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Preparation of a global legally binding instrument on mercury

Announcement of a global forum on artisanal and small-scale gold mining

Note by the secretariat

The secretariat has the honour to provide, in the annex to the present note, a submission containing an announcement of a global forum on artisanal and small-scale gold mining. The submission has been reproduced as received and has not been formally edited.

UNEP(DTIE)/Hg/INC.1/1.

Annex

Announcement of a global forum on artisanal and small-scale gold mining

- 1. The Governing Council of the United Nations Environment Programme (UNEP) in its decision 25/5 III recognizes the Global Mercury Partnership as a vehicle for immediate action on mercury. Paragraph 34 of the Decision requested UNEP in cooperation with governments, intergovernmental organizations, stakeholders and the Global Mercury Partnership to continue and enhance existing awareness raising activities and pilot projects related to artisanal and small scale gold mining (ASGM) in key countries.
- 2. In responding to this request, UNEP and its partners will convene a global forum on issues related to ASGM. The forum will provide policy- and decision-makers with an opportunity to exchange experiences in addressing ASGM, recognizing that a range of technical, socio-economic and legal factors must be understood and considered when designing effective policies related to mercury use. Draft materials being developed by the Global Mercury Partnership that provide technical and formalization guidance for governments and stakeholders will be presented and discussed at the forum. The forum will aim to strengthen the ASGM partnership area through promoting national activities and encouraging new partners to join the partnership. Details of the forum, to be held in November 2010, will be confirmed and relayed to governments by August 2010.
- 3. The appendix to this document presents the proposed structure for guidance materials related to ASGM that will be presented at the Global Forum.
- 4. UNEP encourages governments to join the Global Mercury Partnership and to identify priority ASGM awareness raising activities and pilot projects that might be implemented.

Appendix 1

Proposed Structure for Guidance Materials Related to Artisanal and Small Scale Gold Mining

Introduction

The artisanal and small scale gold mining (ASGM) partnership area is developing guidance materials based on recommendations made at the April 2009 meeting of the Global Mercury Partnership Advisory Group.

The guidance materials are intended to assist national governments and stakeholders with the development of models for programme design to improve national-level public policy. Two documents will be published in a complementary format:

- 1. The first document is a Technical Guidance Document intended to promote the use of good environmental practices and environmentally sound technology (or equivalent measures) to reduce mercury use in and release from ASGM. This document is funded by the Government of the United States of America.
- 2. The second document is a Formalization Guidance Document intended to examine the economic and social factors underpinning mercury use in ASGM. This approach acknowledges that if progress is to be made on reducing harm from mercury-use in this sector, socio-economic factors such as rural poverty, access to education, training and healthcare must also be understood and considered when designing policies to reduce mercury use. This document is funded by the Government of Norway.

The guidance documents are being drafted via a multi-stakeholder process. The Global Forum on ASGM presents an important opportunity for consultation. The intention is to have these documents finalized by May 2011.

Initial draft tables of contents for both documents are included in this annex. Included in this annex are the proposed draft table of contents for these documents. Early input to the structure of these documents is welcomed. Please e.mail any feedback to mercury@unep.org.

Document 1:

Development of technical guidance on reducing mercury use and release in artisanal and small scale gold mining

Draft Initial Table of Contents

- I. Introduction
- II. A decision tree: Decision criteria for choosing an appropriate approach
- III. Description and Analysis of Control Options
 - A. Existing technologies (this would be completed for each technology for miners, processors, and gold processing shops)
 - a. Overall
 - i. Setting (e.g. type of ore) for which the technique is most suitable
 - ii. Explanation of method (with illustrations/ photos if possible)
 - iii. Potential markets for the products (local, regional, international)

