

# Environmental Information and Training Center

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To:

Balkan Mineral and Mining EAD, 26 Bacho Kiro St. , floor 3; Sofia 1000

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Ref No 0041/Aug 12, 2010

CC:

Ministry of Environment and Water, 22 Maria Luisa Blvd., Sofia 1000

Krumovgrad Municipality 6900; 5 Bulgaria Sq.

**RE:** Scope and content of the EIA for the Investment Project for Mining and Processing of Gold Ore from the Ada Tepe Prospect, Khan Krum Deposit

Dear Sirs.

For the last years, Bulgaria has faced practices imposed together by investors, EIA teams and responsible institutions, namely the bad practices of EIA preparation for the sole purpose of smooth passing of a given investment project. Regardless of the huge variety in the scale, type and impact on the environment involved in the investment projects, the EIA Reports consistently provide positive conclusions. The responsible institutions, Regional Environmental Inspection, MoEW and MoH on their part provide arguments of their approval by referring to the same conclusions, without the required critical view on it and without verifying the information.

That wrong approach may result in using certain information from the EIA teams which supports the positive conclusions while deliberately neglecting contrary information. Whenever investment projects have major [environmental] impact, frequently authors directly manipulate the information in order to obtain the result required by the investor.

To quote Directive 97/11 /EC, the EIA Report „...has the objective to provide the competent authorities with the required information that would allow them to make a decision on a specific project with full awareness about the potential serious project impact on the environment".

Also, the EIA procedure has the objective to impose mechanisms by which local communities and other interested parties could proactively participate in the decision making for a particular project.

Here is the second major flaw we have identified over the years. The MoEW and its regional departments too often take away the right of the above [participants] to play the role they are entitled to in the decision making process as they schedule public hearings to the minimum so as to satisfy the law in formal terms, but absolutely insufficient for "...the full awareness of the potential serious impact of the project..." and to ensure an informed decision. The negative statements submitted by the local communities, NGOs and even professional organizations under the procedure are generally ignored as a factor for the final decision, without any argumentation for that.

On this stage of the current procedure, the Investor, Balkan Mineral and Mining EAD, undertook two very important actions – they dropped the [option of] cyanide-based gold extraction which was deemed unacceptable by the local communities and started consultations on the EIA Report for the new Investment Project in compliance with good practices. That gives us some certainty that we could pass and complete the EIA procedure by considering the opinion of the different interested parties and avoid the flaws specified above.

**Suggestions** for the scope and content of the EIA Report for the Investment Project and compatibility assessment against the scope and purpose of protected areas.

1. The implementation of an Investment Project of such a scale will have substantial impact on Kumovgrad municipality, which currently has no industrial polluters and [has] a well developed agricultural business. The employment structure will change as well as the commercial activities in the pit area. It is likely that the investment project will negatively impact the potential for sustainable development via organic farming and tourism.

Having those arguments in mind, we believe it is a must to have a thorough and detailed review of:

- the “zero” alternative;
- economic and social limitations to be imposed by the Investment Project;
- the area of those restrictions.

The benefits of not implementing the Investment Project could be clearly shown only if the environmental and social impact are reviewed clearly and in detail.

2. The current Investment Project refers not only to Ada Tepe prospect but also to the other prospects of the Khan Krum deposit which are potentially subject to mining as well. It is mentioned that they will be subject to individual EIA reports and compatibility assessments. We believe that approach involves a risk of “disconnected” impact assessments and therefore we insist that on this stage yet the EIA Report provides at least a theoretical assessment of the **cumulative impact** of the mining process at the deposit as a whole. Some details of the other prospects are required as well, such as distance to populated areas and location with relevance to protected areas.
3. One of the main risk points of the Investment Project is concentrate haulage. The EIA Report must have a haulage route layout including the volume of concentrate to be hauled, and assessment of the associated environmental impact.
4. We suggest the Report to provide a detailed review of water-related issues:
  - Impact of the planned borehole on the river’s aquifer and respectively, its flow rate impact on other boreholes in the area;

- Impact on Kesebir River at the southwest side of Ada Tepe.

The conclusion made on page 19 that the borehole will not influence the water supply of the town is not sufficient. The water consumption of the industrial operation will influence the water from the river terrace, and the purpose of the Report is to provide as maximum detail and clarity as possible on that matter. The experts' evaluation by Vodokanalproekt-Plovdiv must be attached to the Report.

Page 20 contains a note that waste water will "...meet the individual emission limits and will not worsen the quality of Krumovitsa River water". Practice shows that all mining and processing companies in the country persistently violate the individual emission limits specified in the permit and the sanction [for that] is a minor fine. The Report must provide an evaluation of how those emission restrictions may be violated and what would be the impact on the water body.

5. We hope that this Investment project will avoid the bad practice of violating the hygiene protection distances to populated areas as provisioned in Regulation 7 of the MoH.
6. We welcome the intention to carry out consultations with the Republic of Greece. We recommend that information be provided to the local administration of the Evros and Rhodopi prefectures, in addition to the competent authorities. During the previous EIA process, the competent Greek authority had declared they do not want to take part in the consultations and meanwhile representative of those prefectures appeared at the public hearing and protested that they had not been informed.

Regarding the economic aspects of the Investment Project, we suggest:

7. Rationale of the annual production and respectively the lifetime of the prospect in question and any other potential prospects from the deposit.
8. Arguments of the approaches used for the preparation of the "thorough geological and economic evaluation for identification of the mineral reserves and resources whose open-pit mining is economical".
9. Comparison of options under different quantities of "reserves and resources at Ada Tepe prospect, containing gold and silver" and respectively, at "different cutoff grades of gold", including different variations of gold prices.

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Sincerely,

С уважение:   
DANIEL POPOV

Daniel Popov, EITC,  
Member of the Managing  
Board