World Bank

Social Assessment of Area of Influence: Togolok Deposit

Akshiyrak, Jeti-Oguz region, Kyrgyzstan

Prepared by Oxus International

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Introduction

This report presents findings of social research conducted in the Akshiyrak Aiyi Okmotu of Kyrgyzstan (located in Jeti-Oguz raion, Issykul province). The aim of the research was to study the current social situation in Akshiyrak Aiyi Okmotu and the potential social, economic, and ecological impact of the construction and operation of the mine at the Togolok gold deposit. The findings of the research will be used by the World Bank for assisting and advising the Government of the Kyrgyz Republic on conducting the tender for the Togolok gold deposit.

Past experiences have demonstrated that mining can have several positive and negative impacts on the communities surrounding the mine. This research project was intended to offer a partial insight into how the presence of a gold mine may impact Akshiyrak.

To fulfill the aim of the research, firstly, a desk study was conducted which looked at the community involvement in the mining sector in Kyrgyzstan including the relevant legislation. Secondly, fieldwork was undertaken in the Akshiyrak Aiyi Okmotu where interviews and focus groups with key actors and residents of the community were held. Finally, the findings of the research were presented by the research team to representatives of the Akshiyrak community in a validation workshop and the findings were adjusted accordingly.

Summary of Findings

- Gold mining is the most important industrial activity in Kyrgyzstan in terms of contributions to GDP and government budgets
- The mining sector is a common source of social and political strife in the country
- Decreases in the amount of mining after independence left several communities without the social and economic benefits previously brought by the industry
- In post-Soviet times, protests have become a common tool used by communities to voice their interests and opinions on the mining industry
- Akshiyrak is an unusual area in Kyrgyzstan because of its extreme remoteness, small size, and proximity to China
- Research revealed several key social and economic issues in Akshiyrak
  - Lack of ownership over its territory
  - Poor roads and bridges
  - Lack of communication and transport services
  - Lack of gas, clean water and modern heating systems
  - Poor social facilities
  - Lack of service facilities
  - Limited businesses
  - Lack of employment opportunities

The Akshiyrak community sees the potential positive impact of the mine as provision of employment to local population, improvement of the infrastructure, improvement of social services, an increase in the supply of goods and services, and promotion of local entrepreneurship. Meanwhile, the key potential negative impacts were noted to be:

- The potential for social conflict resulting from a dispute over land
- Perceived or actual ecological impacts driving social unrest and key livelihoods
- Underemployment of local people and overpopulation of the local community by outsiders
• Protests by local people if a Chinese mining company is chosen to work at the Togolok gold deposit

Based on these, the report provides recommendations to encourage positive impacts and mitigate the negative ones. The key recommendations include:

• Implementing the mining project based on international norms of socially responsible mining by respecting the rights of communities to information, public participation and access to justice
• Involving the government, local authorities, the mining company and the local community into planning, carrying out, and monitoring the social, economic, and environmental impacts of the mining project.

The report consists of five sections.

1. Overview of the current practice of community involvement in the mining industry in Kyrgyzstan
2. Key features of Akshiyarak Aïyl Okmotu and community
3. The potential social and economic impacts of the mine on the community
4. The potential environmental impacts of the mine
5. The interrelation of social and environmental impacts
6. Recommendations based on the findings of the research
7. Methodology of the research
1. An overview of community engagement in mining areas in the Kyrgyz Republic including the relevant legislation and practices to date

1.1 Community engagement in mining

Community engagement in mining has recently come to the forefront in the agenda of governments, international development agencies, and mining companies since mining has been recognized as inherently linked to sustainable development, poverty reduction, and environmental protection. Working with communities over the life span of a mining project is now considered the best mechanism to bring benefits to the affected communities. An effective engagement process enables the views, interests, and concerns of communities to be heard, understood, and taken into account in decision-making and distribution of benefits. It also gives communities a chance to understand the mining project, its opportunities, and challenges.

According to the Aarhus Convention, communities should have access to information, the right to public participation, and access to justice in order to be involved in the environmental protection process, which also concerns the mining industry. This means that information should be collected and disseminated in a transparent way by the government and local authorities, and it should be provided to citizens upon request to ensure that every citizen has access to this information. Communities should also be informed of all the projects and have an opportunity to be involved in the decision-making process. Pring and Noe note that public participation is when people can express their needs, interests, and concerns through a wide scope of activities ranging from making public comments to holding mass protest demonstrations. Finally, communities should be able to appeal to the court when they are denied information and the right to participate in decision-making and to voice out their needs and concerns.

These pillars of the Aarhus Convention have been the key principles underlying the process of community engagement in the mining industry, which have been further expanded and adjusted to the industry in the following ways:

- Free, prior, and informed consent – communities should give their agreement and permission for the mining project to be carried out.

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5 Pring, “The Law of Public Participation.”
7 Pring, “The Law of Public Participation.”
Participation in decision-making/consultation – community members should be involved in the decision-making and consultation processes within the mining project from its inception to closure.

Access to information – information about the mining project and its potential social, environmental, and economic impacts should be made available to communities by the government and the mining company.

Consent-benefits and compensation agreements – compensations and benefits should be provided to communities for any changes and damages to their normal livelihood.

Recognizing women's rights and addressing gender-related risks – policies and strategies of the mining project should recognize women as separate stakeholders and take into account their interests, views, and needs.

Recognizing labor rights and addressing worker-related risks – local people should be employed as much as possible and health and safety should be guaranteed to them. All potential risks should be assessed and appropriate measures should be taken.

Security issues and human rights – the mining company and the government should ensure that the security of the community is not jeopardized, conflict between people and different groups, especially organized crime, is not instigated and human rights of community people are not violated.

1.2 Mining companies and areas in Kyrgyzstan

Kyrgyzstan has a substantial reserve of fuel and energy resources, precious metals, and base and rare metals across its territory (see Table 1 and Map 1). However, despite this diverse assortment of resources, the mining industry in Kyrgyzstan has concentrated on the production of coal, antimony, mercury, gold, uranium, and rare-earth materials. For example, during Soviet times, Kyrgyzstan boasted large mining enterprises such as Kadamjay Antimony Enterprise, Khaydarkan Mercury Enterprise, Kara-Balta Mining Enterprise, Kyrgyz Mining-Metallurgical Enterprise, and Makmal Gold-Mining Enterprise. Kyrgyzstan's contribution constituted 100% of Soviet antimony, 40% of its mercury, 30% of its rare-earth materials, and 15% of its uranium. In addition, coal mining has existed since the early 1900s, which enabled Kyrgyzstan to provide the entire Central Asian region with coal by 1913, and maintain high production rates during the Soviet times.

### Table 1 – Resources available in Kyrgyzstan

<table>
<thead>
<tr>
<th>Minerals</th>
<th>Measurement unit</th>
<th>Number of deposits in balance</th>
<th>Confirmed reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel and energy resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil</td>
<td>tons</td>
<td>11</td>
<td>12,925</td>
</tr>
<tr>
<td>Gas</td>
<td>000 m³</td>
<td>11</td>
<td>7,312</td>
</tr>
<tr>
<td>Coal</td>
<td>tons</td>
<td>49</td>
<td>1,316,918</td>
</tr>
<tr>
<td>Precious metals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard rock gold</td>
<td>tons</td>
<td>24</td>
<td>348</td>
</tr>
<tr>
<td>Placer gold</td>
<td>tons</td>
<td>24</td>
<td>6</td>
</tr>
<tr>
<td>Silver</td>
<td>tons</td>
<td>12</td>
<td>326</td>
</tr>
<tr>
<td>Base and rare metals</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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9 Miranda, Chambers, and Coumans, “Framework for Responsible Mining.”
12 Zozulinsky, “Kyrgyzstan: Mining Industry Overview.”
<table>
<thead>
<tr>
<th>Metal</th>
<th>Tons</th>
<th>Metric</th>
<th></th>
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<tbody>
<tr>
<td>Mercury</td>
<td>4</td>
<td>40,335</td>
<td></td>
</tr>
<tr>
<td>Antimony</td>
<td>7</td>
<td>265,444</td>
<td></td>
</tr>
<tr>
<td>Tin</td>
<td>2</td>
<td>209,221</td>
<td></td>
</tr>
<tr>
<td>Tungsten</td>
<td>2</td>
<td>124,943</td>
<td></td>
</tr>
<tr>
<td>Copper</td>
<td>7</td>
<td>140,500</td>
<td></td>
</tr>
<tr>
<td>Lead</td>
<td>3</td>
<td>27,400</td>
<td></td>
</tr>
<tr>
<td>Zinc</td>
<td>2</td>
<td>17,600</td>
<td></td>
</tr>
<tr>
<td>Rare earth metals</td>
<td>1</td>
<td>51,500</td>
<td></td>
</tr>
</tbody>
</table>

Source: [http://uk-analyst.com/shop/page-article/action-article.show/id-130011114](http://uk-analyst.com/shop/page-article/action-article.show/id-130011114)

The collapse of the Soviet Union had an immense impact on the mining sector in Kyrgyzstan. The breakdown of the planned Soviet economy forced the mining enterprises to either shut down or reduce their production as a deep economic crisis struck the country in the early 1990s. Over the course of two decades of independence, Kyrgyzstan has struggled to develop its mining sector. Several key mining enterprises from the Soviet era have managed to retain their position. Only one new gold mining enterprise, Canadian-owned Kumtor, was established.

Khaydarnak Mercury Plant (KMP) is located in Kadamjay region, Batken province. As a result of the Soviet demise, the KMP went bankrupt in the early 1990s because of a drop in its production and loss of its outlets. However, in the mid-1990s, it resumed its operations thanks to support from international programs, and over time it became competitive again.

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Kadamjay region is also home to the famous Kadamjay Antinomy Enterprise (KAE), which was the only producer of antinomy in the Soviet Union. However, the KAE now works with imported raw material as its own deposit was depleted.

Kara-Balta Mining Enterprise (KBME) is situated in Kara-Balta town, Jaiyl region, Chui province. Its raw material base in Kyrgyzstan was exhausted in the last two decades of Soviet rule and because of this, the KBME had to produce uranium from Kazakhstan’s raw material. This came to an end after the collapse of the Soviet Union. In recent years, the KBME has been refining gold and silver. In June 2011, the KBME signed an agreement with Kazatomprom for uranium production.

Makmal Gold Extracting Plant (MGEP) is in Toguz-Toro region, Jalalabad province. It was established in 1986. In 1992, MGEP became a part of Kyrgyzaltyn Joint Stock Company, of which the state is a key shareholder. Kyrgyzaltyn plans to invest USD 7.5 million into reconstruction and modernisation of the production process and additional exploration of the deposits in the Vostochnaya and Dioritovaya zones. Consequently, the plant’s operation might be extended until 2016.

The only new mining enterprise built in Kyrgyzstan over the course of its independence was Kumtor, which began operations in 1997. It is located in Issyk-Kul province, 350 km southeast of the capital. Kumtor is owned by Centerra, based in Toronto, Canada, and has grown to become the largest Western-run gold mine in Central Asia. However, 32.96% of Centerra’s shares are owned by the Kyrgyz government.

Since the early 2000s, the gold mining industry in Kyrgyzstan has attracted even more foreign interest and investments. Britain’s Orsu Metals has been working on the Talas Copper Gold venture. For the time being, the project has explored the northern slope of the Talas Valley based on four licenses: Taldybulak, Barkol, Kentash, and Korgontash. Australian Kentor Gold Limited is another company interested in Kyrgyz gold mining. As of May 2012, it was in the process of obtaining access to a site in Talas province for its Andash project. Lastly, three Chinese companies, Jhoning ji Mining, Interbusiness Qaidi, and Asia Gold Enterprises have been exploring deposits in Naryn (Buchuk) and Osh (Chon-Alai) provinces respectively. All of these projects are in the exploration phase, leaving Kumtor as the only active gold mine.

To sum up, Kyrgyzstan has a number of mining enterprises, some of which are the legacy of the Soviet Union. Since independence, the gold mining industry has experienced relative growth because of Kumtor. It is worth highlighting that the current mining projects and enterprises are in rural, mountainous areas, spanning the north and south of the country.

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16 Zozulinsky, “Kyrgyzstan: Mining Industry Overview.”
17 The World Bank, “Mining Industry.”
18 The World Bank, “Mining Industry.”
19 Uranium Tailings, “Kara-Balta Mining Enterprise and Kazatomprom sign cooperation agreement in uranium production.”
### 1.3 Community engagement in mining areas in the Kyrgyz Republic

#### 1.3.1 Legislation on community engagement in mining areas

The key legislation on mining in the Kyrgyz Republic includes: the Law on Production-Sharing Agreements (2002), the Law on Coal (1999), the Law on Oil and Gas (1998), the Law on Subsoil (1997), and the Law on Concession and Foreign Concessionary Enterprises in Kyrgyzstan (1992). These laws regulate the mining industry and lay out rules for the use of natural resources and ores covering such issues as licensing, ownership, and taxation. However, they do not provide any legislative basis for the engagement of communities.

Based on the Aarhus Convention Model on community involvement discussed in the previous sub-section, the review of the Kyrgyz legislation indicated that there were the following laws guaranteeing citizens of Kyrgyzstan rights to information, public participation, and justice:

- Constitution of the Kyrgyz Republic,
- Law on Non-Commercial Organisations (1999),
- Law on Zhamaats (Community Based Organisations) and Associations (2005),
- Law on the Rights of Citizens to Assemble Peacefully, without Weapons, Freely Conduct Meetings, and Demonstrations (2002),
- Law on Guarantees and Free Access to Information (1998),
- Law on Supreme Court of the Kyrgyz Republic and Local Courts of General Jurisdiction (1999),
- Law on Environmental Protection (1999),

First and foremost, the constitution of the Kyrgyz Republic guarantees citizens’ rights to access to information, public participation, and access to justice. Further, the law on non-commercial organisations stipulates that citizens can set up a voluntary non-profit organisation to pursue their social, environmental, and cultural interests and/or those of their members and communities as long as the activities of the organisation are not prohibited by the law or pose a threat to national security. However, it is worth noting that the term ‘non-commercial organisations’ is rarely used. These types of organisations are called non-governmental organisations (NGOs). They can work on a wide range of issues, such as gender, environment protection, human rights, cultural development, social development, and poverty reduction, both on the national or regional levels and are registered with the Ministry of Justice.

Non-profit organisations of a smaller scale, such as community groups in rural areas, can be registered by local authorities within the law on Zhamaats, which are voluntary groups of people and households based on the same street or any other territorial formation of a village or city. The key aims of zhamaats are: a) promoting members’ sense of belonging to the community to address community issues, b) meeting social, economic, and cultural needs of the zhamaat’s members and local community, c) involving members of the zhamaat in making decisions in regards to the activities of the zhamaat and local community, d) providing mutual

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28 Constitution of the Kyrgyz Republic (Unofficial translation from Russian was done by the EU-UNDP Project on Support to the Constitutional and Parliamentary Reforms and OSCE/ODIHR), Articles 32, 33, 34, and 94, June 27, 2010.
help to members of the zhamaat, and e) increasing the social mobilisation of the local population.35