- iv. What is the value added versus other technologies?
- b. Requirements for obtaining/building equipment
 - i. Skill required for manufacturing/assembling equipment
- ii. Costs of technology or materials
- iii. Local availability of technology/ materials to construct
- iv. Time required to obtain/ construct technology
- c. Operational requirements
 - i. Time required (labor and processing time) to process the gold
 - ii. Skill/education required to operate the technology
 - iii. Costs to operate (including fuel costs)
 - iv. Risks of improper operation (health/environmental)
 - v. Level of dependence/independence how many people are required to operate
- B. Gold yield of alternative approach compared to current mercury amalgamation practice
- C. Social aspects to consider in choosing technologies (based on case studies where the technology was used, to illustrate these issues)¹
 - a. What is the legal status of miners?
 - b. How does access to capital influence this technology choice?
 - c. What are the potential effects of new technology on division of profits and on the established hierarchy and financial relationships amongst gold buyers, traders, miners?
 - d. How profitable is the technology and under what time scale?
 - e. How easy is the method to propagate/ self-propogate?
 - f. What is the practical experience with disseminating the method? To what extent have miners adopted the method?
 - g. Are there geographical or other barriers to dissemination?
 - h. Was there or does there need to be a catalyzing event that caused change?
 - i. Does lack of mercury availability and / or a changing price for mercury bear an influence on the attractiveness of this technology?
 - j. Does new technology change the workforce size and dynamics? (e.g. migrant labour to permanent presence)
- IV. Potential for new untested innovations
- V. <u>www.Mercurywatch.org</u> as a repository
- VI. Concluding Remarks
- VII. References

Appendices

References for further advice [Other sections, as appropriate]

Social aspects considered in Section C will be in the context of the technology being reviewed. This section will utilize and complement materials prepared in the Formalization Guidance Document.

Document 2:

Formalization and the Artisanal and Small-scale Gold Mining Sector: Guidance for Stakeholders based on Experiences in Latin America, Africa and Asia

Draft Initial Table of Contents

I. Introduction

- A. Background
 - It is widely recognized that ASGM is a complex global development issue an informal economy that presents challenges and development opportunities in many countries / regions around the world.
 - ASGM in the context of mercury. Global Mercury Treaty negotiations
 - The pros and cons of the formalization approach in the ASGM context
- B. Why guidelines on formalization are important
 - Collate existing work and address gaps
- C. Guidance Objectives

II. Decision Tree: Guidance for decision making at the national level.

The decision tree will serve as a navigation tool for the guidance document and its content. It will be organised by factors that can be used to characterise ASGM sectors around the world (i.e. level of informal activity, scale of activities, volumes of gold production, intensitivy of mercury use ...etc.), to be derived from analysis of the case studies project component.

- Decision Tree Matrix with cross references to other sections of the document
- Summary of what global efforts of interest to formalization generate the most effective, positive responses on ASGM, given the categorisation of gold supply chains

III. National Case Studies² (and other sources of data)

A series of national case studies will be undertaken in the development of this document. The purpose of the case studies is to identify ASGM challenges and opportunities based on particular national circumstances in such a way that helps the process of identifying appropriate policy responses.

- Summary of national case studies (detailed information on case studies to be noted in an annex)
 - Latin America
 - Africa
 - Asia
- Description of how the case studies were formulated and conducted
- [Other sources of data]

² Case study countries will be chosen from a balance of countries with varying levels of ASGM activity.

IV. Categorization of Global Gold Supply Chains

- A. Literature Review of ASGM supply chain patterns and scale of activities
- B. Characterization of supply chain patterns and scale of activities for ASGM observed in Case Studies, based on, but not exclusive to, the following questions:
 - Where do ASG miners get their equipment, including mercury for amalgamation process?
 - How much mercury is being used and why does it vary?
 - Who buys the gold from ASG miners and how does the gold enter the formal economy? Domestic markets. International markets. Legal route or illegal route?
 - Where and how do the formal and informal economies for gold interact?

V. Key Issues and Lessons Learned from Global Efforts related to Formalization in the ASGM context

Possible categories and topics may include:

Legal Mechanisms	A. Legal status of miners, mining code policies and their role in formalisation efforts
Institutional Mechanisms	B. Cooperatives and their contribution
	C. Small-scale – Large-scale "working together"
	D. Official government or private sector buying programs
Financing Mechanisms	E. The role and potential of microfinance/credit
	F. Government rent-seeking from the formal gold sector
	G. Liberalising the gold market, advantages and disadvantages.
	H. Public private partnerships in gold production
	I. When formalization does not work

VI. Concluding Remarks

References

Annex on Regional Case Studies

Appendices

References for further advice [Other sections, as appropriate]

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