

Satellite data on global gas flaring, which is a joint effort between the US National Oceanic and Atmospheric Administration (NOAA) and GGFR, shows the need to accelerate and intensify efforts to reduce global gas flaring. Flaring of gas associated with oil production is not decreasing at an acceptable rate but levelling off as flaring reduction efforts are unable to keep up with increased oil production. In 2015, satellite estimates indicated 145 billion cubic meters (bcm) of associated gas was flared globally, which is approximately the same level as the preceding three years.

To address this concern, the World Bank introduced a global advocacy campaign to end routine gas flaring at oil production sites around the world by 2030. The “Zero Routine Flaring by 2030” Initiative was launched in 2015 by UN Secretary-General Ban Ki-moon, World Bank Group President Jim Yong Kim, and 25 governments, oil companies, and development institutions. The Initiative is based on a shared commitment by endorsers to ensure that new oil fields are developed without routine flaring and that such flaring in existing oil fields will end as soon as possible and no later than 2030. As of August 2016, 57 governments, oil companies, and development institutions have endorsed the Initiative, including most major international oil companies and many major oil-producing countries. (See table for full list of endorsers.) This advocacy campaign is supported by communication initiatives that have brought the flaring issue to the attention of the public through major global and local media outlets.
Beyond the above advocacy, GGFR’s work is adapted to specific client needs. Comprehensive country approaches are preferred since well-functioning local energy and gas markets often allow cost-efficient investments in flare reduction to take place. GGFR is also involved in more specific technical work and in disseminating best practices in flaring regulation, gas metering, and gas utilization, while monitoring technology development for utilization of small-scale gas sources.

Gas flaring produces black carbon as a byproduct of incomplete combustion. When flaring takes place in and near the Arctic, the black carbon deposits as soot on the snow and ice cap. According to recent research (Stohl et al., 2013), flaring may cause 40 percent or more of these soot deposits, which reduce the reflective power of the snow and ice cap and cause accelerated melting. GGFR is working with Canadian scientists to conduct quantitative field measurements of flare-generated black carbon emissions in order to better understand how flare characteristics impact black carbon emission levels.

For more information about GGFR please visit http://www.worldbank.org/gasflaringreduction

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<tr>
<th>COUNTRIES</th>
<th>COMPANIES</th>
<th>DEVELOPMENT INSTITUTIONS</th>
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<td>Angola</td>
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<td>California (United States)</td>
<td>Galp Energia (Portugal)</td>
<td></td>
</tr>
<tr>
<td>Cameroon</td>
<td>KazMunayGaz (Kazakhstan)</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>Kuwait Oil Company</td>
<td></td>
</tr>
<tr>
<td>Republic of Congo</td>
<td>MOL Group</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>Seven Energy (Nigeria)</td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>Shell</td>
<td></td>
</tr>
<tr>
<td>Perú</td>
<td>Société Nationale des Hydrocarbures (SNH—Cameroon)</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>Société Nationale des Petroles du Congo (SNPC)</td>
<td></td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>Sonangol (Angola)</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>State Oil Company of the Azerbaijan Republic (SOCAR)</td>
<td></td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>Statoil</td>
<td></td>
</tr>
<tr>
<td>Wintershall (Germany)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: “Zero Routine Flaring by 2030” Initiative Endorsers (in alphabetic order, as of June 30th, 2016)
The Extractives Global Programmatic Support (EGPS) has replaced the EITI-MDTF and the EI-TAF MDTF which both closed December 31, 2015. EGPS was established in June 2015 to provide programmatic support on extractives governance sector reforms. The new setup combines reforms along the entire EI Value Chain under the same financing arrangement, thus improving coordination across components, and on balance reducing processing time and cost of preparation, supervision and implementation of projects. The EGPS enables all partners to benefit from synergies across a broad portfolio of EI focus areas and activities. As of June 2016, five donors have committed US$15.2 million to EGPS. Additional donors and contributions are expected by the end of 2016 to reach US$30 million total commitments. Full transition from old MDTFs to the new EGPS platform is expected to be complete by mid FY17.

The development objective of the EGPS is to improve the ability and capacity of current and emerging resource-rich developing nations in using their oil, gas and mineral resources sustainably and transparently for poverty alleviation, shared prosperity, economic diversification, and sustainable economic growth.

The EGPS MDTF is divided into four Components (Pillars) described below.

- **Component 1:** Supporting implementation of Extractive Industries Transparency Initiative (EITI)6 and broader reforms on sector transparency and good governance
- **Component 2:** Building capacity and supporting governments in developing sound legal, regulatory, contractual and fiscal frameworks, contract negotiation, and fiscal management for the extractives sector
- **Component 3:** Supporting extractive industries for local content development
- **Component 4:** Strengthening institutions for growth through extractive industries

After one year of implementation as of June 2016, EGPS approved two tranches covering 15 Country-Level projects, seven Global Projects, and Rapid Response—for a total of US$9 million, of which US$6.8 million are for EITI and Transparency. Global knowledge products include Africa Mining Legislation Atlas (AMLA—joint with LEG), climate smart mining research, and domestic revenue mobilization (joint with Macroeconomics & Fiscal Management (MFM) and Governance).

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6. The Bank managed EITI implementation in client countries since the initiative’s inception in 2005 (EITI MDTF was launched in 2006). The Bank is an observer to the EITI International Board and supports implementation of EITI in implementing countries through TA grants and policy dialogue. Information on EITI can be found at [www.eiti.org](http://www.eiti.org).
Gender Program

The World Bank’s Oil, Gas and Mining Policy Division has a steadily growing program on Gender and Extractive Industries. Gender is increasingly incorporated into oil, gas, and mining projects (Tanzania, Uganda, PNG, DRC, Ethiopia), into the assessments that are part of project preparation and implementation, into indicators, and into various project activities.

In Papua New Guinea, which hosts the Bank’s longest running program on gender and the extractive industries, a new public-private collaboration was developed in 2014 to bring government and industry together to examine and address the connections between extractives and gender-based violence. This US$2.6 million project became effective in autumn 2015.

In Ethiopia, Oil, Gas and Mining Policy Division is managing a US$3 million Japanese Social Development Trust Fund (JSDF) grant to support a project to improve the economic, social and environmental sustainability of Artisan Miners in Ethiopia, with special reference to women miners. The project focuses on providing technical training and enhancement of sustainability of artisanal mining practices, improving basic services and access to health in 12 selected ASM communities. The project has a strong focus on helping female miners organize themselves and provides training in business development and skills, and is supporting their business plans through a small grant scheme.

In the Democratic Republic of Congo (DRC), Oil, Gas and Mining Policy Division is working with the government on the establishment of a national “Women in Mining” network. In September 2015 a first national conference was held with 160 participants from the nine mining provinces. The women agreed at the conference that their priority for this coming year was to complete a census in each mining province of mining-focused women’s associations and organizations. The census aims to identify key constraints and needs of grassroots organizations seeking to improve working conditions and livelihoods for women miners and their families. In July 2017, a second national conference will be held to discuss the results and finalize the “Women in Mining” network. In addition to the network, GEEDR is working with the government to deliver small grants to 10 women’s mining cooperatives. These grants have financed small business development and site improvements in South Kivu province.

In Tanzania, Oil, Gas and Mining Policy Division is working with the government to support women-led mining businesses. As part of a US$3.5 million small grants program, 30 percent of the grantees are women-led organizations, working mainly in value-addition activities in the gemstone sector.

Lastly, Oil, Gas and Mining Policy Division completed a series of six short learning notes to share key issues around gender in the extractive industries. These notes provide the reader with an at-a-glance understanding of key gender issues in mining, oil, and gas in such topics as:

- mainstreaming gender in extractives projects,
- women leadership in the extractives,
- gender and artisanal and small-scale mining (ASM),
- women in global supply chains, and
- employment of women in the extractives.
Global Practice: Governance for the Extractive Industries (GEI)

During FY16, GEI supported the mandate to harness knowledge, expertise and experience to reinforce governance along the extractive industries value chain from licensing and contracting to revenue capture and management to assuring a clear development dividend at the local level.