There is also the law on local self-governance and local state administration that enables people from the same place of residence to form a territorial communal self-government (TCS). TCS is self-organisation of citizens in accordance with the place of their residence on the territory of a village or a town for addressing local issues and carrying out various initiatives. It can take the form of councils and committees of micro-regions, housing associations, tenements, zhamaats, and others that do not contradict the Constitution, the law on local self-governance, or other laws.31

The law on self-governance and local state administration also stipulates two ways to engage people in decision-making and consultation. The first way is holding public meetings and public hearings, which are conducted to take into account the opinions of people on the issues of their community; to let people discuss information delivered by the local kenesh and ayil okmotu; and to obtain any recommendations from the community. The meetings can be held on different levels (e.g. street, block, village) depending on the issue. The second way is holding kurultai 32 with the local community, where the issues of social and economic development of the community, formation of local budget, and the use and development of public property are discussed. The decisions of kurultai take the form of recommendations to local kenesh and the head of the ayil okmotu.33

Furthermore, the law on the right of citizens to assemble peacefully, without weapons, freely conduct meetings, and demonstrations ensures that people can assemble and conduct these actions in areas designated by the law and with the prior notification and consent of the government and local authorities.34 Citizens of the Kyrgyz Republic are also guaranteed the right to free access to information, as well as to search, receive, investigate, produce, give, and disseminate information freely and without obstacles. Moreover, state institutions, public societies, enterprises, organisations, and officials are obligated by the law to allow every citizen to study any documents and materials in relation to his/her rights and legal interests. All in all, the law on free access to information promotes the principles of accessibility, objectivity, timeliness, openness, and authenticity of the information.35 The law on the Supreme Court and Local Court of General Jurisdiction states that there is a justice system in Kyrgyzstan that strives to function on the basis of openness, lawfulness, and independence according to the constitution of the Kyrgyz Republic.36 Most importantly, the constitution of the Kyrgyz Republic clearly stipulates that every citizen has the right to judicial protection.37

Finally, according to the law on environmental protection, public associations and non-profit organisations working on the environmental issues can request information on the environmental situation, disseminate information on environmental issues in the mass media,

37 Constitution of the Kyrgyz Republic (Unofficial translation from Russian was done by the EU-UNDP Project on Support to the Constitutional and Parliamentary Reforms and OSCE/ODIHR), Article 20, June 27, 2010.
organise an environmental assessment, and participate in environmental monitoring. In addition to the above, citizens of the Kyrgyz Republic have the right to obtain information on the environmental situation, health issues, and construction of industrial enterprises, and to participate in the public discussions of environmental issues.

1.3.2 Practice of community engagement in mining to date

1.3.2.1 Soviet times

During Soviet times, the mining sector in Kyrgyzstan played a key role in the economic, social, and cultural development of local people and communities. Between 1965 and 1985, 150 industrial factories were built in Kyrgyzstan that specialised in producing electricity, processing non-ferrous metals, and building machines, electrical equipment, and others. Towns and other settlements sprang up in and around the mining areas. Six out of 22 towns and 14 out of 29 urban-type communities, such as Sulukta, Khaydarkan, Kyzylniya, Kokjangak, Mailysuu, Tashkomur, Sumsar, Minkush, Karabalta, Orlovka, Aktuz, Kadjisai, Jergalan, Kazarman, Enikhek and others came into existence because of the mining enterprises that operated in the area.

Such development had an enormous impact on the infrastructure of the mining areas and on the living standards of people working and living there. Salaries in the mining sector were considerably higher than those in other sectors. Mine workers and their families had social benefits such as vouchers for health-resorts and sanatoriums. On the whole, the mine workers enjoyed a high social status and the respect of their communities. Outstanding mine workers received awards and prizes from the Soviet government and were appointed to high positions in mining companies and administrative and state agencies. For instance, a mine worker from Kyzylniya, Mr. Kulatov, served as a chairman of the Supreme Council of the Kyrgyz Socialist Republic from 1945 – 1978. Towns and other settlements in mining areas had quality roads, energy supply, public transport, and communication infrastructure. Schools, nurseries, secondary education institutions, medical clinics and hospitals, shops, and cultural institutions such as cinemas, libraries, clubs, and theatres were also built.

