

UNEP-GEF-Kyrgyzstan Inception Workshop Meeting Report

Project "Reduction of local and global environmental risks associated with the production of mercury in Khaidarkan, the Kyrgyz Republic"

13-14 December 2012

Hotel "Jannat"

List of participants:

	Name	Title
Government		
1.	Ms. Uturova Dinara	Head, Economic and Investments Department
2.	Mr. Akiev Mars	Expert , Economic and Investments Department
State Agency of Environmental Protection and Forestry KR		
3.	Mr. Atadjanov Sabir	Director
4.	Mr. Abdiev Bakhtiyar	State Secretary
5.	Mr. Tolongutov Baygabyl	Director, State Regulation Centre of the Environment Protection and Ecological Safety
6.	Mrs. Bekkulova Djiparkul	Head ,Environmental Policy and Strategy Department
7.	Mrs. Salykmambetova Baglan	Head, International Cooperation Department
8.	Mrs. Baidakova Nataliya	Main Specialist, Environmental Policy and Strategy Department
9.	Mr. Noruzbaev Kubanychbek	Main Specialist, State Regulation Centre of the Environment Protection and Ecological Safety
10.	Mr. Sadykbekov Turar	Head, Monitoring Department
11.	Mrs. Yanova Tatiana	Main Specialist, Monitoring Department
Ministry of Foreign Affairs KR		
12.	Mr. Atabekov Djumakadyr	Minister's Adviser
Ministry of Health KR		
13.	Ms. Vashneva Nina	Chief specialist
14.	Mrs. Saryeva Gulnara	Sanitary inspector
15.	Mrs. Sharshenova Ainash	PhD, Kyrgyz Research Institute of Profilaxy and Medical Ecology
16.	Mr. Israilov Mahmud	Head of laboratory, Kadamdjay Sanitary Epidemiological Station
Ministry of Energy and Industry of KR		
17.	Mr. Ryspaev Jekshen	Chief specialist, Mechanical Engineering, Metallurgy and Construction Materials Department
Ministry of Economy and Antimonopoly Policy of KR		
18.	Kolubaev Tenizbek	Chief Specialist, Department of Mineral Resources Policy
State Agency on Geology and Mineral Resources		
19.	Mr. Eshnazarov Nabi	State secretary
20.	Mrs. Shabaeva Gulfiya	Head, Geology Department
21.	Mr. Shamiev Azamat	Head, International Cooperation Department
The State Property Fund of KR		
22.	Mrs. Aralova Nargiza	Expert, Joint Stock Companies Department
State Inspectorate for Environmental and Technical Safety		
23.	Mr. Akerov Taalaibek	Deputy Director
24.	Mr. Artykbaev Rasul	Ecology Safety Department
25.	Mr. Davletkeldiev Arstanbek	Regional Departments Management Division
Plenipotentiary Representative of the Government in Batken province		
26.	Mr. Botoev Atambek	Deputy Plenipotentiary Representative of the Government
Khaidarkan Mercury Joint Stock Company		
27.	Mrs. Ormanova Nurkamal	Chair, Board of Directors
Kyrgyz Mining Association		
28.	Mr. Valentin Bogdetsky	Member of Board of Directors
Habitat Kyrgyzstan Foundation		
29.	Mr. Cherikov Timur	Financial Manager
NGO Independent Ecological Expertise		

30.	Mr. Oleg Pechenuk	Director
Ecological Development Public Foundation		
31.	Mr. Isabaev Kanybek,	Director
Chui Environmental Laboratory		
32.	Mrs. Usabalieva Aijamal	General Manager
33.	Mrs. Salamatina Anna	Technical Manager
Engineering and Technology Center "Stroyizyskatel"		
34.	Mr. Malukhin Ivan	Main Geologist
35.	Mr. Danilenko Vasilii	Technical Director
LTD Vertex Gold Company		
36.	Mr. Dostavalov Yurii	Head of mining Jamgyr
Group of Companies ODESEM		
37.	Mr. Reznik Vladimir	Deputy CEO
38.	Mr. Demchug Anatolii	Main Specialist
Stewart Assay and Environmental Laboratories LLC		
39.	Mr. Sadyrov Oktiabrin	Vise-president
Andash Mining Company		
40.	Mrs. Bushevets Natalia	Manager
GIZ		
41.	Ms. Tuibekova Asel	National Project Coordinator, Mineral Resources for Development
UNDP		
42.	Mrs. Filkova Tatiana	Project Coordinator, "The UNDP-UNEP Partnership Initiative for the Integration of Sound Management of Chemicals into Development Planning Processes"
43.	Mrs. Gorshkova Irina	Expert, "The UNDP-UNEP Partnership Initiative for the Integration of Sound Management of Chemicals into Development Planning Processes"
44.	Mr. Dosaliev Ruslan	Expert on SMI components
UNIDO		
45.	Mr. Marat Usupov	Head, UNIDO Operations in Kyrgyzstan
UNEP		
46.	Mr. David Piper	Deputy Director, Chemicals Branch Division of Technology, Industry and Economics
47.	Mrs. Kalmyrzaeva Dzhanat	Consultant, Chemicals Branch, Division of Technology, Industry and Economics
Environmental Technology AUPET		
48.	Mr. Michael Iluschenko	Head of BG Chair of Environmental Technology AUPET
ZOI Network		
49.	Mr. Novikov Victor	Project Manager
Mass Media		
50.	Esenaliyev Diana	Journalist, News agency KirTag
51.	Karazhanova Gulzhan	Journalist, Radio Birinchi

Mercury is a highly toxic heavy metal that is transported long distances by atmospheric processes. It accumulates in ecosystems and has long been known for its significant negative effects on human health and the environment. Growing global and local concerns about the impacts of mercury led UNEP's Governing Council to agree on the preparation of a global legally binding instrument on mercury to be completed in 2013. This instrument will include provisions to limit mercury supply as well as reduce the demand for mercury and its international trade. In response, the international partners have supported the Kyrgyz Republic, through the Global Mercury Partnership, to design the second phase of framework for actions to assist Kyrgyzstan in addressing social, environmental and economic impacts of mercury mining phase out. GEF project "Reduction of local and global environmental risks associated with the production of mercury in Khaidarkan, the Kyrgyz Republic" has several components, which are concerned to the human health and environmental protection from the harmful effects of mercury. In particular, the development and promotion of socially oriented economic alternatives to mercury mining and preparation for subsequent measures to restore areas of high risk are covered by the project goals. The overall inception meeting was held on December 13-14, 2012 in Bishkek, the Kyrgyz Republic. The main goal of this

meeting was giving successful start to the GEF project "Reduction of local and global environmental risks associated with the production of mercury in Khaidarkan, the Kyrgyz Republic" as well as the development of the project work plan. The inception workshop was conducted by the State Agency under the Kyrgyz Republic's Government on Environmental Protection and Forestry (SAEPF). The meeting was attended by representatives of:

- the Kyrgyz Republic's Government;
- the State Agency under the Kyrgyz Republic's Government on Environmental Protection and Forestry;
- the ministries and institutions of the Kyrgyz Republic, Republic of Kazakhstan, Ukraine;
- the public associations and non-governmental organizations;
- United Nations Development Programme;
- 14 (fourteen) members of the Steering Committee;
- the experts from international organizations;
- UNEP ZOI Environment Network.
- The following representatives had an excused absence: Ms. D.D. Uturova, the representative of the Government Office; Mr. N. Eshnazarov, the representative of the State Agency under the Kyrgyz Republic's Government on Geology and Mineral Resources; Mr. A.B. Botoev, the authorized representative of the Kyrgyz Republic Government in the Batken oblast.

Mr. S.S. Atadjanov, SAEPF Director opened with welcoming remarks the two-day meeting on the environmental risks associated with the production of primary mercury.

Further, according to the agenda, Mr. David Piper, Deputy Head UNEP Chemicals had the floor. In his presentation, Mr. Piper spoke about the ongoing international processes in order to address issues of environmental risks associated with mercury pollution and the effects of mercury compounds on the human body and environment. In 1999, governments decided to create international law and to sign documents that would address transboundary issues related to mercury. Mercury compounds are released into the atmosphere by burning coal, cement production, the processing of gold and other raw materials are in compounds with zinc, copper, etc., are used as the material found in waste production. Mr. David Piper said that the most expensive goal is to find the source of the threat, to achieve better control for the mercury extraction and use. In 2005, some measures were taken to monitor the mercury. The 25th session of the UNEP Governing Council was held in Nairobi on February 20, 2009, where more than 140 countries have agreed to start preparing the global mercury treaty, aimed at reducing the pollution caused by this heavy metal. At the fourth session of the Intergovernmental Negotiating Committee to prepare the global legally binding instrument on mercury (Punta del Este, Uruguay, June 27 - July 2, 2012) the following document titled as "Revised text of the draft of the comprehensive approach to a legally binding global instrument on mercury" was discussed. Currently, the fifth session is being prepared, it is to be held in January 2013 in Geneva, Switzerland. Also, a diplomatic conference is being planned to be held in Japan in October 2013, where is the opportunity to sign a new Agreement. The draft text of an Agreement states to ban the creation of new sources of mercury mining and are not allowed to export and sell mercury to countries with enterprises for the primary mercury extraction (except for the waste transferring). The objective is to avoid the dependence of the mercury production. At the same time, the demand for mercury is going to reduce, therefore the mercury also fall in price. For 5 years a number of international organizations, such as UNEP, UNITAR, ZOI and others are cooperating with organizations in the Kyrgyz Republic on issues related to the risks associated with the production of mercury. A number of assessments were conducted and several publications were published.

Further, according to the agenda, the presentations by representatives of the Kyrgyz Republic Ministry for Foreign Affairs, Khaidarkan mercury plant, Kyrgyz Mining Association were made. The Foreign Ministry's representative Mr. Atabekov in his speech outlined two main areas, the intergovernmental negotiations on mercury (ICN) in the focus of worldwide

interest and the Kyrgyz Government policy, the Kyrgyz Republic Ministry for Foreign Affairs, according to the GEF project; he also noted the importance of this project.

Then, Ms. N. Ormanova, Chairman of Khaidarkan Mercury Joint Stock Company expressed concern at the fate of the plant in case the project is implemented and she also pointed that there are constant inspections; in Ms. Ormanova's opinion such inspections are aimed at closing the plant. Participants were provided with the short film about the life and work of the people at the Khaidarkan mercury plant. Ms. Ormanova noted that there are 600 employees working at the mercury plant and over the last 20 years there have not been any cases of mercury intoxication, all information given by Ms. Ormanova based on data from the plant.

Mr. V. Bogdetsskiy, representative from the Kyrgyz Mining Association, provided information on the work done to develop alternative projects for Khaidarkan. At the same time, he noted the importance of social issues, particularly, job placement of the local population in case of the plant closure due to the global focus on reducing mercury production and use. Mr. V. Bogdetsskiy spoke about the options for reshaping plant, such as ore processing and gold mining. During the experiments the surrounding fields were researched and some options for projects were suggested. Reshaping factory for gold mining, while maintaining the mercury extraction, upon expert calculations require about \$ 2 million. However, the project failed to develop, since the feasibility study is costly. In addition, Mr. Bogdetsskiy, stated that due to the fact that the belt runs parallel to the mercury coal basin, there is possible demolition of mercury in this basin. Coal is mined in many places and used by the private sector. However, no observations are made and monitored for mercury from coal combustion.

In addition, Mr. Davletkeldiev in his speech supported the project activities, and noted that production development and decreasing pollution level is necessary.

Then, Mr. Akiyev reminded about the existing plan for the primary mercury production, earlier this plan was canceled, in the meanwhile alternatives given by Khaidarkan Mercury Joint Stock Company (hereinafter KMJSC) were outdated, moreover the current GEF project budget has neither the financial sources for KMJSC, nor fieldtrip to Khaidarkan. In his speech, he encouraged to understand the reaction of KMJSC and emphasized the social significance importance of KMJSC.

Next, the floor was given to the representatives of the projects. So, Mr. R. Dosaliev, Coordinator for small and medium businesses of UNDP, presented information on the implemented activities and specific results of the project. For example, hairdressing saloon, weaving small mill, kindergarten, school and some other objects were repaired.

Ms. T. Filkova, Project Coordinator for Initiative cooperation between UNDP and UNEP in the proper integration of chemicals management in development plans and processes told about the new global policy and strategy, called as the Strategic Approach to International Chemicals Management (SAICM), which was adopted by consensus of Ministers of Environment, Health, and others at the first International Conference on Chemicals Management (Dubai, February 2006.). The interdepartmental group was established in Kyrgyzstan, this group also includes a representative of the Khaidarkan mercury plant; and now the Plan for the proper management of chemicals is developing.

Mr. M. Ilushenko Head of Environmental Department Energy and Communications Almaty University told about experience of Japan and Kazakhstan in demercurization of industrial facilities. In 1936 there was the Japanese large company using a mercury catalyst. Wastewater discharged into the Minamata Bay. In 1950, among the inhabitants morbidity began. And despite the fact that only about 200 people were sick, and the death of about 10 cases, the situation was really frightening. In all cases were people who consume seafood. It was found that all the observed organic compounds of mercury poisoning in fish, and the maximum permissible concentration (MPC) is exceeded by 10 times. The trial began and the company had to allocate funds for improvement and risk reduction. A project was implemented and the ecopark was built. Moreover, the Company purchased seafood from local fishermen. The project was completed in 1970; the concentration of mercury was significantly reduced. The project cost was estimated at \$ 500 million. In this case, the claims for damages paid to the company in 2010 was around \$ 10 billion. In Kazakhstan, as well, there is some experience with the effects of mercury pollution after the closure of

enterprises and implemented two projects aimed at cleaning and reduce risks from mercury pollution.

The second day of the inception workshop meeting was also devoted to the consideration of issues related to international processes on mercury. Mr. David Piper explained the cooperation between the GEF and the Kyrgyz Republic. He said that first of all the GEF does not have a huge amount of resources, but the GEF still is able to support the problem with mercury. But it is important that these resources exist, and there are several agencies working together on the development of these resources. Mr. Piper noted that the goal is to create a group of projects that will deal with the problems and will support a large number of countries in this work provide a register would help to develop the Action plan. Mr. Piper presented the project components and the project budget. The GEF contributed 944 thousand US dollar; when the co-financing amount is 3 times more than the amount of the GEF. The project document describes the expected activities and that this project will be carried out by the Kyrgyz Republic. And it is very important that the state agency and the stakeholders agreed with the project details; Mr. Piper stressed that the project is not for the purchase of a car, furniture, etc., and he also emphasized that the SAEPF must report to the UNEP about project activity and the necessity of an independent assessment in the mid-term and at the end of the project implementation.

Mr. V. Novikov spoke on behalf of the international project partners and presented ZOI Network activity.

Afterwards, Mr. M. Illuschenko made the presentation about "Obvious Environment and Health Risk from Mercury in Khaidarkan, Proposal for Risk Assessment" where he mentioned the technology of mercury mining at Khaidarkan Mercury Joint Stock Company is the simple one. The mercury in the mining cycle is in two forms that differ in their mobility and toxicity. The mercury in the ore is not toxic and is the least danger, the second form - gaseous, the most dangerous and toxic. Mercury can overcome the all barriers of the body. The first the human mentality suffers. There is another form of mercury poisoning is when it is a genetic poisoning. Suffer offspring; children born with defects. It is very difficult to assess the risks of mercury. Gaseous mercury is harmful for the plant workers. It is necessary to organize the work with the mercury at the plant; Mr. Illuschenko stressed that the risks from mercury are safe. As a result of 70 years of mercury mining work at plant, the soil is very polluted and it is needed to carry out research in order to avoid the consequences. There is much work to monitor, it must be divided into two stages.

Mr. V. Reznik, the First Deputy General Director of Group Companies "Odesem", Ukraine presented the approximation of environmentally safe waste storage area of Khaidarkan mercury plant.

Mr. Israilov Mahmood, the head of the State Sanitary and Epidemiological Surveillance Kadamjay Laboratory shared information on the studies undertaken around Khaidarkan Mercury Plant and nearby areas. In 1989 in one of the Khaidarkan village's kindergarten the maximum permissible concentration (MPC) of mercury in the air which exceed by 286 times were found, moreover in 2012 according to the received results, the MPC of mercury in the water near the Khaidarkan Mercury Plant dumps exceed by 400 times. Mr. Israilov also noted that unfortunately, the results of the research were ignored by plant management. He wished the project provides issues of increasing the analytical capacity of the laboratory.

The Chui Ecological Laboratory was presented by Ms. Solomatina. She told about experience on monitoring in Kyrgyzstan and proposed monitoring program for KMJSC and modern equipment for mercury determination for different purposes.

The Steering Committee was presented by Mr. Tolongutov. He presented project detailed work plan and also pointed out that the project will: stimulate the development of alternative industrial options among the key ministries, the Kyrgyz government and the private sector; assist to implement mechanisms, and encourage the support and approval of the community and the Plant's management; develop and demonstrate measures to monitor and reduce the risk of mercury exposure to human health and the environment, especially in certain high-risk areas; contribute to the local economy through training, public awareness raising and the provision of small grants in accordance with the activities currently carried out by the UNDP in order to diversify employment in the region, which also

supports the local community's initiative; Mr. Tolongutov emphasized that the objective of this project is not the closure of Khaidarkan Mercury JSC

Then Mr. M. Iluschenko made the presentation about "Conception of Remediation for Mercury Contamination in Khaidarkan and Possibilities of Cleaning-up".

During the project details discussion Mr. Pechenyuk, told that earlier the official letter was sent to the Kyrgyz Republic Vice Premier, to the SAEPF Director; Mr. Pechenyuk assumes that the project goals and objectives do not match, resource efficiency is low; he provided comments for some points of the project components; he convinced that the project resources should be used efficiently and exclusively on environmental measures in order to restore the environment.

Then, Ms. N. Ormanova took the floor noting that due to the fact that the Action Plan is canceled, it is impossible to discuss the current plan. She said that the plan for the reduction of primary mercury production was canceled. Now, using the fact that the government has changed, the SAEPF is again trying to push this plan. She stated that Khaidarkan Mercury Joint Stock Company sent the letters to the Kyrgyz Republic Government, the Kyrgyz Parliament, the President, demanding cancellation of the project. She supported Mr. Pechenyuk's opinion and said that Khaidarkan Mercury Joint Stock Company does not harm the environment, and the SAEPF does not give them to work in peace, scares investors and Khaidarkan Mercury Joint Stock Company has to survive on its own account. She added that mercury should become as the "brand" of Kyrgyzstan.

Mr. Abdiev said that the SAEPF will firstly takes into account the opinion of KMJSC, and he emphasized the necessity of jointly cooperation and work.

During discussions on project issues, Mr. Davletkeldiev asked question concerning possibility of project modifications, for his question Mr. Piper answered that if proposed activities don't affect the project final targets, it is possible to have some project modifications, but they must be thoroughly examined and discussed.

Ms. A. Sharshenova made presentation titled "Medico-ecological results in Khaidarkan and its surroundings". She pointed out that according the research work in the Khaidarkan village, MPC of mercury in the air exceed by 11 times, the mercury content in the drinking water within the permissible level; Ms. Sharshenova emphasized that the mercury content in the waste waters of the Khaidarkan Mercury Plant exceeds the background value by 27 times and the MPC of mercury in the air of the working area exceeded by 34 times; moreover during medical examinations, metallurgical plant workers had increased content of mercury, in particular the background value exceeded up to 13 times in the blood of workers, in the urine up to 70 times and in the hair to 12 times. Sharshenova also reported that according to the analysis of trace element (microelement) composition of biological environment, the high content of mercury is in the human body

Mr. Ryspaev made a statement that the mercury will be used for another decade. It is necessary to allocate funds for recycling dumps, for restoration cinders as a subsidy for plant. And he also suggested that the GEF and UNEP have paid attention to the secondary mercury processing and include this point into the frameworks of the project. Mr. Tolongutov replied that work on the secondary mercury will be done, but not as part of this project.

Ms. Ormanova stated that they did not accept and agreed this project.

Then followed a discussion in which the audience discussed the important and relevant issues of the project.

Further, according to the agenda, the audience was divided into two groups to discuss the project work plan on the ecological unit and reshaping and small grants unit. After discussions, the group presented their work plans.

Mr. Tolongutov thanked all the participants for the proposed comments and their participation.

Following the discussion, it was decided to modify the draft working plan with subject to the comments and suggestions.