The GEI program is housed in the Extractives Industries Global Solutions Group which uses four pillars to describe sector assistance to governments, civil society & community, and companies: (a) enabling environment for revenue maximization, governance, poverty targeted expenditures, (b) use of revenues and benefits to leverage shared value, (c) environmental and social sustainability, and (d) conflict prevention and managing fragility. The Extractives Industries GSG has a wide array of members who are interested in topics such as strengthening governance and institutions, improving revenue transparency through EITI and Open Data initiatives, improving community engagement, inclusive growth and benefits sharing locally, addressing artisanal/small scale extractives issues, and protecting vulnerable populations.

During the year, engagement around extractives data was scaled up. This included an in-depth workshop analyzing data supply organized with Natural Resources Governance Institute and the IMF, and exploring ways to enhance government information systems to allow for more accurate and timely reporting and analysis of sector revenues. A “Follow the Money” visual was designed as a conceptual, simplified tool to illustrate multiple financial flows as a single system. In support of the UK Anti-Corruption Summit in May 2016, the diagram was updated to include beneficial owners and trading partners as part of the value chain. The development of the extractive industries extension of the Open Contracting Data Standard is being pursued in collaboration with the Open Contracting Partnership.

GEI is also working on “Mapping and Assessing the Performance of Extractive Industries (MAP-X). This initiative was born out of a request by the g7+ group of conflict-affected states for the United Nations Environment Program (UNEP) and the World Bank to start building an open data platform to map and assess the performance of extractive concessions and contracts in member countries.

MAP-X, an Open data platform, which is piloted in Afghanistan and Democratic Republic of Congo (DRC) offers a national open data platform for visualizing extractives sector. It’s a tool that can reinforce the implementation of national transparency commitments, such as those under EITI as well as National Action Plans of the Open Government Partnership. MAP-X supports data suppliers and other stakeholders in consolidating, validating, reconciling and licensing the data and making it available in standardized open data formats. The objective is to ensure that different data sets can be integrated together, and support quality control by ensuring that all the data fed into the system is accurate, authorized, validated and interoperable.

In addition, MAP-X offers a capacity building program for stakeholders to comply with the standard, manage the workflow and use the open data platform to inform decision-making. This will ensure a bottom-up approach and strengthen the national ownership of the platform for it to become key information and monitoring tool adapted to conflict-affected contexts.

During FY16, the GEI program continues to collaborate with the Natural Resource Governance Institute (NRGI) and the Columbia Centre for Sustainable Investment (CCSI) on maintaining and upgrading the ResourceContracts.org database. ResourceContracts.org is a repository of mining and petroleum contracts that has been developed to fill the...
knowledge gap by providing searchable contracts in machine-readable format with rich metadata and annotations to provide key insights about each contract. In order to make the content of these often-lengthy documents more accessible a more rigorous approach was developed to categorize each contract and annotating each contract’s environmental, fiscal, operational and social provisions. The database has 1,335 contracts and associated documents.

GEI, maintained the Extractives for Development (E4D) collaboration platform, aiding coordination among the various WBG departments and international partners delivering knowledge and capacity building support to countries. The E4D internal group, with support from the Governance Partnership Facility, provided catalytic funding and technical assistance to three country teams—Peru, Lebanon, and Liberia—that supported innovative operational engagements around the governance dimensions of natural resource management at the country level, ranging from integration of land and EI governance assessments to multi-stakeholder dialogue around new oil production.

GEI continues to manage a thriving community of practice, GOXI, with a dedicated web platform (GOXI.org) remains the largest existing network of government officials, parliamentarians, development practitioners, extractive industries representatives, academics, civil society, media and others with an interest in extractive industries-related issues. With a dedicated user-group, it continues to attract an increased membership—now around 3,500 practitioners from more than 100 countries. Not only has it become a trusted resource of knowledge and learning, GOXI captures a number of connections and experiences in the sector, providing a rich and unique platform for dialogue and exchange of practical experiences, policy and lessons learned. The United Nations Development Programme (UNDP) recently joined the WB as co-convener of GOXI in a partnership that aims to strengthen GOXI’s strategic direction and vision of serving as point of entry for practitioners to access relevant expertise and knowledge resources.
Other Developments

The Compliance Advisor/Ombudsman (CAO)

In FY16, the extractives sector accounted for just under 20 percent of CAO’s active caseload. CAO handled ten cases related to IFC oil, gas and mining projects in eight countries: Albania; Armenia; Cameroon; Colombia; Chad; Mongolia, Peru; and South Africa. These cases are described in more detail below.

Through its Dispute Resolution function, CAO is handling three complaints related to IFC mining investments in Mongolia and South Africa, and three complaints related to IFC oil and gas projects in Albania, Cameroon, and Chad.

In Mongolia, a CAO dialogue process has been helping address the impacts of the Oyu Tolgoi gold and copper mine on local herders in the South Gobi Desert. An independent panel jointly selected by herders, local government, and mining company representatives has been assessing the impacts of the mine on local water sources and traditional livelihoods, and their findings are expected to be released in January 2017.

In South Africa, CAO is convening a dialogue process to address a complaint from local community members about the environmental and social impacts of the Lonmin Marikana platinum mine. CAO received the complaint in 2015 and commenced the dialogue process with the parties in September 2015.

In Chad and Cameroon, CAO continues to facilitate two dialogue processes to address the impacts of the Chad-Cameroon oil pipeline on communities on both sides of the border. In Chad, the project operator, Tchad Oil Transportation Company (TOTCO), and affected communities have agreed to engage independent experts to help them address priority issues, including compensation and environmental impacts, and establish sub-committees to review individual and community-level complaints related to these issues. In Cameroon, the CAO process has led to the resolution of four individual complaints, and dialogue is ongoing between the project operator, Cameroon Oil Transportation Company (COTCO), and community groups, including the Ebaka community, Bagyeli Indigenous Peoples, and fishermen in Kribi.

In Albania, Bankers Petroleum and residents of Patos and Zharraza towns have been engaged in a dialogue and joint fact-finding process to address concerns about the environmental and social impacts of the Patos-Marinëz oil field on local communities, including seismic activity. The dialogue process has led to a number of commitments, including an agreement to conduct a study on seismic activity in the region; air quality improvements in the area; employment opportunities for local community members; and social investment. The CAO dialogue process has also led to important gains in mutual respect and trust amongst the parties.

Through its Compliance function, CAO is conducting an investigation of IFC’s investment in Lydian International Limited, a junior mining company that holds licenses for the Amulsar gold mine in Armenia. The investigation considers concerns raised in two complaints filed to CAO in 2014 regarding the adequacy of IFC’s appraisal and supervision of various aspects of the project, including the company’s development of an Environmental and Social Management System and stakeholder engagement plan, Environmental and Social Impact Assessment and land acquisition processes.

CAO concluded its investigation of IFC’s investment in Eco Oro, a gold mine in Colombia that is at the pre-development stage. Given the advanced stage of exploration activities and the longer-term potential impact of the mine on a fragile ecosystem, a key consideration of CAO’s investigation was whether IFC had sufficient information to support a conclusion that the project could meet IFC’s Performance Standards over a reasonable period of time. Any further investment by IFC would have required continued compliance with IFC’s performance standards. Details about the investigation findings and IFC’s response are available on the CAO website. In November 2016, IFC fully divested its investment in the company. CAO is also monitoring IFC’s response to an investigation of IFC’s investment in Quellaveco, a copper mine in Peru. CAO’s first monitoring report was released in October 2015, with a second expected in late 2016. While the report notes that IFC has not reported any project-level actions to address CAO’s investigation findings, CAO’s monitoring indicates that IFC is taking steps to address systemic findings. IFC divested from the Quellaveco project in 2012.

