Romania Mine Closure: A Sustainable Development Project

Christopher Sheldon
Oil, Gas and Mining Policy Division
The World Bank Group

Extractive Industries Week
March 5, 2009
Mining in the World Bank

Structure

• Part of the Sustainable Development Network
• Merger of the Infrastructure Network and the Environmental and Social Network
• Back in 1999 the Mining Division partnered with the Social Development Division on Mine Closure and Social Mitigation in Romania
  • An example of cross collaboration for Sustainable Development
Sustainable Development

- Meeting the needs of current generations without inhibiting on the ability of future generations to meet their needs (Bruntland)

- Pillars for Sustainability
  - Economic
  - Environmental
  - Social
  - Governance
Romanian Mining Sector

Background

- Employed 178,000 in 1997
- Subsidies of US$ 385 million in 1996
- 278 Mines
- Whole cities, towns and regions depended on the mines
- Closures and Restructuring from 1998
  - Layoffs, protests, huge socio-economic impacts
Bank Support for Romania Mine Closure

- Mine Closure and Social Mitigation Project
  - 1999-2006, US$44.5 Million

- Romania Mine Closure, Environmental and Socio-economic Regeneration Project.
  - 2005-2010, US$120 Million
Economic

- Reduction of Subsidies Frees Up Funds for Other Uses
  - 1996 Subsidies of US$385 million
  - 2005 Subsidies down to US$80 million
  - 2008 End of Subsidies for metal mines
  - 2010 End of Subsidies planned for coal mines

- Revitalization of former mining areas for other economic activities
Environmental

- Physical Closure and Clean Up of Mines
  - 31 mines in first project and 20 in second
  - Consult with Community about end land use
  - Remove unwanted buildings and contaminated soils
  - Close up dangerous underground entrances and gas leak areas
  - Stabilize tailing dams and waste dumps
  - Rehabilitate the land
  - Treat water (if necessary)
  - Restore land for future use (link to socio-economic)
    - Agriculture, recreation, new business and industry
Environmental

- Laws, Policies and Procedures
  - Sector Environmental Assessment
  - Environmental Management Plans for each site
  - Manual of Environmental Procedures
  - Implementation of Environmental Management System for the Mining Sector
  - Environmental Monitoring Pilots
Social

Social Mitigation and Job Creation
- Employment Training Incentive Scheme
- Micro Credit for Mining Regions
- Workspace Centers (Business Incubators) using former mine buildings
- Enterprise Support for new business development
- Started with miners and expanded to mining community
- 21,600 jobs and 1,078 new business created in first Project
Social

- **Community Development**
  - Community strategic plans
  - Small Grants to vulnerable groups
  - Mid size grants to communities for social development
  - Large grants for municipal infrastructure

- **Community Infrastructure repair and improvements**
  - Roads and bridges rehabilitated
  - Drainage and sanitation works
  - Community building repair (local church)
Social

- Community Consultation
  - Key to success
  - Community input into the design and end land use
  - Ongoing dialogue during works
  - Public facilitator on the ground to listen to community concerns and liaise with contractors and engineers and report to Government
  - Consultation before handover to local authorities
Governance

● Laws, Policies and Procedures
  – Mine Closure Manuals

● Project Structure and Management
  – PIU, Contractor, Supervising engineer, technical audits and supervision, post closure monitoring

● Skills Development and Transfer
  – 500 people trained and accredited in mine closure
  – Cost savings using Bank procurement methods
  – Model for hundreds of other mines to be closed

● Transparency
  – Project documents and photos on the web  http://ump.minind.ro
Giving Back the Land

- Short Film (on YouTube)
  - Racos
    - Recreational lake made from subsided land
    - New light industry
  - Bodos
    - Backfilling the pit and smoothing out the waste dumps to return the land to agriculture
    - New bridge, drainage and sanitation