Overall Project Inception Meeting

Project "Reduction of local and global environmental risks associated with the production of mercury in Khaidarkan, the Kyrgyz Republic

Location Bishkek Kyrgyzstan
Timing Thursday 13 December, 9.30 – 14.00
 Friday 9:30 – 18:00

Meeting objective

The objective of the Overall Project Inception Meeting is to effective start of the GEF Kyrgyz mercury project

Agenda

Thursday, 13 December 2012	
9.30	Registration
10.00 – 10.15	Welcome speech SPEAKER: Mr.Sabir Atajanov, Director, State Agency on Environment and Forestry under the Government of the Kyrgyz Republic
10.15 – 10.30	Mercury in a global context SPEAKER: David Piper, Deputy Head, Chemicals Branch, DTIE, UNEP
10.30 – 10.45	Participation of Kyrgyzstan in sessions of the Intergovernmental Negotiating Committee to Prepare a Global Legally Binding Instrument on Mercury SPEAKER: Mr. Atabekov Djumakadyr, Minister's Adviser, MFA KR
10.45 – 11.00	Report on the current status of the mine: SPEAKER: Mrs. Ormanova Nurkamal, Chair, Board of Directors, Khaydarkan Mercury Joint Stock Company
11.00 – 11.15	Khaidarkan Alternatives SPEAKER: Mr. Valentin Bogdetsky, Kyrgyz Mining Association
11.15 – 11.30	Creating alternative job opportunities in Khaidarkan, Small Grants Program SPEAKER: Mr. Dosaliev Ruslan, Expert on SMI components, UNDP
11.30 – 11.50	Coffee BREAK
12.00-12.15	Kyrgyzstan-UNDP-UNEP Partnership Initiative for the Integration of Sound Management of Chemicals into Development Planning Processes SPEAKER: Mrs. Filkova Tatiana, Project Coordinator
12.15-12.30	Experience of Japan and Kazakhstan in industrial facilities demercurization SPEAKER: Mr. Michael Iluschenko, The chair of methodology and scientific nature management of Energy and Telecommunications, Almaty University
12.30-12.45	Results of medical and environmental research in Khaidarkan and its surrounding SPEAKER: Mrs. Sharshenova Ainash, PhD, Kyrgyz Research Institute of Profilaxy and Medical Ecology
12.45-13.00	Analytic research at Khaidarkan Mercury Mine SPEAKER: Israilov Makhmud, Head of laboratory, Kadamjai Sanitary Epidemiological Supervision
13.00-14.00	Project Presentation SPEAKER: Baygabyl Tolongutov Director, State Regulation Centre of the Environment Protection and Ecological Safety under the State Agency on Environment and Forestry under the Government of the Kyrgyz Republic Open discussion
14.00	Closure of the meeting Lunch

Friday, 14 December 2012	
9.30	Registration
10.00 – 10.30	GEF SPEAKER: David Piper, Deputy Head, Chemicals Branch, DTIE, UNEP
10.30 – 10.45	International Partners of Project SPEAKER: Mr. Novikov Victor, ZOI network
10.45 – 11.00	"Obvious Mercury Risk on Environment and Public Health in Khaidarkan , Proposals for Risk Assessment " SPEAKER: Mr. Michael Iluschenko, Chair of methodology and scientific nature management of Energy and Telecommunications, Almaty University
11.00 – 11.15	Analytical Research Results, Khaidarkan mercury plant SPEAKER: Mr. Israilov Mahmud, Head of Laboratory, Kadamdjay Sanitary Epidemiological Station
11.15 – 11.30	Brining of Khaidarkan Mercury Plant's Waste Storage into Environmentally Safe Condition. SPEAKER: Mr.Reznik Vladimir, LTD "ODESEM", Ukraine
11.30 – 11.45	"Conception of Remediation for Mercury Contamination in Khaidarkan and Possibilities of Cleaning-up " SPEAKER: Mr. Michael Iluschenko, Chair of methodology and scientific nature management of Energy and Telecommunications, Almaty University
11.45 – 12.15	Coffee BREAK
12.15-12.30	Monitoring Program in Khaidarkan SPEAKER: Mrs. Salamatina Anna, Chui Environmental Laboratory
12.30-13.30	Work in groups: Draft Project Work Plan and Project Details
13:30 – 14:30	LUNCH
14:30 – 15:30	Continue of working in groups on the Draft Project Work Plan
15:00 – 16:00	Discussion
16:30 – 17:00	Coffee BREAK
17:00 – 18.00	Group Report
18.00	Meeting closure