For more information about CAO is available at www.cao-ombudsman.org.
In FY16, the Inspection Panel, which investigates IBRD/IDA financed projects, processed two cases related to extractives sector out of the total of 11 cases processed this year by the Panel. One case is an ongoing investigation in Kosovo, and another case in Mongolia is still pending a decision. Both cases are in the mining sector. More information on these cases and the Inspection Panel can be found at www.inspectionpanel.org.
## Annex A: Status of EITI Implementing Countries

<table>
<thead>
<tr>
<th>EITI COMPLIANT</th>
<th>EITI CANDIDATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing EITI (Validated as Compliant and issuing EITI Reports) (31 countries)</td>
<td>Implementing EITI (19 countries)</td>
</tr>
</tbody>
</table>

### AFRICA
- Burkina Faso
- Chad
- Republic of Congo
- Cote d’Ivoire
- Guinea
- Mali
- Mozambique
- Nigeria
- Tanzania
- Zambia
- Cameroon
- Democratic Republic of Congo
- Central African Republic*
- Ghana
- Liberia
- Mauritania
- Niger
- Sierra Leone
- Togo
- Ethiopia
- Sao Tome and Principe
- Seychelles
- Madagascar
- Senegal

### EAST ASIA & PACIFIC
- Indonesia*
- Timor Leste
- Mongolia
- Myanmar
- Philippines
- Papua New Guinea
- Solomon Islands

### EUROPE AND CENTRAL ASIA
- Albania
- Kyrgyz Republic
- Kazakhstan
- Azerbaijan**
- Tajikistan*
- Ukraine

### LATIN AMERICA & CARIBBEAN
- Guatemala*
- Trinidad & Tobago
- Peru
- Colombia
- Honduras
- Dominican Republic

### MIDDLE EAST & NORTH AFRICA
- Iraq
- Yemen*

### SOUTH ASIA
- Afghanistan

### OECD
- Norway
- United Kingdom
- United States
- Germany

### BY WBG REGION
- **AFR** 19 countries
- **EAP** 3
- **ECA** 3
- **LAC** 3
- **MNA** 2
- **SAR** 0
- **OECD** 1

5 countries

4

3

3

0

1

3

*Countries that were deemed Compliant but later suspended**

Azerbaijan was Compliant until 2015 when it did not pass the validation and reverted to the Candidate status
## Annex B: World Bank Group Extractive Industries Financing, FY16

### IFC Extractive Industries Financing

#### IFC OIL & GAS FINANCING, FY16

<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>COMPANY</th>
<th>PROJECT</th>
<th>US$M</th>
<th>OIL/GAS SPLIT</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARGENTINA</td>
<td>Medanito S.A.</td>
<td>Medanito RI I</td>
<td>10.00</td>
<td>Oil and Gas</td>
<td>To further develop Medanito's exploration and producing assets.</td>
</tr>
<tr>
<td>ARGENTINA</td>
<td>Pan American Energy Llc</td>
<td>PAE 2015</td>
<td>120.00</td>
<td>Oil and Gas</td>
<td>To further develop PAE's oil and gas assets in the Golfo San Jorge Basin and in Neuquén Basin.</td>
</tr>
<tr>
<td>CHINA</td>
<td>Henan Tian Lun Gas Group Limited</td>
<td>Henan Tian Lun</td>
<td>40.00</td>
<td>Gas</td>
<td>To finance the capital expenditure program of a natural gas distribution company in order to maintain and expand its network in third-tier cities and frontier regions in China.</td>
</tr>
<tr>
<td>EGYPT, ARAB REPUBLIC OF</td>
<td>Petroceltic International Public Limited Company</td>
<td>Petroceltic II</td>
<td>0.69</td>
<td>Oil and Gas</td>
<td>To help fund the company's liquidity during restructuring.</td>
</tr>
<tr>
<td>KENYA</td>
<td>Africa Oil Corp</td>
<td>Africa Oil</td>
<td>50.00</td>
<td>Oil</td>
<td>To fund the company’s exploration and appraisal activities and general working capital requirements, primarily aimed at advancing the appraisal of the South Lokichar Basin.</td>
</tr>
<tr>
<td>MENA REGION</td>
<td>Petroceltic International Public Limited Company</td>
<td>Petroceltic III</td>
<td>2.22</td>
<td>Oil and Gas</td>
<td>To help fund the company's liquidity during restructuring.</td>
</tr>
<tr>
<td>MEXICO</td>
<td>Citla Energy S.A.P.I. De C.V.</td>
<td>Citla Energy</td>
<td>60.00</td>
<td>Oil</td>
<td>To build a balanced portfolio of selected onshore and offshore assets in the Mexico oil and gas sectors.</td>
</tr>
<tr>
<td>PAKISTAN</td>
<td>Engro Elengy Terminal Private Limited</td>
<td>Elengy Debt</td>
<td>20.00</td>
<td>Gas</td>
<td>To finance the design, construction and operation of a LNG receiving, re-gasification and storage facility at Port Qasim, near Karachi.</td>
</tr>
<tr>
<td>TANZANIA</td>
<td>PanAfrican Energy Tanzania Ltd</td>
<td>PanAfrican</td>
<td>60.00</td>
<td>Gas</td>
<td>To build a balanced portfolio of selected onshore and offshore assets, both independently and in partnership with other industry participants.</td>
</tr>
</tbody>
</table>

**TOTAL IFC OIL & GAS FINANCING**: 362.91
## IFC MINING FINANCING, FY16

<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>COMPANY</th>
<th>PROJECT</th>
<th>US$M</th>
<th>TYPE OF MINERAL</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>BURKINA FASO</td>
<td>Roxgold Inc</td>
<td>Yaramoko</td>
<td>13.97</td>
<td>Gold</td>
<td>To conduct further exploration activities to increase the resources and extend the life of the mine.</td>
</tr>
<tr>
<td>CONGO, DEMOCRATIC REPUBLIC OF</td>
<td>Tiger Resources Limited</td>
<td>Kipoi Copper</td>
<td>45.50</td>
<td>Copper</td>
<td>To expand current production of copper.</td>
</tr>
<tr>
<td>MONGOLIA</td>
<td>Oyu Tolgoi Llc</td>
<td>Oyu Tolgoi</td>
<td>400.00</td>
<td>Copper</td>
<td>To develop a mine at Oyu Tolgoi in the Southern Gobi region, Mongolia.</td>
</tr>
<tr>
<td>NICARAGUA</td>
<td>Condor Gold Plc</td>
<td>Condor Gold RI</td>
<td>0.40</td>
<td>Gold</td>
<td>Exercise of the rights issue for the project which is funding the completion of feasibility studies of the La India gold project.</td>
</tr>
<tr>
<td>TANZANIA</td>
<td>Peak African Minerals</td>
<td>Ngualla</td>
<td>1.04</td>
<td>Other Metals</td>
<td>An early-stage investment preceding final feasibility studies to confirm the commercial viability of the deposit.</td>
</tr>
</tbody>
</table>

**TOTAL IFC MINING FINANCING** 460.91
### IBRD/IDA Extractive Industries Financing

**IBRD/IDA OIL & GAS PROGRAM FINANCING, FY16**

<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>PROJECT</th>
<th>US$M</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IBRD</strong></td>
<td><strong>EGYPT, ARAB REPUBLIC OF</strong></td>
<td>100.00</td>
<td>Support the economic reform program of Government of Egypt through policy and institutional actions supporting fiscal consolidation, enhancing efficiency and sustainability of energy sector and improving business competitiveness.</td>
</tr>
<tr>
<td><strong>INDONESIA</strong></td>
<td>Indonesia Energy Sector DPL</td>
<td>65.00</td>
<td>Supporting the Government of the Republic of Indonesia's priorities for developing a sustainable and inclusive energy sector that will further the country's medium-term economic development and poverty reduction goals.</td>
</tr>
<tr>
<td><strong>IBRD/IDA</strong></td>
<td><strong>GHANA</strong></td>
<td>700.00</td>
<td>To increase the availability of natural gas for clean power generation by leveraging private capital investment.</td>
</tr>
<tr>
<td><strong>IDA</strong></td>
<td><strong>MOZAMBIQUE</strong></td>
<td>7.70</td>
<td>To improve the country's business climate and increase transparency in the management of natural resources, strengthen social protection and enhance public finance management.</td>
</tr>
<tr>
<td><strong>PAKISTAN</strong></td>
<td>Power Sector Reform: Second Development Policy Credit</td>
<td>125.00</td>
<td>To support the government's efforts to make much-needed structural changes to the electric power sector that will improve its financial, technical and commercial performance.</td>
</tr>
</tbody>
</table>

