

SUSTAINABLE ARTISANAL MINING PROJECT

FACTS

Project name:

Sustainable Artisanal Mining Project

Duration:

2015 – 2018

Budget:

Swiss Government: CHF 6,000,000

Mongolian Government:
CHF 500,000

Target group:

- Artisanal and small-scale miners
- ASM partnerships
- ASM NGOs
- Central and local government organisations

Target area:

Mongolia (nationwide) and international stakeholders through the Knowledge Hub

SDC's Strategic Goal:

To contribute to equitable and sustainable social and economic development in Mongolia

Since 2005, the Sustainable Artisanal Mining Project has been contributing to the organisation and formalisation of Mongolian ASM sector, advocating for environmentally sound mining practices and raising awareness amongst stakeholders on responsible ASM. Artisanal and small-scale mining (ASM) is a crucial survival strategy for Mongolia's rural poor. More than 60,000 artisanal miners and their dependents benefit from the Sustainable Artisanal Mining (SAM) Project that is focused on (i) Improving the application of a human rights-based approach to community mining; (ii) Economically strengthening all stakeholders along the formal gold supply chain; and (iii) Creating a Mongolian knowledge hub with which to share ASM best practice.



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BACKGROUND

ASM is a poverty-driven activity that provides vital livelihoods for rural communities engaged in the extraction of gold, coal, fluorspar and other minerals. However, there are a number of challenges facing the ASM sector, including widespread inequalities, social exclusion and human rights violations. ASM emerged in Mongolia more than a decade ago in response to the nation's economic transition and a series of climatic disasters that fuelled widespread poverty and unemployment.

The first ASM legal framework was enacted in July 2010 with support from and advocacy by the SAM Project. From 2011-2014, thousands of miners worked formally

via local ASM organisations and were registered in social and health insurance schemes. In addition, this period saw the emergence of environmental rehabilitation practices, the enforcement of occupational health and safety standards, increased local development contributions, and positive engagement with the sector by government agencies. The SAM Project has demonstrated how formalisation promotes responsible ASM and benefits miners, their communities and the nation. In its fourth phase, the SAM Project aims to consolidate the remarkable progress that has been made towards responsible community mining within an enabling legal framework for Mongolia's artisanal and small-scale miners.

GOAL

In its 4th Phase, SAM aims to develop an economically sustainable, environmentally responsible and human rights-based ASM sector in Mongolia benefiting from and contributing to, global best practice regarding ASM.

The SAM Project is comprised of three interconnected components associated with the following outcomes:

- **Human rights-based ASM policy and community mining:** Human rights-based approaches are embedded in all aspects of artisanal mining in Mongolia, including the enhanced capacity of the state to respect, protect and fulfil the rights of ASM stakeholders, and with artisanal miners employing more socially and environmentally responsible practices.
- **Economic strengthening of all formal supply chain stakeholders:** The enhancement and increased visibility of ASM mineral commodities' contributions to economic strengthening and improved livelihoods at local, regional and national levels, involving all actors along the supply chain.
- **Knowledge-sharing and global ASM policy dialogue:** Stakeholders in Mongolia contribute to; learn from global and national best practice regarding ASM; Mongolia's achievements garner national and international recognition;

The SAM Project aims to transfer capacity to Mongolian partners for the sustainability of project outcomes and thus works with multiple ASM stakeholders and partners.



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ASM in Mongolia has enjoyed remarkable progress since the start of the project, namely:

- An ASM legal framework was enacted and ASM was included in the State Minerals Policy;
- ASM formalisation is in progress and government institutions are providing services to the sector;
- There have been significant improvements in ASM safety and ASM enrolments in social and health insurance schemes;
- There has been a significant increase in ASM contributions to the national treasury through official gold sales and royalty payments;
- ASM communities are organised and are working closely with local governments and private mining companies;
- ASM National Umbrella Federation was established and is becoming the face of Mongolian ASM.
- Responsible ASM is emerging with the certification of the ASM Community for Fairmined Eco Gold, the first in Asia to obtain such certification.
- Mongolia exports its first Fairmined certified gold by "XAMODX" ASM NGO from Bayankhongor aimag Bayan-Ovoo soum
- On request from miners and Mongolian counterparts, the project developed mercury-free gold processing plants in Mongolia and two of these plants received official authorisation and are providing environmentally and health-friendly services to ASM communities.
- The project is working to ensure the mainstreaming of gender equality, is targeting gender-specific activities for women in ASM communities, is increasing capacity related to respect for human rights among ASM stakeholders, and is increasing the recognition of ASM contributions to local economic development.

Partner organisations:

- Ministry of Mining and Heavy Industry
- Ministry of Environment and Tourism
- Ministry of Labour and Social Protection
- Ministry of Finance
- Ministry of Health
- Minerals Resources and Petroleum Authority of Mongolia
- National Human Rights Commission of Mongolia
- Bank of Mongolia
- Mongolian Tax Authority
- Precious metal Assay Inspection Department
- Health and Social Insurance General Office
- National Emergency Management Agency
- General Authority for Labor and Social Welfare Services
- National Statistical Office
- General Agency for Specialized Inspection
- ASM National Federation of Mongolia
- Aimag local authorities
- Local NGOs and Civil society organizations
- ASM NGOs and communities

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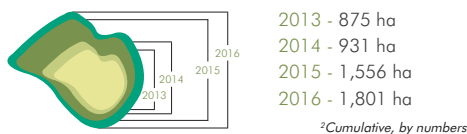
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INFOGRAPHICS: ASM COMPARITIVE 2013-2016

ASM Gold sales to Bank of Mongolia:



ASM Official Land Approval:²



Royalties from ASM (tugriks):



ASM formalization process:

