



INC 5 BRIEFING PAPER SERIES - **ASGM and Mercury Trade**

November 2012

Artisanal and small scale gold mining is the largest intentional use of mercury in the world, and reducing mercury use in this sector is a centerpiece of the mercury treaty. Treaty language dealing with this sector is largely finalized (in Article 9 and Annex E). However, the approach to control mercury trade for use in ASGM (paragraph 5 of Article 9) is still under negotiation.

Why is restricting mercury trade for ASGM so important?

- The GC mandate to the INC is to reduce both mercury use and trade of mercury. We can't make real progress on reducing mercury use and trade without including ASGM in the picture.

Since ASGM represents the largest intentional use of mercury globally, and is the reason for much of the mercury trade from north to south, achieving reductions in the use *and* trade of mercury in ASGM is a crucial component of the mercury treaty.

- Restricting the supply and trade of mercury for ASGM is a critical component of achieving mercury use reductions for this sector.

Article 9 requires countries to take steps to reduce and where feasible eliminate the use of mercury in artisanal and small scale gold mining, mainly through the implementation of National Action Plans (NAPs). Restrictions on supply and trade will play an important role in the success of the NAPs. Under the NAPs, governments are expected to work actively with miners to reduce mercury use through education, outreach and technical and financial assistance. But it will not be feasible for governments to intervene directly with all miners, especially in countries with hundreds of thousands of miners scattered in many remote areas. That is why a market signal will still be needed. Restricting supply (through restricting trade) will increase the local price of mercury and make it less available overall, which will create an incentive for miners to change practices.

We recognize that the transition to a mercury-free ASGM sector will not happen overnight. In many countries, some mercury use will continue as each country implements its National Action Plan, with the goal of reducing and/or eliminating mercury use. For countries without a domestic source of mercury, this means some legal imports of mercury will be necessary during

the transition period, although such imports should decline over time and, eventually stop. On the other hand, these imports cannot be unlimited, even on a transitional basis. Allowing unlimited imports will fail to create the necessary price signal, and could also create the potential for ASGM countries to become mercury export “dumping grounds.”

The amount of mercury imported should be consistent with the declining demand for mercury that will be achieved through development and implementation of a meaningful and effective NAP. The already agreed to treaty text acknowledges this need to restrict supply. Annex E requires countries to develop “strategies for managing or preventing the diversion of mercury and mercury compounds for use in artisanal and small-scale gold mining and processing.”

- Countries facing the ASGM challenge need the support and cooperation of mercury exporting countries, where trade should be easier to control.

The trade language under consideration (in Article 3) requires Parties with mercury supplies to ensure mercury is traded only as allowed under the Convention. This makes exporting countries the principal “gatekeepers” for limiting the global mercury trade to allowed uses. By having restrictions on trade for ASGM, the exporting countries can help shoulder the burden to make sure that excess mercury does not reach ASGM country borders, where its entry will be hard to control. An informed consent process, outlined in Article 3, would further support ASGM countries by giving them the information and authority they need to prevent unwanted imports. The form and frequency of consent can be decided by the COP at a later date – what is important is that the treaty language recognize the right of each ASGM country to have timely information about the amount of mercury intended for entry into its borders, and to refuse imports, if they are inconsistent with national goals and efforts to decrease mercury use.