**TOTAL IBRD/IDA OIL & GAS PROGRAM FINANCING** 997.70

*Note:* Many IBRD/IDA financings are multi-sector and financing allocation to specific sub sectors in some cases may be nominal. Only financing with identifiable extractive industry components are included above.
## IBRD/IDA MINING PROGRAM FINANCING, FY16

<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>PROJECT</th>
<th>USSM</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA AFRICA</td>
<td>AFCC2/RI-Southern Africa Tuberculosis and Health Systems Support Project</td>
<td>25.62</td>
<td>Among other project components, rolling out a standardized package of occupational health services and mining safety standards across four African countries.</td>
</tr>
<tr>
<td>GUINEA</td>
<td>Macroeconomic &amp; Fiscal Management Operation</td>
<td>6.80</td>
<td>To improve the efficiency and mining sector transparency of public finances and to strengthen resilience in the aftermath of Ebola, focusing on health and food security.</td>
</tr>
<tr>
<td>MALI</td>
<td>ML- Second Recovery &amp; Governance Reform Support Credit (RGRSC-2)</td>
<td>5.50</td>
<td>Among other project objectives, to increase transparency in public finance and the mining sector.</td>
</tr>
<tr>
<td>MOZAMBIQUE</td>
<td>Mozambique Eleventh Poverty Reduction Support Credit</td>
<td>15.40</td>
<td>To improve the country's business climate and increase transparency in the management of natural resources, strengthen social protection and enhance public finance management.</td>
</tr>
<tr>
<td>SIERRA LEONE</td>
<td>SL Supplemental Financing for Emergency Economic and Fiscal Support Operation</td>
<td>8.70</td>
<td>To curtail Ebola's adverse impact on economic activity, including among others, mining sector, more than originally expected.</td>
</tr>
<tr>
<td>TOGO</td>
<td>Togo: Mining Governance and Development Project Preparation –Phase I</td>
<td>15.00</td>
<td>To streamline the institutional arrangements of key organizations in the extractive industries to strengthen their efficiency and accountability for effective management of the sector.</td>
</tr>
</tbody>
</table>

**TOTAL IBRD/IDA MINING PROGRAM FINANCING** 77.02

*Note: Many IBRD/IDA financings are multi-sector and financing allocation to specific sub sectors in some cases may be nominal. Only financing with identifiable extractive industry components are included above.*
<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>PROJECT</th>
<th>US$M</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALBANIA</td>
<td>Support To Extractive Industries Transparency Initiative Compliance Process</td>
<td>0.40</td>
<td>To assist Albania in implementing its EITI agenda.</td>
</tr>
<tr>
<td>CHAD</td>
<td>Enhanced Capacity towards Sustainable Petroleum Sector Management</td>
<td>3.00</td>
<td>To facilitate the efficient management of petroleum resources by strengthening the technical capacity of the beneficiaries.</td>
</tr>
<tr>
<td>INDONESIA</td>
<td>Indonesia EITI Post-Compliance—NR4D</td>
<td>0.22</td>
<td>To support the Government of Indonesia’s efforts to increase transparency in the oil, gas, and mining sectors, particularly through maintenance of its EITI compliant status.</td>
</tr>
<tr>
<td>SENEGAL</td>
<td>Senegal Support to Extractive Industries Transparency Initiative Compliance Process</td>
<td>0.15</td>
<td>To assist Senegal in implementing its EITI agenda.</td>
</tr>
<tr>
<td>UKRAINE</td>
<td>Support To Extractive Industries Transparency Initiative Compliance Process</td>
<td>0.40</td>
<td>To assist Ukraine in implementing its EITI agenda.</td>
</tr>
<tr>
<td>WORLD</td>
<td>Extractive Industries Transparency Initiative Validation and Data Support</td>
<td>0.46</td>
<td>To improve the effectiveness, relevance and sustainability of the EITI by supporting the International Secretariat’s work on data accessibility, EITI mainstreaming and Implementing Country validation.</td>
</tr>
</tbody>
</table>

**TOTAL IBRD/IDA OIL & GAS GRANT FINANCING**  **4.63**

*Note:* Grants for EITI implementation are used both for the mining and oil/gas sector in some countries.
<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>PROJECT</th>
<th>US$M</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFGHANISTAN</td>
<td>Support to the Afghanistan Independent Land Authority</td>
<td>0.74</td>
<td>To support the Afghan Government to develop the policy and regulatory framework and build capacity to deliver transparent, pro-poor land services.</td>
</tr>
<tr>
<td>INDONESIA</td>
<td>Indonesia EITI Post-Compliance—NR4D</td>
<td>0.22</td>
<td>To increase transparency in the oil, gas, and mining sectors, particularly through maintenance of its EITI compliant status.</td>
</tr>
<tr>
<td>MONGOLIA</td>
<td>Mongolia Improved Governance of Extractives Project (MIGEP)</td>
<td>0.45</td>
<td>To enhance transparency and accountability in the management of Mongolia’s extractives sector through an inclusive and sustainable EITI process.</td>
</tr>
<tr>
<td>MYANMAR</td>
<td>Myanmar EITI Implementation Project</td>
<td>3.50</td>
<td>Increase transparency and accountability in Myanmar’s management of extractive industry data, revenue, and impacts.</td>
</tr>
<tr>
<td>PAPUA NEW GUINEA</td>
<td>PNG Addressing FSV in EI areas</td>
<td>2.00</td>
<td>To reduce instances of SGBV in extractive industries communities through prevention and awareness activities.</td>
</tr>
<tr>
<td>PHILIPPINES</td>
<td>Second Philippines Extractive Industries Transparency Initiative (EITI)</td>
<td>1.50</td>
<td>To enhance transparency and accountability in the management of the Philippines’ mineral and hydrocarbon wealth through an inclusive and sustainable EITI process.</td>
</tr>
<tr>
<td>SENEGAL</td>
<td>Senegal Support to Extractive Industries Transparency Initiative Compliance Process</td>
<td>0.15</td>
<td>To assist Senegal in implementing its EITI agenda.</td>
</tr>
<tr>
<td>WORLD</td>
<td>Extractive Industries Transparency Initiative Validation and Data Support</td>
<td>0.46</td>
<td>To improve the effectiveness, relevance and sustainability of the EITI by supporting the International Secretariat’s work on data accessibility, EITI mainstreaming and Implementing Country validation.</td>
</tr>
<tr>
<td>ZAMBIA</td>
<td>Extractive Industries Transparency Initiative (EITI) Post-Compliance Implementation Support II</td>
<td>0.21</td>
<td>To improve transparency and accountability in Zambia’s extractive sector by supporting the EITI Zambia Secretariat and the Multi-Stakeholder Group to successfully implement the Extractive Industries Transparency Initiative in Zambia.</td>
</tr>
</tbody>
</table>

**TOTAL IBRD/IDA MINING GRANT FINANCING**  9.23

*Note:* Many grant financings are multi-sector and financing allocation to specific sub-sectors in some cases may be nominal. Only financing with identifiable extractive industry components are included above. Grants for EITI implementation are used both for the mining and oil/gas sector in some countries.
### MIGA Extractive Industries Financing

#### MIGA OIL & GAS FINANCING, FY16

<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>PROJECT</th>
<th>SECTOR</th>
<th>GROSS EXPOSURE (US$M)</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIGERIA</td>
<td>Accugas Ltd.</td>
<td>Gas</td>
<td>200.00</td>
<td>Construction of Accugas’ assets, including construction of a gas-processing facility and the Uquo to Oron pipeline. The company has executed gas-supply agreements (GSAs) to deliver up to 175 million standard cubic feet per day to two power plants (Ibom Power Company and Calabar Electricity Generation Company Ltd), which will be providing in excess of 750 megawatts to the national electricity grid.</td>
</tr>
</tbody>
</table>

**TOTAL MIGA EI FINANCING**: 200.00

#### MIGA MINING FINANCING, FY16

<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>PROJECT</th>
<th>SECTOR</th>
<th>GROSS EXPOSURE (US$M)</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>MONGOLIA</td>
<td>Oyu Tolgoi LLC</td>
<td>Mining</td>
<td>1,000.00</td>
<td>Development of one of the world’s largest copper deposits in Mongolia’s South Gobi region.</td>
</tr>
</tbody>
</table>

**TOTAL MIGA EI FINANCING**: 1,000.00
Annex C: Summary of IFC Extractive Industries Financings, FY16

Oil and Gas Projects

**Medanito S.A. (Argentina)—Medanito RI I Project.** Medanito S.A. is a mid-size Argentinean company active in oil and gas production, liquefied petroleum gas production, and natural gas treatment services. The project will lead to further development of primary energy sources in Argentina. The project is expected to increase the supply of hydrocarbons, particularly natural gas, which will help mitigate Argentina’s dependence on gas imports and contribute to one of WB’s strategic pillars of transitioning to a low carbon economy. The project will result in increased sales of natural gas, LPG, and crude oil and contribute to government revenues. By extending the life of the Company’s reserves, the project will help to secure direct and indirect jobs in the Provinces of Neuquen and Rio Negro. The project will also have an impact on regional economic activity through local purchasing.

