



Schweizerische Eidgenossenschaft
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Swiss Agency for Development
and Cooperation SDC

Project name:

Sustainable Artisanal
Mining Project

Implementation period:

Orientation Phase: 2005-2006
Main phase: 2007-2010
Exit phase: 2011-2012

Budget:

Main phase: CHF 4.4 million

Implemented by:

SAM Project Implementation
Unit in cooperation with
Mineral Resource Authority of
Mongolia (MRAM)

Target group:

Artisanal miners and
ex-herders

Target group:

Placer gold mines in Jargalant
and Bumbugur soums,
Bayankhongor aimag;
Hard rock gold mines in
Bornuur soum, Tov aimag and
Mandal soum, Selenge aimag

Key partners:

The Ministry of
Mineral Resources and Energy,
Ministry of Social Welfare
and Labour,
Ministry of Nature, Environment
and Tourism
Mining Rescue Services
Local governments, national
NGOs, research institutions,
other donors

SDC's strategic objective:

To contribute to improved
and more secure livelihoods
of herders and ex-herders
in rural areas focusing on
improving sustainable use
and rehabilitation of natural
resources and supporting
ecologically-oriented social
and economic development.

Background

Artisanal and Small-Scale Mining (ASM) is a poverty driven activity that engages more than 100,000 artisanal miners – former herders, who are exploiting gold and, to a lesser extent, coal and fluorspar in Mongolia. Due to an insufficient institutional environment, their activities are so far illegal except in a few places where a pilot temporary regulation is being implemented. A lack of awareness and knowledge about the sector's peculiarities has until now hindered a straight-forward legal solution to the problem.

There are increasing tensions between the formal mining industry and the artisanal miners, as well as between local communities and artisanal miners. Besides, the current artisanal mining practices cause severe environmental damage, social problems and unacceptable livelihood conditions for the artisanal miners and their families. The activities are presently characterized by a lack of knowledge, skills, and inappropriate organisational structures to ensure an efficient sector management. Public opinion on artisanal mining does not recognise the development opportunities for the country. For these reasons, the artisanal miners are marginalized and living at the edge of the society, which demands an immediate response.

Main goal

To contribute to the development of responsible mining in Mongolia by working with all stakeholders to ensure that artisanal miners are recognized as responsible members of a key economic sub-sector contributing to sustainable rural development

Objectives

- Improve the development and implementation of a transparent and straight-forward policy and regulatory framework for artisanal mining (Component 1)
- Improve the formation and functioning of institutional structures and organizations within artisanal mining at all levels (Component 2)
- Strengthen the capacity of artisanal mining communities to engage in profitable and responsible mining and extended business activities aimed to reduce poverty (Component 3)
- Empower artisanal miners and other resource users to address and solve ecological as well as existing social and potential conflicts responsibly (Component 4)



Artisanal miners in Bayankhongor

Project activities and results:

Creating favourable legislation:

The Government of Mongolia approved its Resolution No. 72 in 2008, which provides a temporary regulation on Artisanal and Small-scale Mining (ASM) operations in Mongolia. The project carried out an assessment on its implementation process and submitted its findings to the Government. Under the Minister's auspices, a Task Force was set up to further develop ASM policy and regulatory framework. The Task Force developed drafts of amendments to some laws such as the Laws on Minerals, on Land, and on Taxation of Personal Incomes derived from private businesses and services. The draft amendments are under discussion by the Government.

Artisanal miners self-organization:

With empowering and support from the project, artisanal miners' started to be organized among themselves in forms of partnerships and cooperatives. So far, there are four NGOs and 300 unregistered partnerships with more than 2000 members on the project sites. Furthermore, the ASM NGOs structured into the sub-groups:

- Executive Committee that speaks for artisanal miners' voices and rights for better recognition at local and national levels
- Social initiative group/team deals with social issues including social/health insurance, gender, savings among partnerships members, and environmental issues
- Technical and rescue group/team to address the ASM occupational and health safety issues during mining and procession operations
- Vulnerable group to reach the most excluded ones among artisanal miners.



Rescue training for artisanal miners

Safety operations

The project focuses on mine safety, rescue training as well as developing operational safety standards for artisanal mining. Training on ASM occupational and health safety was provided to partnership members of four sites and rescue teams (5-7 members) were established on each site, which are trained by the Mining Rescue Services. This led to a notable reduction of accidents in ASM operations sites.

Innovative technologies:

SAM project works to introduce innovative technologies that are not only environmentally friendly, but also safe for human and animal health. In February 2009, the project opened the very first small-scale gold ore processing plant for artisanal miners in Bornuur soum, Tuv aimag. It is the first artisanal model and small-scale mining plant in the world that uses mercury and cyanide free technology for the production of pure gold. This technology is robust, simple, locally available and affordable. The gold recovery is 74 percent and much higher than amalgamation which normally is about 50-60 percent recovery. This plant, built by efforts of local citizens and with support from the Government and technical assistance from SDC in Mongolia, is an example of successful Public, Private and Academic Partnership.



Processing plant of Bornuur soum, Tuv aimag

Mr. N.Enkhbold, Member of Parliament:

"This is not a matter of a small plant established in a soum. Rather, it provides an answer to the concerns that the government and people have had for many years."



Rehabilitated mining area

Environmental rehabilitation

Artisanal miners from Jargalant and Bumbugur soums have begun filling in extraction holes on areas of mined land. In total, 2.9 ha (1.4 ha in Jargalant and 1.5 ha in Bumbugur) was rehabilitated. In addition, partnership members in Jargalant soum undertook their own initiative to erect a fence around the natural springs they use for drinking water in order to protect the water source from pollution. The Project has been supporting such responsible initiatives and provided tractors to assist in their land-rehabilitation efforts.



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