

## MINING

### *Policy and regulations*

#### *National legislation*

Underground resources in the Republic of Bulgaria are owned exclusively by the state. Their exploiting is provided under permission and concessions arrangements through the provision of rights for prospecting and/or researching and mining rights.

Relations in the field of mining are regulated by the Law on Underground Resources (LUR) adopted in March 1999. The competent authorities in the implementation of LUR are the Council of Ministers, the Minister of Environment and Water, the Minister of Economy and Energy, the Minister of Regional Development and Public Works. Mineral resources are divided into 7 groups. The Council of Ministers grants mining rights – concessions. The terms of the concessions are set up by the Ministry of Economy, if the object of the extraction is in the field of metal, non-metal, oil and gas or solid fuel and by the Ministry of Regional Development and Public Works if the object of the extraction is in the field of construction and rock-lining materials.

The permits for prospecting and/or researching are issued by the aforementioned authorities, depending on the natural resources group after the explicit consent of the Council of Ministers.

The Law ensures the implementation of the competitive principle in the provision of rights for prospecting and/or researching. Candidates for these rights could be a local or foreign natural or legal person who is registered as a trader in accordance with the legislation of the place of business of the trader.

The candidate trader is free to choose the area of prospecting and/or researching, but there are 3 types of restrictions:

- The applicant should have the necessary management and financial capacity and his working programme should meet the technical and technological standards and environmental requirements;
- The required area should not exceed the designated maximum size and be available;
- There is no threat to the national security and defense of the country, to the earth's womb and environment, protected areas, sites and monuments of culture, health of the workers.

#### *Fiscal policies and counteracting market fluctuations*

The prospecting and extracting are performed on behalf of the holders of the rights. The holder of the permit for prospecting and/or researching should pay an administrative fee

for issuing a permit and an annual area fee which is charged per square kilometer occupied area and varies depending on the natural resources group. Some clauses for reduction of the concession fee up to 50% or exemption from the obligation to pay for the period of 5 years, if there are unfavourable mining, geological, technological and economical characteristics of the field or renovation of the extraction in the municipalities with long-term unemployment are laid down in the Law. In order to counteract the market fluctuations the provisions of the concessional agreements could be agreed on subsequently, but within the limits specified in the regulation.

Regarding the other state claims such as customs duty and taxes – corporate, profits, value added, they are defined and regulated by relevant common laws and no exceptions and preferences are provided for extractive companies.

### ***Regulations and mechanism for compliance and monitoring***

The activities regarding permits for prospecting and/or researching, as well as the activities of mining and processing mineral resources, are performed in accordance with work projects elaborated by the holders and approved by the Minister of Environment and Water. The work projects include detailed activities, ways of their implementation, environmental protection measures, conducting self monitoring and the amount of the funds. The implementation of work projects is supervised by the competent public authority having concluded a contract for prospecting and/or research or for extraction, as well as by the Regional Inspectorates on Environment and Water. Other public bodies have issued special permits, such as for explosive work, discharge of mine waters etc., control the compliance with the conditions of those permits.

### ***Guidelines for artisanal, small and medium scale mining***

The same requirements apply, regardless of the size of the undertaking, the volume of extraction and the type of the mineral resources.

### ***Public/stakeholder consultation and participation in decision-making related to mining***

In the process of issuing permits for prospecting and/or researching the district governor and the Mayor of the settlement where the area of prospecting and/or researching is located, are notified by providing the copy of the permit, including the coordinates of the area. The Mayor of the settlement provides information to the local population and takes the project into account in planning the municipality's activities. This information is necessary in planning the development of the municipality, because the Law (LUR) protects the fields of mineral resources and prohibits construction over them. This is a short-term prevention and security measure at early stage, because not all activities

regarding prospecting and/or researching lead to the establishing of a field. When a field is established by a permit holder, investment intention for mining shall be subject to assessment of the need of Environmental Impact Assessment (EIA). The procedure of conducting the assessment is regulated in the Environmental Protection Law, where the procedure for public consultation on the investment proposal for extraction is provided. The legal proposals and requirements of the local population are taken into account and included in the decision issued under the the Environmental Protection Law. The decision includes requirements related to all stages of the investment proposal – projection, construction, exploitation and closure.

### ***Public governance and transparency in the mining sector***

All rights to mineral resources (permits, concessions) shall be published in special registers, access to which is free. All operators are required to keep records on the plans and measures on environmental protection, public safety and health, and to provide information to the stakeholders. Operators of the larger sites create and maintain information centers. At the same time the access to public information is guaranteed by the Public Awareness Law.

### **Mining best practices**

#### ***Environmental Impact Assessment and monitoring of all phases of a mining operation***

As mentioned above each of the investment proposals is subject to estimation of the need for EIA. The Minister of Environment and Water and the 16 Regional Inspectorates on Environment and Water are the Competent authorities to carry out this estimation. When the estimation confirms the need for EIA, the Investor awards the preparation of a report for EIA which is widely discussed by the public.

The conduction of investor's self-monitoring is a mandatory clause of the Decision.

#### ***Private Public Partnership (PPP) for sustainable mining***

Public private partnership in the field of mining is carried out by the concession. The concession is a payment right for usage, when the activity is conducted on behalf of the concessionary and the state has received the concession fee. In accordance with the Law (LUR), the concessioner shall pay 30% of the concession fee directly to the municipality/municipalities on whose territory the concession facility is situated. The concession also may include a requirement for mandatory improvements. These improvements are most often connected with public utilities.

### ***Emergency Response Plans and Preparedness at the local level***

Every holder of mining rights shall draw up emergency plans which have to be agreed with the competent authorities.

### ***Risk assessment of mines and mining activities***

In assessing the risk the conditions in the region where extractive activities will be carried out, the nature of the activities and their consequences are taken into account.

### ***Rehabilitation of affected communities and life-supporting ecosystems, including mine site decommissioning***

Rehabilitation activities for the areas which will be affected by mining activities are planned together with the projection of the mining activities themselves. Depending on the conditions and the technologies applied, the rehabilitation is done in parallel with the extraction or after its completion. Extraction companies produce and periodically update the work projects for rehabilitation of the affected lands and the mining site closure.

### ***Technological, institutional and social initiatives for protecting the health of mining workers***

The work projects include parts or sections on labour protection and safety which identify measures for safe operations and the creation of safe and healthy working conditions.

Labor medicine departments which monitor, analyze and evaluate the health of workers in relation to existing working conditions and assist employers in implementing new initiatives for ensuring safe and healthy working conditions are being created in the extractive companies.

### ***Mine Closure Planning (Land use plans & site rehabilitation, site safety, decommissioning, waste dump & tailing, site water management, off-site infrastructure, community socio-economic programs and employees)***

The closure of mining sites is conducted after the finishing of the mining activities. For this reason projects for liquidation of the site are elaborated, as well as projects for recultivation of affected terrains. Mining waste facilities shall be closed by special projects in accordance with an order defined in the regulation.