**Pan American Energy LLC (Argentina)—PAE 2015 Project.** Pan American Energy LLC is engaged mainly in development and production of oil and gas. The Project is focused on the further development of PAE’s oil and gas assets in the Cerro Dragón block in the Golfo San Jorge Basin and in the Linder Atravesado block in the Nequén Basin, both in Argentina. The Project will include activities covering drilling, secondary recovery, facility expansions, improvements, and parts of the 2015/2016 investment program that will support increasing oil and gas production. The Project will contribute to growth in a key sector of Argentina’s economy with further development of primary energy sources in Argentina. The increased levels of gas production will also mitigate Argentina’s dependence on gas imports which are negatively impacting current account balances. The expected benefits will come in the form of increased supply of hydrocarbons, including natural gas, contribution to government revenues, significant local employment, local and national sourcing of goods and services, and a strong community development and linkages program. At the national level, PAE has 2,288 direct employees and approximately 10,047 contractors, almost all of whom are national hires. In line with the Company’s growth, PAE continues to spend on social development programs ranging from education, health, environmental and local development programs to SME support programs in its areas of operation.

**Henan Tian Lun Gas Group Limited. (China)—Henan Tian Lun Project.** China Tian Lun Gas Holdings Limited, headquartered in Zhengzhou, is a fast-growing natural gas distributor Company, listed on the Hong Kong Stock Exchange. The proceeds of the financing will be used to help finance the Company’s 2015-2018 capital expenditure programs, which includes the expansion and acquisition of city gas concessions, construction of CNG and LNG refueling stations, and construction of LNG plants. The project will help improve lives of a large population in third-tier cities and frontier regions in China by laying the infrastructure to provide access to affordable and clean energy. It will also supply natural gas to residential, industrial and commercial users through pipelines to substitute coal and oil, providing significant environmental benefits.

**Petroceltic International Public Limited Company. (Egypt, Arab Republic Of and MENA Region)—Petroceltic II and III Projects.** Petroceltic International plc is a publicly listed upstream oil and gas company incorporated in Dublin, Ireland. This project was a loan restructuring of the original Petroceltic investment in FY13.

**Africa Oil Corp. (Kenya)—Africa Oil Project.** IFC is investing in Africa Oil Corp. to fund the Company’s oil and gas exploration and appraisal activities and general working capital requirements, primarily aimed at advancing the appraisal of the South Lokichar Basin in Kenya. Impacts of the development of the South Lokichar discoveries include: (i) significant output of hydrocarbons which could support downstream developments in the future; (ii) newly generated fiscal revenues which will partly offset the energy import bill, diversify the government’s revenue base and help finance other key infrastructure investments in Kenya; (iii) employment creation and transfer of expertise; (iv) furthering regional integration in East Africa through other infrastructure investments including the regional export pipeline and the promotion of the hydrocarbon sector in East Africa.

**Citla Energy S.A.P.I. De C.V. (Mexico)—Citla Energy Project.** Citla Energy S.A.P.I de C.V., a newly formed Mexican independent oil and gas company, is actively participating in the opening of the Mexico oil and gas sector, where it seeks to build a balanced portfolio of selected onshore and offshore...
assets, both independently and in partnership with other industry participants. IFC plans to provide a straight equity investment of up to US$60 million as part of the equity financing of up to US$1,000 million to be provided by the investors to Citla to deploy its business plan in Mexico over the next 3-4 years. The equity would be used to fund set-up and business development costs, the acquisition of oil & gas assets; and the development of such assets. The project’s location will depend on which assets Citla decides to acquire. By opening up new hydrocarbon discoveries in the region, the project will hopefully provide a platform which paves the way for a broader participation of local companies, thereby triggering economic stimulus for the country. A key rational for IFC’s participation was to signal support for the acceleration of Mexico’s nascent energy sector reforms.

**Engro Elengy Terminal Private Limited (Pakistan)—Elengy Debt Project.** The investment will support the first LNG import facility in Pakistan and represents critical infrastructure needed to address Pakistan’s growing gas supply deficit, and support economic growth by enabling the import of natural gas as a feedstock for industrial and use and electric power generation. Engro Elengy Terminal (Private) Limited (ETPL) has signed a 15-year LNG Service Agreement with the Sui Southern Gas Company under the terms of which ETPL will be responsible for the design, construction and operation of a 3 MTPA LNG receiving, re-gasification and storage facility at Port Qasim, near Karachi. The project will also enable increased use of a less carbon-intensive fossil fuel than imported heavy fuel oil and coal and increase revenues for Government of Pakistan through taxes and increased income for Port Qasim Authority (a government authority) through royalty and lease payments.

**PanAfrican Energy Tanzania Ltd (Tanzania)—PanAfrican Project.** Orca Exploration Group Inc., a publicly listed company in Canada, through its Tanzanian subsidiary PanAfrican Energy manages the Songo Songo natural gas development project, a program to expand natural gas production at the Songo Songo gas field from its current level in order to fill the existing Songas Limited infrastructure gap and to maximize gas production for the balance of the Songo Songo licence period to 2026. This expansion of production would support additional electricity generation and supplemental gas sales associated with the Songo Songo Gas-to-Power Project. The Songo Songo Gas-to-Power Project is an integrated project that covers the whole range of exploration, development and production of gas, followed by processing, transportation and distribution of gas for power generation, and includes sales of gas to industrial and CNG users. The project was originally established in 2001 as a public-private partnership with the support of the World Bank.

**Mining Projects**

**Roxgold Inc. (Burkina Faso)—Yaramoko Project.** Roxgold Inc. is a Toronto-based gold exploration and development company, focused on the development and further exploration of the Yaramoko Gold project. The Project lies within the mineral-rich Hounde greenstone belt, which is host to other successful gold mines. Yaramoko will be a high grade and low cost underground gold mine producing an average of 97,000 ounces per year over a 7.6 year life of mine. The proposed initial IFC equity investment in Roxgold will be used to support the funding plan for Yaramoko and also conduct further exploration activities to increase the resources and extend the life of mine. The expected development impacts include: local economic development within an IDA country through generation of direct and indirect employment opportunities; fiscal receipts in the form of taxes, royalties and dividends, and foreign exchange and diversification of the local economy; community development; and setting good benchmarks in environmental and social sustainability.

