



**Asia-Pacific  
Economic Cooperation**

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**2016/SOM2/MTF/010**

Agenda Item: 4

## **Concept Note – Mine Closure and Reclamation Checklist for Governments**

Purpose: Information  
Submitted by: Canada



**10<sup>th</sup> Mining Task Force Meeting  
Arequipa, Peru  
9-10 May 2016**

## APEC Concept Note

<b>Project Title:</b>	Mine Closure and Reclamation Checklist for Governments
<b>Fund Source</b> ( <i>Select one</i> ):	
<input type="checkbox"/> General Project Account (formerly Operational Account) <input type="checkbox"/> TILF Special Account <input checked="" type="checkbox"/> APEC Support Fund	
<b>For ASF:</b> As per Guidebook Ch. 3, list <b>ASF Sub-fund</b> if appropriate for this project: <b>Mining Sub-fund</b>	
<b>APEC forum:</b>	<b>Mining Task Force</b>
<b>Proposing APEC economy:</b>	<b>Canada</b>
<b>Co-sponsoring APEC economies:</b>	Indonesia, Papua New Guinea, United States, Chile, Australia
<b>Expected start date:</b>	<b>June 2016</b>
<b>Expected completion date:</b>	<b>December 2017</b>
<b>Project summary:</b>  <b>Describe the project in under 150 words. Your summary should include the project topic, planned activities, timing and location:</b>  <i>(Summary must be no longer than the box provided. Cover sheet must fit on one page)</i>	<p>The negative impacts of improperly closed or abandoned mine sites are a significant issue for developing economies that may lack the tools and experience to effectively govern mine closure and reclamation. In collaboration with industry (Teck Resources Inc., the Mining Association of Canada), the proposed project will develop an accessible, user-friendly toolkit ("Checklist") aimed at policy decision-makers in APEC developing economies, which will serve as a practical roadmap to support the development of successful governance of mine closure and reclamation, including orphaned and abandoned mines. The Checklist will guide users through core issue areas of mine closure and reclamation (including environmental, social, financial, and gender concerns) and explore international best practices and lessons learned, thereby supporting the creation of favorable conditions for sustainable mining. To complement the Checklist, a training workshop focusing on a specific mine closure theme of particular interest to APEC developing economies will also be organized. This project will enhance mineral resource governance capacity in the APEC region, ultimately improving the investment climate, promoting environmental protection and building sustainable and resilient communities.</p>
<b>Total cost of proposal:</b> <i>(APEC funding + self-funding):</i> (\$150,000.00 + \$30,000 in-kind): \$190,000.00 <b>USD</b>	<b>Total amount being sought from APEC (USD):</b> \$150,000 <b>By category:</b> <i>Travel:</i> \$20,000 <i>Labor costs:</i> \$45,000.00 (consultant) <i>Hosting:</i> \$25,000 <i>Publication &amp; distribution:</i> \$40,000 <i>Other (translation):</i> \$20,000

**Project Overseer Information and Declaration:**

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As Project Overseer and on behalf of the above said Organization, I declare that this submission was prepared in accordance with the **Guidebook on APEC Projects** and any ensuing project will comply with said Guidebook. Failure to do so may result in the BMC denying or revoking funding and/or project approval. I understand that any funds approved are granted on the basis of the information in the document's budget table, in the case of any inconsistencies within the document.

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Eleni Deroukakis

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**Date:**

# Project Synopsis

## 1. **Relevance – Benefits to region:**

No matter how large, all mineral deposits have a finite life. An improperly closed or abandoned mine site can have lasting environmental, social, and economic impacts that ultimately determine whether mining activity leaves a positive or negative legacy. A clear legislative and fiscal framework that sets the parameters for mine closure is essential for developing a mining sector whose benefits are sustainable – even long after the mine has been closed. The APEC region includes some of the world's largest mining producers, however many APEC economies, particularly developing economies, are lacking policies and legislation for comprehensive mine closure and fewer still provide for post-mining sustainable development. Without a robust legal framework for mine closure, including guidance from host country regulators on the environmental and social performance standard expected of mining companies, companies do not know their obligations and potential future liabilities, and mining communities do not know their rights or responsibilities.

General and narrative closure planning guidance documents are already available for mines operating in developing countries and regions (including the International Council on Mining and Metals Closure Toolkit and the International Finance Corporation (IFC) Environmental, Health and Safety Guidelines for Mining, amongst others). In all cases, the documents have either been developed from a national perspective, are geared to industry, or are academic in nature and thus difficult to apply in a practical context. None provide a practical roadmap for developing and implementing a mine closure regime (e.g. leveraging on existing tools, resources and international standards, and how to apply them in the context of the operating country's economic environment and social setting).

This project proposes 1) a "Checklist" and 2) a workshop which will focus on providing APEC developing economies with the essential elements of a successful mine closure and reclamation governance framework, and the tools to get there, in an accessible, easy to use format that is intended to be universally understood and applicable. The Checklist will guide users through a series of modules covering key thematic areas of mine closure and reclamation, including: environmental management, socio-economic considerations, financial management, technology and innovation, and orphaned and abandoned mines. Each module will include:

- A self-assessment tool to help users identify gaps and risks with their mine closure regimes;
- Identification and application of leading international guidelines and standards, providing a framework for advising existing mine closure planning and directing future planning;
- Case studies illustrating international best practices and lessons learned;
- Private sector perspectives;
- Templates for action and implementation; and
- Linkages to additional tools and resources.

