

RECOMMENDATIONS FROM MINE CLOSURE 2015 CONFERENCE: MINE CLOSURE WITH ECONOMIC BENEFITS.

18 September 2015

Nalaikh city
GMIT

The following recommendations borne out of suggestions, proposals submitted or raised by mining experts, state environmental officers, environmental scholars who are specialized in environmental rehabilitation as well as local citizens during the conference held at Nalaikh in September 17-18, 2015.

Conference participants agreed upon the taking systematic approach and actions to mitigate socio-environmental problems caused by mining closure. They are:

One. Recommendations on creating legal environment of mine closure.

Within the framework of the Policy on Mining approved by the State Great Khural, organize systematic actions to create a legal environment of mine closure. They are:

- The Ministry of Mining and Ministry of Environment shall organize a survey on best practices and policies on mine closure by experts and specialized institutions.
- Based on the findings of the survey, legalize major aspects of mine closure with highlights on roles, closure funding, closure deposit, and roles after mine closure.
- Nominate working committee consisting of social, environmental and mining experts, professionals and officers of the Ministry of Environment and the Ministry of Mining to devise a final mine closure procedures upon consolidating the previously developed mine-closure plans and have it approved.
- Develop toolkits/manuals to insert mine closure into major documents namely, the Mining Feasibility and ESIA (Environmental-Social Impact Assessment).
- Create a legal environment for creating mine-closure fund, its expenditures and decision-making body.
- Create a legal environment that the mine-closure funds must be located in financial institutions within Mongolia.
- Create a legal environment for companies to control their risks while improving competitiveness through transformation of mine-closure fund into insurance system.
- Create a legal environment to harmonize mine-closure policies with long term development policies of aimags and Mongolia.

The following must be taken seriously while creating a legal framework. They are:

- Mine closure should not be meant only to refilling the ground. Mine closure must be beneficial to all related stakeholders like local people, miners and mining companies, in large picture, mine closure should be beneficial to Mongolia. Mine closure should

provide sustainable livelihood and vacancies like tourist sightseeing spot, training facility, land-refill, fish pond etc.

- Pay special attention to the following while developing the mine closure legal framework. They are diversity of mines i.e. gold, coal, gravel, dimension of mines i.e. large to minor and the resource capacity and location (like Zaamar where group alluvial mines operating).
- To create a legal framework of financing macro projects that can be influential to local overall development during mining period out of the mine-closure fund. The fund reserve is to be continuously increased by repayment of financed projects and the return of investment.
- Employment of miners after mine closure must be included in mine-closure plans.

Two. Recommendation on Mine-closure with economic benefits

Upon considering that the mining is the main pillar of Mongolian economy, mine-closure with economic benefits must be considered as the essential part of mining. The following recommendations are to highlight this notion. They are:

- Create a legal framework that all paid taxes by mining companies must be allocated to local administration. Procurement, construction, social investments of mining companies should be directed to local development.
- The Ministry of Mining shall be responsible for development of mine-closure plans of strategic mines in harmony with the long term development policies of Mongolia like the National Development Policy and the Regional Development Concept. These mine-closure plans must be included in the Government platforms and annual budget.
- Mining companies operating in aimags should cohere their mine-closure plans with aimag development policy along with social issues have them included in the Governors' platforms.
- Create a system that develop projects to be financed by mine-closure funds.

Three. Recommendations on Nalaikh mine site

This conference started in 2006 under the title of Showcase of Mining-closure. This is the 10th edition of the conference attended by mining experts, state environmental inspection officers, environmental scholars, NGOs, science institutions and universities. During the previous conferences, good examples of mine-closure had been displayed and showed off. This time, we selected Nalaikh coal-mine which is closed without any closure-plans, and its consequences though Nalaikh is located favorably and facilitated with good infrastructure. Since witnessed the degradation of the site, the attendees agreed to issue recommendations on Nalaikh coal-mine closure. They are:

- Based on the reserve estimate, the Government must decide whether to mine it or not.

- If reserve is good to mine, the Ministry of Mining, the Authority of Minerals and the Governor Office of Nalaikh should help license holder.
- The license holding company must recruit ninja-miners currently operating at Nalaikh.
- If Nalaikh is not to be mined, the Ministry of Mining, the Ministry of Environment and Tourism, the Governor's Office of Nalaikh shall take actions to pursue the labor safety policy for ninja-miners.
- Conduct a survey on CBM (coalbed methan). Responsible parties will be the Ministry of Mining and the Petroleum Authority of Mongolia.
- If Nalaikh mine is under operation, Mining Feasibility shall be devised along with Mine-closure plan. Mine-closure and rehabilitation fund shall be created. Responsible parties are the Ministry of Mining, the Ministry of Environment and Tourism, the Governor's Office of Nalaikh.
- The Ministry of Mining, the Ministry of Environment and Tourism, the Governor's Office of Nalaikh and Association of Environmental Experts shall create mine-closure fund to rehabilitate mine affected area and make it safe.
- Upon concluding socio-economic baseline studies of Nalaikh based on ninja-miner registration, further actions shall be determined. Responsible parties are the Governor's Office of Nalaikh, Association of Environmental Experts, Asia Foundations, and Swiss Development Agency.
- Based on the Baseline studies, a program of re-use of the rehabilitated land is to be developed. The responsible parties are the Governor's Office of Nalaikh, Association of Environmental Experts, Asia Foundations, and Swiss Development Agency.

Recommendations are compiled by Association of Environmental Experts, the Organizing Committee of the Conference 2015.