**Tiger Resources Limited (Congo, Democratic Republic of)—Kipoi Copper Project.** Société d’Exploitation de Kipoi (“SEK”), a subsidiary of Tiger Resources Limited is operating the brownfield Kipoi copper project in Katanga Province and is aiming to expand the mine. The Project is located 75km out of Lubumbashi in Katanga Province. The site is adjacent to the main rail, road and power lines running between Lubumbashi, Likasi and Kolwezi on the Katanga “Copper Belt.” There are five local villages that are in proximity to the project and will be the focus on community engagement activities: Kangambwa, Katanga, Luafi, Bungu and Lukutwe.
**Oyu Tolgoi LLC (Mongolia)—Oyu Tolgoi Project.** The proposed project is a $23,400 million project to develop a copper and gold mine at Oyu Tolgoi in the Southern Gobi region, Mongolia. The Project owner and developer is a Mongolian company, Oyu Tolgoi LLC, which is owned by Erdenes Oyu Tolgoi LLC, representing the Government of Mongolia (34 percent) and Turquoise Hill Resources (66 percent). Rio Tinto indirectly owns approximately a 50.8 percent interest in Turquoise Hill Resources. In December 2010, Rio Tinto became manager of Oyu Tolgoi. With resources of almost 80 billion pounds of copper and 45 million ounces of gold, Oyu Tolgoi is one of the world’s largest known copper/gold deposits. The Oyu Tolgoi project is expected to make a significant contribution to Mongolia’s economic growth, increasing GDP by more than 30 percent at full production and providing a catalyst for additional private sector investment in Mongolia’s fast growing mining sector. The Project is expected to generate significant revenue streams to the Mongolian Government. Also, during operations the Company is expected to have 90 percent of its employees to be Mongolian. The Project is also expected to generate significant indirect employment in the supply chain including service companies, construction, mining equipment contractors, and transport and maintenance operations. The Project is expected to be a catalyst for infrastructure investment, including housing for company employees, utilities and services in the Khanbogd soum and regional cities.

**Condor Gold Plc (Nicaragua)—Condor Gold RI Project.** Condor Gold Plc. is a junior mineral exploration company registered in England and Wales and listed on the London Stock Exchange. The Company is focused on the development of its wholly-owned La India gold project located in Nicaragua. This investment is an exercise of the Rights Issue, which continues to support the development of La India towards achieving bankable feasibility stage and further exploration activities in the Nicaraguan properties.

**Peak African Minerals (Tanzania)—Ngualla Project.** Peak Resources Limited is an Australian junior mining company focused on advancing its wholly owned Ngualla Rare Earth Project in south western Tanzania. Peak completed a Preliminary Feasibility Study (PFS) in March 2014 to assess the potential for future mine development and associated beneficiation, recovery and separation plants and infrastructure. Peak has moved to completion of a Bankable Feasibility Study (BFS), the final milestone to confirm the commercial viability of the deposit. Generally, exploration projects have limited near-term development impact but even at this early stage, the proposed investment has shown tangible benefits for the surrounding community. The Project provides direct employment and training to the village of Ngwala, a rural community, in a region where formal employment opportunities are scarce and poverty levels are high. The vast majority of employees are Tanzanian nationals, most of which are from Ngwala, and are employed based on a rotation schedule. The community also benefits from a variety of community programs the Company has implemented, mainly in the educational field, and the purchase of local products.
Oil and Gas Projects

IBRD Financing

**Egypt, Arab Republic of. First Fiscal Consolidation, Sustainable Energy and Competitiveness Development Policy Financing (DPF):** Egypt, the largest country in the MENA region with a population of 89 million, and the fourth largest economy with a GDP of US$320,000 million in 2015, is at an inflexion point within a region laden with instability and conflict. This programmatic DPF series is aligned with the broadly endorsed World Bank Group (WBG) MENA strategy, which challenges the WBG to consider taking informed risks, when the results can have an important impact on peace and stability in the region. The DPF series is aligned with pillars of the MENA Strategy, namely renewing the social contract and supporting economic recovery. This programmatic DPF series builds on the analysis and pillars set out in Egypt Systematic Country Diagnostic including the three highest priorities: macroeconomic stabilization, continued energy subsidy reform, and improvement in public governance. As such, the DPF is also aligned with Egypt Country Partnership Framework, which along with the MENA Strategy, seek to achieve the WBG’s twin goals of eradicating extreme poverty and boosting shared prosperity in a sustainable manner. This DPF series supports Egypt’s reform program which aims to: (i) advance fiscal consolidation through higher revenue collection, achieve greater moderation of the wage bill growth, and strengthen debt management; (ii) ensure sustainable energy supply through private sector engagement; and (iii) enhance the business environment through investment laws, industrial license requirements as well as enhancing competition.

**Indonesia. Indonesia Energy Sector Development Policy Loan (DPL):** supports the Government of the Republic of Indonesia’s priorities for developing a sustainable and inclusive energy sector that will further the country’s medium-term economic development and poverty reduction goals. The operation, in the amount of US$500 million, is the first in a planned programmatic series of two single-tranche operations supporting critical policy and institutional reforms that have four key development objectives: (a) reducing the fiscal cost of electricity provision; (b) improving the investment climate in the energy sector; (c) removing constraints to renewable energy expansion; and (d) expanding access to modern, reliable energy. The DPL series forms an integral part of the World Bank Group’s (WBG) overall energy strategy in Indonesia, supporting the Government’s sectoral priorities and its Intended Nationally Determined Contribution (INDC) commitments to reduce greenhouse gas (GHG) emissions. The DPL series aims to address key policy and institutional bottlenecks in support of the Government’s objectives for a more sustainable and inclusive energy sector. The DPL series anchors the Bank’s broader energy strategy in Indonesia which aims to expand opportunities for alternatives to coal-fired power generation as quickly as possible and accelerate universal access to reliable, modern energy.

**IBRD/IDA Blend Financing**

**Ghana.** The development objective of the *Sankofa Gas Project* (SGP) for Ghana is to increase the availability of natural gas for clean power generation by leveraging private capital investment. The SGP supports the development of the offshore Sankofa gas field within the offshore cape three points (OCTP) block in Western Ghana, which will be developed by two private sponsors (Eni and Vitol) together with Ghana National Petroleum Corporation (GNPC). The World Bank guarantees in the amount of US$700 million will provide ongoing mitigation of GNPC offtake and payment risks and long-term political risks in Ghana. The WBG support to the project will underpin the nearly US$7.7 billion of foreign private investment in the economy. Overall, the development of the OCTP oil and gas block is the largest foreign direct investment opportunity in Sub-Saharan Africa in recent times. The project will be structured in a manner that prudently reduces Ghana’s fiscal support at a time when macroeconomic uncertainty is affecting the investment climate.

**IDA Financing**

**Mozambique.** The *Eleventh Poverty Reduction Support Development Policy Financing (PRSC-11)* to the Republic of Mozambique is fully aligned with the priorities of the Government’s new 5-year plan (Plano Quinquenal do Governo—PQG) and is an integral part of the Bank’s strategy to support the Government’s PQG. The proposed operation is the third and final of three annual single-tranche operations to be delivered over FY13-16. This program document proposes a set of prior actions for the PRSC-11 and presents the results framework for
the programmatic series. This programmatic series is designed
to improve the country’s business climate and increase trans-
parency in the management of natural resources, strengthen
social protection and enhance public finance management.
The series supports reforms in key policy areas, including: (a)
improving the business climate and increasing transparency
in the management of extractive industries, by simplifying
business regulations for promoting broad-based growth and
enhancing the legal and institutional framework for the re-
source sector; (b) strengthening social protection, by reducing
economic vulnerability through well-targeted social-protection
policies; and (c) enhancing public finance management, by
improving the management of public investments, debt and
fiscal risks.

Pakistan. The Power Sector Reform—Second Development
Policy Credit in a programmatic series of two single tranche
operations continues IDA’s support for Pakistan’s goal of
developing an efficient and consumer-oriented electric power
system that meets the needs of its people and economy sus-
tainably and affordably. The operation supports the gov-
ernment’s efforts to make much-needed structural changes
to the electric power sector that will improve its financial,
technical and commercial performance. IDA financing would
provide SDR 356.2 million (US$500 million equivalent). The
operation is part of a wide program of reforms aimed at
lifting Pakistan’s growth potential. Distractions on the po-
litical and security front slowed the pace of reform in the
latter part of 2014, but momentum has again picked up.
The government has developed an ambitious power sector
privatization program, the achievement of which will require
further structural reforms to develop a competitive market
and improve transparency. In turn sector performance will
improve, particularly from reduced losses, raised collections,
lower cost of supply and further investment. The Extended
Fund Facility (EFF) agreed with the IMF early in the govern-
ment’s term, and complementary support by a group of do-
nors has underpinned the authorities’ resolve and capacity to
deliver. The operation is expected to support faster economic
growth, focus government subsidies on the poor and help
set the sector onto a more environmentally sustainable path.