Ensuring infrastructure and social services was a key component in the strategy and budget of the mining companies. The infrastructural, social, and economic development of the mining areas and their population benefited the communities and settlements located nearby. People from outside the mining areas could sell their agricultural produce and purchase other goods. They also could receive high or specialised secondary education. High salaries, economic benefits, quality infrastructure, and social services provided by the mining sector did limited any potential for conflict between local communities and mining companies.

However, the collapse of the Soviet Union unveiled environmental issues that the mining sector had caused. The key problem was radioactive mining waste. According to the recent human development report, there are 92 sites in Kyrgyzstan with toxic and radioactive mining waste. Most of these are tailing pits located in Mailisuu, Minkush, Shekaftar, Sumsar, Kadjisai, Aktyus, and Kan. The radiation emitted from the tailing pits is detrimental to the health of people and environment, particularly because the pits are used by local people, including children, as

The Kadjisai tailing pit from the mine that operated until 1967 is particularly pernicious because it can potentially cause radioactive pollution in Issyk-Kul.

1.3.2.2 Post-soviet times

According to a recent feasibility study, the Khaydarkan Mercury Plant (KMP) has been found very important to the communities of the region where the plant is located. More than 20,000 people depend on the operation of the KMP. The attitude of local communities and organisations towards the KMP is generally positive. In the course of the study, 94.4% of the residents and 80.6% of the plant’s staff said that the KMP was beneficial to them mainly because the plant provided jobs to local people. Moreover, the plant is not only the key employer in Khaydarkan but also the largest taxpayer and provider of infrastructural services, such as water supply, energy, and gas. In 2011, 300,000 soms (USD 8,500) were paid as taxes, three-quarters of which remained in local budget.

In sum, mining companies have engaged with local communities in terms of provisions of economic, social, and infrastructural assistance, such as jobs, payment of taxes, grants for various development projects, and equipment donated to schools and hospitals. In addition to this, representatives of civil society and local communities have put in efforts to get involved in the mining projects in terms of decision-making, public participation, and access to information.

Since the collapse of the Soviet Union, the role of the mining sector in Kyrgyzstan as a driver of social and economic development of the communities has drastically changed. The mining enterprises have struggled for survival and abandoned provisions of infrastructural and social support to local communities. In fact, local municipalities have taken over infrastructure and social services, but lack funds to maintain them. The number of mine workers has shrunk by 35-40%. For example, at present, KMC employs approximately 500 people, which is 4-5 times less than the number of people it used to employ during Soviet times. There was also a massive out-migration of qualified mine workers. Nonetheless, as noted elsewhere, since the late 1990s the mining industry in Kyrgyzstan has experienced slow growth. In particular, the gold mining sector has seen most of the investment from abroad.

Kumtor is the most important mining company in post-Soviet Kyrgyzstan and has contributed to its social and economic development. It has sought to engage with local communities, but has still stirred some controversy. In 2010, Centerra, the owner of Kumtor, published its first corporate social responsibility report. According to the report, it has contributed to the economic and social development of local communities by giving out community development funds to local projects. It was emphasised in the report that these funds were distributed to communities by the regional liaison committee, which consists of heads of the regions, ayil okmotu, representatives of village councils, and a representative of Centerra. Such committees

43 Constitution of the Kyrgyz Republic (Unofficial translation from Russian was done by the EU-UNDP Project on Support to the Constitutional and Parliamentary Reforms and OSCE/ODIHR), Article 4, June 27, 2010.
have existed in Jeti-Oguz since 1998 and Ton since 2010. Jeti-Oguz also has an information centre set up by Centerra in order to improve their interaction with the local community. In 2010, Centerra also revised its donation policy. As a result, it contributed 1% of its USD 850 million revenue to community development and investment. Further, approximately 70% of this amount stayed in the local economy as paid taxes, wages, procurement of local goods and services, capital invested to improve in-country assets, and exploration.

