

2024 Annual Report Summary – planetGOLD Mongolia Project

Project Title:

Contribution Toward Mercury-Free Artisanal and Small-Scale Gold Mining (ASGM) in Mongolia

Project Code: GEF9695

Funded by: Global Environment Facility (GEF)

Implemented by: United Nations Environment Programme (UNEP)

Executed by: Artisanal Gold Council (AGC), in partnership with the Ministry of Environment and Tourism of Mongolia

Project Duration: January 2019 – September 2025

Total GEF Grant: USD 11.7 million (Mongolia component: USD 4.2 million)

Target Area: Mandal Soum, Selenge Province

Project Goal:

To minimize and ultimately eliminate the use of mercury in Mongolia's ASGM sector by:

- Supporting legal formalization of small-scale miners,
- Promoting and operationalizing mercury-free gold processing technologies,
- Enhancing financial inclusion and access for ASGM actors,
- Integrating responsible sourcing practices through improved supply chains and traceability mechanisms.

Key Achievements in 2024

1. Legal and Institutional Formalization of ASGM

- **Regulatory Support:** The project supported the implementation and dissemination of Mongolia's updated ASGM regulation approved in 2023. This regulation introduces clearer frameworks for land access, environmental responsibility, and cooperative development among miners.
- **Land Use & Permitting:** The project worked with local authorities to assist ASGM cooperatives in navigating permit requirements and complying with the new land use and environmental regulations.
- **Stakeholder Engagement:** National and local forums were organized to engage government bodies, cooperatives, and CSOs in dialogue on ASGM policy coherence, environmental compliance, and shared responsibility.

2. Establishment of Mercury-Free Processing Facilities

- **Construction of MUAHBCs:** Two mercury-free processing centers—**Mongolian Upgraded Artisanal Hub Beneficiation Centers (MUAHBCs)**—were completed in 2023 and further equipped in 2024 in Mandal Soum and Tunkhel village.
- **Facility Features:** Each center is outfitted with gravity concentration systems, tailings management units, and safety infrastructure for cleaner ore beneficiation.
- **Operational Delays:** As of end-2024, both facilities remained non-operational due to setbacks in obtaining mining land permits and Technical and Environmental Assessment (TEA) approvals—key preconditions for mining operation licenses.

3. Strengthening Access to Finance

- **Credit Cooperative:** The “**Baatar Vangiin Khishig**” Savings and Credit Cooperative was supported under the project to provide financial services tailored for ASGM actors. It was officially licensed by the Financial Regulatory Commission in October 2023.
- **Membership and Activities:** The cooperative now operates with a growing number of miner-members and supports savings mobilization, financial education, and access to small-scale credit schemes.
- **Financial Literacy Training:** Miners and community members received training on budgeting, loan management, and tax obligations to support formal financial integration.

4. Capacity Building and Community Training

- **Training Reach:** In 2024, the project organized **22 training events** reaching **1,699 participants**, including **747 women** and **952 men**.
- **Training Topics:**
 - Environmental restoration and land rehabilitation,
 - Safe mercury handling and alternatives,
 - ASGM legal and regulatory framework,
 - Occupational health and safety (OHS),
 - Basic finance and taxation for miners,
 - Responsible mining and gender equality.
- **Community Engagement:** Trainings were conducted in both urban centers and remote soum locations, using translated and culturally contextual materials to ensure accessibility.

5. Implementation of the KRAFT Code

- **Voluntary Sustainability Standard:** The project introduced the **KRAFT Code** (Knowledge, Responsibility, Accountability, Formalization, Traceability) to advance responsible mining practices in Mongolia.
- **Training on KRAFT Standards:** Cooperatives in Mandal and Tunkhel received guidance on traceability systems, environmental safeguards, gender inclusion, and human rights due diligence.
- **Awareness Tools:** Illustrated materials and videos were developed to explain key principles of the KRAFT code and distributed across project sites and community centers.

Communications, Outreach & Knowledge Sharing

- **Digital Engagement:**
 - Shared over **549 social media posts**, reaching approximately **411,500 users**,
 - Disseminated **1,100 newsletters** via email and SMS,
 - Produced four “**Her Story**” video episodes spotlighting female miners’ journeys.
- **Publications and Materials:**
 - Manuals on mercury-free processing, TEA guidelines, and community engagement,
 - Posters and videos on legal rights, health, safety, and mercury impact.
- **Event Participation:**
 - Represented at global events including the OECD Forum on Responsible Mineral Supply Chains and the 2024 planetGOLD Global Forum (Batangas),
 - Delivered presentations on gender inclusion, financial innovation, and technology transfer.

Gender and Social Inclusion

- **Targeted Interventions:**
 - Trainings emphasized women’s participation and leadership in ASGM cooperatives,
 - Gender impact assessments revealed disparities in miners’ access to social insurance and health coverage.
- **Empowerment Media:**
 - The "Her Story" video series and community digital learning modules were used to elevate women's voices in ASGM.
- **Inclusive Training:** Sessions were scheduled to accommodate caretaking responsibilities and ensure full participation by women and marginalized groups.

Financial Overview (2024)

Category	Amount
Annual Budget (2024)	USD 610,589
Utilization Rate	61%
Total Disbursed (2024)	MNT 1.28 billion
Overall Project Execution 88% (as of end-2024)	

- Budget underutilization in 2024 was primarily due to delays in land access and environmental permitting processes that postponed full deployment of the mercury-free processing centers.

Challenges Faced

- **Regulatory Bottlenecks:** The rollout of Mongolia’s new ASGM regulations in 2023 caused the cancellation of previously valid permits, forcing miners to restart the permitting process under new frameworks.

- **Operational Delays:** Due to incomplete land use agreements and pending TEA approvals, project-supported ASGM cooperatives could not begin extraction and therefore could not supply ore to the new MUAHBCs.
- **Financial Risk:** Without operational facilities and confirmed ore supply, revenue-generating activities under the financial cooperative are limited, posing sustainability risks.
- **Stakeholder Coordination:** Coordination between national and subnational authorities regarding permit issuance and compliance monitoring remains inconsistent and slow.

Conclusion

The planetGOLD Mongolia project made substantial progress in promoting responsible and mercury-free artisanal gold mining through infrastructure development, legal support, training, and financial innovation. However, land access and formalization challenges—especially delays in mining license approvals—remain major bottlenecks. Continued coordination with government agencies and sustained community support will be essential to meet the project’s targets before its conclusion in September 2025.