Financing Through Grants

Albania. The development objective of the project Support To
Extractive Industries Transparency Initiative Compliance Pro-
cess Project is to assist Albania in implementing its Extractive
Industries Transparency Initiative (EITI) Compliance Process
Project agenda. It comprises the following four components.
The first component, EITI implementation will support the
activities essential to EITI implementation and to meet Al-
bania’s obligations to maintain its compliant status. The sec-
ond component, capacity building activities will support core
training on EITI and natural resources management. The third
component, communication and outreach will support the
implementation of the Albania EITI communication strategy
for the first year of project implementation and will include
the following activities: i) Print and visual media outreach
campaigns, ii) Organization of awareness raising events, and
iii) Internet and social media activities. The fourth component,
project management will finance two members of Albania EITI
National Secretariat (IT specialist and procurement specialist)
on individual consultant contracts to cover specific assign-
ments as needed and support operational costs incurred by
the EITI Secretariat and MSG for travel agreed by the World
Bank. The Government of Albania covers all other operating
costs, including the costs of national Secretariat staff, office
space, office maintenance, internet, phone, banking charges
and associated utility costs.

Chad. The objective of the Enhanced Capacity towards Sus-
tainable Petroleum Sector Management project is to facilitate
the efficient management of petroleum resources by strength-
ening the technical capacity of the beneficiaries.

Indonesia. Indonesia EITI Post-Compliance—NR4D: To
support the Government of Indonesia’s efforts to increase
transparency in the oil, gas, and mining sectors, particularly
through maintenance of its EITI compliant status.

Senegal. Senegal Support to Extractive Industries Transpar-
ency Initiative Compliance Process: The project development
objective (PDO) is to assist Senegal in implementing its EITI
agenda.

Ukraine. The development objective of the Support to Ex-
tractive Industries Transparency Initiative Compliance Pro-
cess Project is to assist Ukraine in implementing its EITI
Compliance Process Project agenda. It comprises four com-
ponents. The first component, EITI implementation supports
the activities essential to EITI implementation and meeting
Ukraine’s obligations as an EITI candidate country to reach
compliance. The second component, capacity building activi-
ties will be important to help operators and state agencies
better understand the EITI requirements and also support advisory services for state agencies and companies operating in the extractives industries to comply with EITI requirements. The third component, Communication and Outreach will support the implementation of the Ukraine EITI Communication Strategy for the first year of project. The fourth component, Project Management will support the costs of the EITI National Secretariat staff (National Coordinator of the Secretariat, Financial, Procurement and Public Relations Consultants) and provide support for the operating costs of day to day activities carried out by the EITI Secretariat, under the oversight of the Multi-Stakeholder Group (MSG). Government of Ukraine covers the costs of office space and associated utility costs, while the grant will cover the operation costs associated including office supply, travel costs related to the work of the Secretariat and of MSG members, office maintenance, internet, phone, banking charges.

**World.** The development objective of Extractive Industries Transparency Initiative (EITI) Validation and Data Support Project for World is to improve the effectiveness, relevance and sustainability of the EITI by supporting the International Secretariat’s work on data accessibility, EITI mainstreaming and Implementing Country validation. This project has four components. 1) The first component, Supporting the establishment of an EITI data portal hosted and managed by the EITI International Secretariat, aims to develop the EITI Data Portal (EDP) website where users from around the world will be able to understand how governments manage natural resources, access open data as collected by the EITI in implementing countries, and follow the value of the natural resources from the ground all the way into the state coffers. 2) The second component, Support to the EITI Mainstreaming Agenda, including a series of pilots in a range of implementing countries, aims to assess how the timeliness and accessibility of data can be improved through this mainstreamed approach to disclosing the information without compromising data reliability or comprehensiveness. 3) The third component, supporting the Implementing Country validations, aims to provide the funding necessary to enable the International Secretariat to procure the services of appropriately qualified consultants to undertake the validations that are currently due. 4) The fourth component, supporting the EITI Global Conference, will fund all or part of the following aspects: (a) participants from implementing countries; (b) EITI National Expo as part of the Global Conference; and (c) simultaneous interpretation of sessions in key EITI languages to enable participants from different regions to fully participate in the conference.

**Mining Projects**

**IDA Financing**

**Africa Region.** The development objectives of Southern Africa Tuberculosis and Health Systems Support Project for Africa are to improve coverage and quality of Tuberculosis (TB) control and occupational lung disease services in targeted geographic areas of the participating countries, and to strengthen regional capacity to manage the burden of TB and occupational diseases. This project has three components. The first component, Innovative Prevention, Detection, and Treatment of TB, will improve the demand for and availability of high-quality TB, TB-HIV and AIDS, and occupational lung disease services in targeted geographic areas of the four participating countries. It has two sub components as follows: (i) enhancing case detection and treatment success; and (ii) rolling out a standardized package of occupational health services and mining safety standards across the four countries. The second component, Regional Capacity for Disease Surveillance, Diagnostics, and Management of TB and Occupational Lung Diseases, will strengthen selective aspects of health systems to position the sub-region to better manage the TB epidemic and other infectious diseases. It has three subcomponents as follows: (i) improving quality and availability of human resources in the targeted areas; (ii) strengthening diagnostic capacity and disease surveillance; and (iii) strengthening mine health regulation. The third component, Regional Learning and Innovation, and Project Management, will fund technical support to strengthen regional capacity and promote regional innovation through sharing of knowledge and evidence from interventions implemented under the first and second components.

**Guinea.** The development objectives of the First Macroeconomic and Fiscal Management Operation Project in Guinea are to support the post Ebola recovery as well as to improve public finances, mining sector transparency, and the financial health of the energy sector. The First Macroeconomic and Fiscal Management Operation is the first of two operations in a series and is broadly supportive of key elements of the country’s post Ebola recovery strategy and aims at strengthening transparency in priority sectors. The operation is fully
Mali. The development objective of the Second Recovery and Governance Reform Support Operation Program Project for Mali is to improve public finance performance. The series shares the objectives of the World Bank Group (WBG) interim strategy note FY14-15 and country partnership framework FY16-19, and is fully aligned with the WBG’s strategy for Africa and its governance foundations. Results anticipated from the operation include the improvement in various governance and transparency indicators over the medium term, the maintenance of high levels of public investment combined with lower overall deficits, and greater effectiveness in fiscal decentralization. Expected results which could be directly attributed to the set of actions supported by the proposed series include the strengthening of the recruitment process and establishment controls of the public workforce, greater oversight capacity of local governments finance, greater transparency in public finance and the mining sector, enhanced accountability of officials and local governments, greater public awareness on the consequences of electricity subsidy, improved public investment selection and procurement process, and higher predictability of Official Development Assistance.

Sierra Leone. The proposed Supplemental Development Policy Financing (DPF) to the stand-alone Emergency Economic and Fiscal Support Operation (EEFSO) Project for Sierra Leone is in response to recent exceptional developments largely related to the epidemic caused by the Ebola Virus Disease, which afflicted Sierra Leone and its neighbors Liberia and Guinea in 2014. These have adversely impacted economic activity, including among others, mining sector, more than originally expected, sharply reducing government revenues, increasing essential fiscal expenditures even while overall expenditure has been curtailed which has resulted in an unanticipated financing gap that, if not filled, will jeopardize the reform program supported by the EEFSO, which otherwise is proceeding on schedule and in accordance with the agreed policy agenda.