The initiative that Centerra is particularly proud of is the Issyk-Kul Development Fund (IDF). Its main purpose is to provide financial support to infrastructure projects. In 2010, approximately USD 7 million was provided to the IDF. The supervisory board (including representatives of Centerra as well as members of the administration of Issyk-Kul province, Jeti-Oguz and Ton regions, and Balykchy city) selects the projects to be funded and ensures that the process is transparent and expenditures are fairly allocated. It is noted in the report that the Togolok mining project could potentially contribute to this fund. All in all, the contribution of Kumtor to the social, economic, and infrastructural projects of local people and communities can be summarised as follows:

- Supported local schools by renovating their buildings, heating systems, and sports grounds. In 2010, 18 schools received assistance with renovation;
- Supported local libraries;
- Funded construction of a hospital in Barskoon village;
- Partnered with Ayil Bank to open a credit line for farmers in Ton region;
- Funded renovations at the Ton hospital;
- Provided computers to six school classrooms in Osh and Jalalabad;
- Built a playground in Balykchy;
- Helped renovate one of the departments of the Bishkek municipal children's hospital (in partnership with CityHope International, the US Department of State, AUB Charity and the Bishkek City Administration office);
- Supported a regional vocational scholarship program for low-income families from Jeti-Oguz region;
- Supported a war veterans program (lifelong monthly bonuses for veterans living in five target villages in Jeti-Oguz district);
- Supported local sports clubs by providing sports equipment and organizing tournaments and events;
- Provided equipment to school classrooms;
- Installed and tested a purée production line at the fruit-processing plant. Fruit such as apricots and apples can now be processed into a preservative-free purée and sealed for delivery to other markets;
- Donated to the Barskoon-based Diagnostic Center;
- Worked with local small business owners to increase tourism opportunities;
- Implemented a project, “the Local Craftsmen Support Program”, by providing financial assistance to craftsmen in Issyk-Kul province since 1999;
- Partnered with UNIFEM programme on micro-loans in Ton region.

Moreover, Kumtor has been providing employment to local people since its establishment. As of June 2012, 2,710 people are employed by Kumtor. Of those, 2,573 (95%) are Kyrgyz nationals.

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It is also the primary contributor to GDP. In 2011, 11.7% of Kyrgyz GDP and 26.1% of its industrial output came from Kumtor.\(^51\)

Notwithstanding their limited and less profitable activities, other mining companies have also made some contribution to the social and economic well-being of local people and communities. In 2004, 15,000 people were employed in the mining industry and received salaries that were four times higher than the average wage in Kyrgyzstan.\(^52\) This number might be even higher now. 11% of budget revenues, 10% of GDP, and 40% of export earnings come from the mining sector.\(^53\) For example, in 2011, JSC Kyrgyzaltyn paid taxes in the amount of 380.9 million soms (USD 8 million) with the following breakdown: 218.72 million soms were paid to the State Tax Department (80.45 of this amount went to region budgets), 144.08 million soms were paid to the Social Fund, and 18.08 million soms to the State Customs Department.\(^54\) Furthermore, mining companies support projects on the improvement of social infrastructure and donate to charities. Between 2001 and 2004, Kyrgyzaltyn donated 1.5 million soms in financial aid. In 2004, Taldy-Bulak gold mining company donated USD 40,000 to the poor in Kemin and Orlovka and gave USD 20,000 for cleaning up a rubbish dump, hazardous to the town and water supply, on the outskirts of Orlovka. In the same year, the company made a commitment to form a local fund where 1% of its net profit would be paid until its external fund was paid in full, and upon this, 2% would be paid throughout the life span of Taldy-Bulak gold mining company.\(^55\)

