

# IFC HELPS MINING COMPANIES MANAGE SOUTH GOBI WATER CHALLENGES

Convened by IFC and Sustainability East Asia LLC, the South Gobi Water and Mining Industry Roundtable is helping companies address the region's water management challenges by following international good practices and improving engagement with local communities and government.

## WATER ISSUES IN THE SOUTH GOBI

Mongolia's South Gobi region endowed with copper, gold, coal and other natural resources, is an arid region with scarce surface water resources that is set to experience a major mining boom. Several mines built in the last decade have triggered population migration and the construction of large-scale supporting infrastructure including power stations and transport corridors. Mineral exploration is expected to expand as the government issues new licenses to promote economic growth. The area is already experiencing water shortages due to shifts in climate, a growing small- and large-scale mining presence, degraded and abandoned water infrastructure and widespread use of irrigated agriculture alongside the traditional livelihood of herding. The region's challenges around water scarcity affect a variety of stakeholders. Local citizens fear their water may be depleted or contaminated, thereby cutting off domestic use and negatively impacting their livelihoods as herders. Exploration and mining companies need water for their operations, and recognize that water needs to be managed as a shared resource.

In recent years, the Government of Mongolia has passed several laws to increase and strengthen the regulatory environment, to improve water resource management and to increase environmental protection.

Still, until recently, two critical pieces of the water puzzle were missing: coordinated involvement between companies to manage water issues outside their fence and systematic engagement with local communities. Despite a more rigorous regulatory environment, water management practices still vary from company to company. While some companies utilize cutting edge technical water management practices and implement current industry best practice in the social management of water, not all companies have the same capabilities.

## IFC PROJECT DESCRIPTION

Since 2014, IFC has been engaging with 12 exploration and mining companies operating in the Gobi region to improve the companies' water management and community engagement practices. Project activities are developed in close collaboration with the mining companies through quarterly roundtable meetings focussed on the following goals:

- Standardize business policies and practices related to water resource management.
- Promote integration between technical and social specialists from participating companies to improve identification and mitigation of water risks.
- Strengthen relationships with local communities through dialogue and participatory engagement with companies, herders, local government and regulatory authorities.
- Educate community, government and industry stakeholders on mining and water issues.



## Community Perceptions Survey

In 2013, IFC commissioned a community perceptions baseline survey in the South Gobi region to assess the following issues: access to water, use of water and opinions on water management. Key findings reveal that communities: a) do not know how to test the quality of drinking water, b) do not trust the information delivered by companies with regard to the impact of mining on water, c) lack information on water availability in the South Gobi region and d) fear that the mining sector's dependence on water will deteriorate grazing land yields.



## RESULTS TO DATE

- 11 companies became signatories to a Voluntary Code of Practice (VCP) demonstrating a shared commitment towards responsible water management practices.
- Trained more than 1000 community, government and industry stakeholders to improve understanding of mining and groundwater systems and to promote behaviour changes towards improved water management practices.
- Catalyzed changes in company business practices such as participatory water monitoring programs, mine water balances, consistent approach to water accounting, revised water management plans to address social risks and improved communications around disclosure of water risks and management approaches.
- Surveyed 1100 local people about their perception of the mining industry's impact on water; 14 multi-stakeholder workshops on key study findings.
- Implemented a communications and awareness raising strategy for the South Gobi Water and Mining Industry Roundtable.
- Developed a survey to track performance of signatory companies across the 6 pillars of the VCP, allowing the Secretariat to verify VCP compliance on an annual basis
- Implemented pre-feasibility studies for three VCP signatories, and a regionally focussed report, to consider integration of renewables with existing power generation systems.

## PLANS FOR 2018:

- Track and monitor behavior changes in local communities and mining companies following their participation in IFC's trainings.
- Improve engagement with government and community members to increase visibility of the VCP and to celebrate achievements of signatory companies.
- Continued implementation of the program's communications and awareness strategy through newsletter, project website, videos, and social media.
- Build company capacity to strengthen compliance with VCP commitments.
- Deliver an additional 10 training sessions with local stakeholders.

## PROJECT WEBSITE:

<https://www.commdev.org/south-gobi-water-and-mining-industry-roundtable/>

## VCP SIGNATORIES AND ROUNDTABLE PARTICIPANTS:



With financial support from:



"A participatory approach to water management is essential for sustainable development. Clean water supports life, development, environment so it is important to protect water."

—Community member training participant,  
Khan Bogd October 2014

"The key takeaways for me were that information transparency and a common understanding of water by the state, industry and citizens is critical"

—Government authority training participant,  
Dalanzadgad June 2014

"The training provided new approaches to stakeholder participation in water management. Also, I had the opportunity to see water issues from a different point of view."

—Mining representative training participant,  
Ulaanbaatar September 2014

"It is crucial to develop cooperation with the state organization representatives. Following this Roundtable, I will contact the RBAs to actually implement the activities we have discussed during this meeting."

—Roundtable company training participant,  
Ulaanbaatar June 2015