Togo. The development objective of the First Phase of the Mining Governance and Development Project for Togo is to streamline the institutional arrangements of key organizations in the extractive industries to strengthen their efficiency and accountability for effective management of the sector. The project comprises of three components. The first component, mining governance, transparency, oversight, and efficiency will support enhanced management and monitoring of mineral development activities in Togo, starting from licensing of initial exploration activities to supervision of mining and eventual mine closure. It consists of the following six sub-components:
(i) mining cadastral and national geological database; (ii) trans-action advisory services for assessment of mineral development proposals; (iii) mineral production monitoring and oversight; (iv) organizational development of the ministry of mines and energy (MME); (v) strengthening of corporate governance structures of state-owned enterprises (SOEs) in the mining industry; and (vi) management of artisanal and small-scale mining (ASM). The second component, environmental, social, and economic development from mining operations objective is to support conditions for mining sector activities to contribute to sustainable socioeconomic development. It consists of following three sub-components: (i) higher education sector support and public access to information about mineral development; (ii) environmental and social management of mining operations and support to community development platforms; and (iii) infrastructure and economic linkages from mining. The third component, project management and coordination, including preparatory project financing will support the project implementation unit (PIU), based in the MME, in the management of fiduciary, disbursement, monitoring and evaluation (M and E), and other project implementation activities.

**Financing Through Grants**

**Afghanistan.** The Project Development Objective (PDO) of the Support to the Afghanistan Independent Land Authority is to support the Afghan Government to develop the policy and regulatory framework and build capacity to deliver transparent, pro-poor land services, through (a) raising public awareness, knowledge and understanding about laws and regulations governing the land sector; and (b) developing processes and service standards for Arazi’s core functions.

**Indonesia.** Indonesia EITI Post-Compliance—NR4D: To support the Government of Indonesia’s efforts to increase transparency in the oil, gas, and mining sectors, particularly through maintenance of its EITI compliant status.

**Mongolia.** Mongolia Improved Governance of Extractives Project (MIGEP): The development objective of the project is to enhance transparency and accountability in the management of Mongolia’s extractives sector through an inclusive and sustainable EITI process.

**Myanmar.** Myanmar EITI Implementation Project: Increase transparency and accountability in Myanmar’s management of extractive industry data, revenue, and impacts.

**Papua New Guinea.** PNG Addressing Family and Sexual Violence (FSV) in Extractive Industries Areas: The key development objectives of this project will be to: (i) reduce instances of sexual and gender based violence (SGBV) in Extractive Industries communities through prevention and awareness activities; (ii) Improve access to medical and social care and services for victims of SGBV through creation of dedicated facilities and training of counselors; (iii) create a sustainable institutional platform for programming on SGBV issues in EI communities by strengthening partnerships between government, GBV-focused service providers, and industry; (iv) establish a voluntary national anti-SGBV code of conduct for industry partners; (v) Create a national policy dialogue around SGBV with a view to incorporating anti-SGBV focused measures in extractive industry Memorandums of Agreement.

**Philippines.** Second Philippines Extractive Industries Transparency Initiative (EITI) Support Project: To enhance transparency and accountability in the management of the Philippines’ mineral and hydrocarbon wealth through an inclusive and sustainable EITI process.

**Senegal.** Senegal Support to Extractive Industries Transparency Initiative Compliance Process: The project development objective (PDO) is to assist Senegal in implementing its EITI agenda.

**World.** The development objective of Extractive Industries Transparency Initiative (EITI) Validation and Data Support Project for the World region is to improve the effectiveness, relevance and sustainability of the EITI by supporting the International Secretariat’s work on data accessibility, EITI mainstreaming and Implementing Country validation. This project has four components. The first component, Supporting the establishment of an EITI data portal hosted and managed by the EITI International Secretariat, aims to develop the EITI Data Portal (EDP) website where users from around the world will be able to understand how governments manage natural resources, access open data as collected by the EITI in implementing countries, and follow the value of the natural resources from the ground all the way into the state coffers. The second component, Support to the EITI Mainstreaming Agenda, including a series of pilots in a range of implementing countries, aims to assess how the timeliness and accessibility of data can be improved through this mainstreamed approach to disclosing the information without compromising data reliability or comprehensiveness. The third component,
supporting the Implementing Country Validations, aims to provide the funding necessary to enable the International Secretariat to procure the services of appropriately qualified consultants to undertake the validations that are currently due. The fourth component, Supporting the EITI Global Conference, will fund all or part of the following aspects: participants from implementing countries; EITI National Expo as part of the Global Conference; and simultaneous interpretation of sessions in key EITI languages to enable participants from different regions to fully participate in the conference.

**Zambia.** The development objective of the *Extractive Industries Transparency Initiative (EITI) Second Post-Compliance Implementation Support Project* for Zambia is to improve transparency and accountability in Zambia’s extractive sector by supporting the EITI Zambia secretariat and the multi-stakeholder group to successfully implement the EITI in Zambia. The additional financing will finance following components: production of EITI reconciliation report for 2014; dissemination activities; and development of a strategic work plan. The grant is a recipient executed technical assistance (TA) grant of US$230,000 to the Government of Zambia from the EITI multi-donor trust fund (MDTF).
Annex E: Summary of Objectives of MIGA EI Projects, FY16

Oil and Gas Projects

Accugas Ltd. (Nigeria), Seven Energy International Ltd. On September 30, 2015, MIGA issued $200 million in guarantees covering an investment by Exoro Holdings BV of the Netherlands (a wholly-owned subsidiary of Seven Energy International Limited of Mauritius) in Accugas Ltd. in Nigeria. The coverage is for up to 15 years against the risks of expropriation.

The project involves ownership, operation, and expansion of Seven Energy International Ltd.’s natural gas midstream facilities in the eastern Niger Delta region that are run through its wholly owned subsidiary, Accugas Ltd. Proceeds of a shareholder loan from Seven Energy to Accugas have been used to fund construction of Accugas’ assets, including construction of a gas-processing facility and the Uquo to Oron pipeline. The company has executed gas-supply agreements (GSAs) to deliver up to 173 million standard cubic feet per day to two power plants (Ibom Power Company and Calabar Electricity Generation Company Ltd), which will be providing in excess of 750 megawatts to the national electricity grid.

Despite having the largest gas resources in Africa, Nigeria’s gas infrastructure is not adequately developed and the country faces persistent power supply shortages. In early 2014, total available capacity was around 4,500 megawatts, significantly below demand. The supply shortfalls are compounded by generally inefficient technical and commercial management of the grid system leading to frequent interruptions and poor service quality. The considerable unmet demand of power forces a large portion of the population and almost all businesses to resort to self-generation at a high cost to themselves, the economy and the environment. In the 2010 Nigeria Investment Climate Assessment, 83 percent of Nigerian business owners consider a lack of electricity the biggest obstacle to doing business.

MIGA’s support for the project is aligned with the World Bank Group’s comprehensive support to the government’s energy sector reform program, which involves multiple interventions aimed at increasing installed power generation, transmission and distribution capacity, improving the governance in the gas and electricity sectors, and providing comfort to gas producers, in an effort to attract private sector investments.

Mining Projects

Oyu Tolgoi LLC (Mongolia), Standard Chartered Bank. On December 15, 2015, MIGA issued guarantees of $1,000 million to Standard Chartered Bank, for itself and as agent for a consortium of lenders, for their investment in the Oyu Tolgoi mining project in Mongolia. The guarantees are for a period of up to 12 years against the risks of expropriation, transfer restriction and inconvertibility, war and civil disturbance, and breach of contract.

Oyu Tolgoi LLC is located in Mongolia’s South Gobi region. The project involves the development of one of the world’s largest copper deposits. The project is being developed by Rio Tinto, an international mining company. The project enterprise has been granted a 30-year mining license (with the possibility of extensions) that includes the right to explore, develop mining infrastructure and facilities, and conduct mining operations on the project. The government of Mongolia has also entered into an investment agreement with the project sponsor, Turquoise Hill Resources (formerly Ivanhoe Mines Ltd), the Project company, Oyu Tolgoi LLC (formerly Ivanhoe Mines Mongolia Inc LLC) and Rio Tinto.

The development of the mining sector will bring significant benefits for the people of Mongolia and economic development. Key benefits include job generation through indirect and direct employment; revenue through taxation, royalties, and dividends; a demonstration effect for further investment in the mining sector; and the development of supporting infrastructure.

The project is aligned with the World Bank Group’s Country Partnership strategy for Mongolia and with MIGA’s strategic priorities of supporting investments in complex infrastructure projects and into countries eligible for assistance from the International Development Association.
Annex F: Extractive Industries Publications

In FY16, the World Bank Group published research, policy and working papers on EI-related issues. Selected recent publications are listed below.


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