Gender concerns will be addressed as a cross-cutting theme throughout the Checklist, with particular emphasis on designing interventions to mitigate the social costs of mine closure for women. Specifically the Checklist will: 1) recognize the specific impacts of mine closure on women in the workforce (e.g. although usually not miners, women might be just as affected by mine closure in administrative or other support functions); and 2) address specific gender dimensions of redundancy arrangements. The project will principally target APEC developing economies, however its content will be applicable to all APEC members.

**Relevance – Rank: This project will support the following Ranks and Outcomes of the annual APEC Funding Criteria:**

### Rank 1 – Investment Facilitation and Liberalization

The project will improve the enabling environment for trade and investment in mining by clarifying expectations concerning mine closure and reclamation activities for companies seeking to operate in the APEC region. Minimizing the risks to mine projects by providing predictability in the operating environment will benefit APEC developing economies who will be viewed as more attractive investment destinations by foreign investors.

### Rank 2 – Sustainable Development in Mining

This project will encourage governments in developing countries to adopt best practices to create favourable conditions for sustainable mining. Specifically, improving the governance of mine closure and reclamation will reduce the negative environmental and social implications of mining after production has ended, and ultimately help APEC economies maximize the benefits and minimize the impacts of mineral resource development.

This project also supports Rank 1 - “Standards, Conformity Assessment, Technical Regulations, Regulatory Cooperation, and Regulatory Coherence, including Good Regulatory Practices” by encouraging the adoption of enhanced mine closure and reclamation policy regulations which meet international standards. Planning for mine closure and rehabilitation that includes communities also contributes to Rank 1 - “Building Sustainable and Resilient Communities”.

## 2. **Objectives:**

The primary objective of this project is to build the capacity of APEC member economies with respect to the governance of mine closure and reclamation. This will be achieved by: 1) creating a simple, practical and accessible tool which will support the development of comprehensive mine closure policies and frameworks, based on leading international guidelines and standards; and 2) sharing lessons learned and best practices which can inform mine closure planning in APEC developing economies. As previously outlined, the project outputs will include:

- A **Checklist** (approx. 65 pages) which will take a “Mine Closure 101” approach to address the following overarching questions: 1) what should government’s policies be with respect to mine closure; 2) what are the major components of an overall mine closure program that supports sustainable development; and 3) how might such a policy be implemented. The Checklist will be made available online to ensure a broad reach and to maximize dissemination amongst mining stakeholders in the APEC region.
- One training **workshop**, focusing on a specific mine closure theme of particular interest to APEC developing economies. The draft Checklist can be presented during this session, providing an opportunity for the Project Overseer (PO) to survey APEC stakeholders - particularly developing countries, on their perspectives with respect to mine closure, which will inform the development of the Checklist.

## 3. **Alignment – APEC:**

This project aligns with and will advance the following APEC priorities and principles: support for market transparency and facilitation of trade; building sustainable and resilient communities; investment facilitation; sustainable development in mining; human capital development/capacity building; promoting good governance; regulatory coherence; as well as support for APEC’s gender objectives and engagement with the private sector.

### **Alignment – Mining Task Force (Forum):**

By supporting sustainable developing in mining, including positive socio-economic effects from the development of minerals and metals, fostering investment certainty, promoting leading practices in mining and life cycle management, supporting capacity building and promoting transparent and efficient regulation and governance to facilitate trade and investment in mining, this project directly supports the APEC Mining Policy Principles, endorsed by Ministers Responsible for Mining in 2007. The project is also very well positioned to address all five priority areas identified by the 2015 online Mining Task Force Survey for capacity building under the APEC Mining Sub-Fund.

## 4. **Methodology: How do you plan to implement the project?**

### **Checklist publication**

- **July 2016 – September 2016:** PO will initiate and implement the bidding process to identify and contract an external consultant or organization to develop the Checklist publication.
- **October 2016 – February 2017:** In collaboration with PO and industry interlocutors, the selected contractor will research, write, and submit a draft Checklist for review.
- **March 2017 – July 2017:** PO will circulate the draft Checklist to external stakeholders (e.g. APEC co-sponsors) for comment.
- **July 2017 – December 2017:** Final editing by PO, translation and publication (electronic and physical copies), dissemination to target beneficiaries.

### **Training workshop**

In order to secure maximum participation, the Workshop (delivered in collaboration with industry partners – see below) would be held in conjunction with the MTF11 meeting in 2017.

### **Linkages**

The PO will work with developing economy co-sponsors on the project’s design and implementation to ensure that developing country perspectives are reflected and that the project is applicable to their concerns and needs. Industry (Teck Resources Inc. and industry associations including the Mining Association of Canada) will be engaged as partners in the development of the Checklist, as well as in the delivery of the workshop and through implementation of best practices. Linkages with other APEC fora (e.g. APEC Group on Services), as well as other intergovernmental organizations (e.g. IGF, OECD, UNESCAP) will also be explored to take advantage of synergies.