The first initiative was the Community and Business Forum (CBF), which came into existence as a response to Kumtor’s cyanide truck accident in 1998.\(^56\) This incident showed that there was an information gap between the government, Kumtor, and the public, especially the local communities, as there was much speculation about repercussions of the spill on the communities. The incident provoked various reactions from different stakeholders. On the one hand, it was claimed that the spill caused the death of several people, poisoned hundreds of people, and polluted the environment.\(^57\) Local people blocked the road to Kumtor demanding compensation.\(^58\) On the other hand, the environmental and health impact of the spill were downplayed and disputed by Kumtor and some members of the government.\(^59\) Such conflicting information caused public concern and destroyed people’s trust in Kumtor.\(^60\)

Some NGOs suggested shutting down Kumtor, while others called for promoting more positive relations between business and NGOs and building NGOs’ capacities. As a result, under the technical cooperation programme, the CBF was initiated as a new platform for information disclosure and dialogue-building between the government, business sector, NGOs, CBOs, and local communities affected by mining activities. Initially, the forum was called Kumtor Monitoring Advisory Group (MAG), which was changed at a later stage to the CBF in order to expand the scope of activities. Nonetheless, Kumtor remained the key focus of the forum.\(^61\)

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52 The World Bank, "Mining Industry."  


55 The World Bank, "Mining Industry."  
56 In May 1998, approximately two tonnes of cyanide and sodium hypochloride spilled into Barskoon River.  


A UK-based NGO, Fauna and Flora International, was chosen to implement the technical cooperation program of the CBF. The regular activities of the CBF include conducting workshops and public meetings, publishing multi-lingual newsletters, maintaining a website, disseminating information to local communities and NGOs, and developing and implementing a Small Grants Program to build the capacity of local NGOs. By 2001, the CBF had worked with more than 100 national and local NGOs and 30 CBOs in the following areas: a) building capacity of NGOs to work with business and monitor their activities, b) building capacity of local communities to increase their participation in decision-making, and c) supporting the development of NGO networks in two regions affected by the Kumtor mine and facilitating technical assistance from NGOs in Bishkek, when needed. The CBF was financed by the European Bank for Reconstruction and Development, the International Finance Corporation and DFID.

However, the CBF encountered a number of key issues that impeded its ability to carry out its mission. Firstly, the forum found it difficult to make the dialogue between stakeholders inclusive as some of them sought to dominate the CBF activities due to their perception of their role as the 'expert' stakeholders. Secondly, the forum faced an issue of sustainability. The CBF has not had any activities since 2006. Thirdly, the CBF did not help the victims of the 1998 cyanide spill receive compensation from Kumtor. In fact, the legal case on the spill’s health damage is still being considered in the court.

Protests by local people against Kumtor and its economic and ecological impact have continued. In December 2011, the residents of areas close to Kumtor blocked the road to the mine in order to make the company increase its support to the local community. In February 2012, most mining activities were suspended because of a unionised strike over salary deductions for payments to Kyrgyzstan’s social fund. In June 2012, a local youth organisation protested against Kumtor, calling for improvements in its environmental impact. The CBF should have addressed these issues. However, it failed to sustain itself, let alone address these problems. This case indicates that local communities in Kyrgyzstan have the potential to mobilise and get involved in mining activities. However, such initiatives face the issue of institutional and financial sustainability.

On the whole, local communities located near mines have been active in demanding their participation in the mining projects, especially in the past couple of years. However, the methods they used to participate were protests and violence in some cases. For example, in spring 2011, the office of Talas Copper Gold in Aral was vandalised by a group of local men, which sparked from a demonstration. The estimated damage was reported to be USD 1 million; while the city council members indicated a lower amount of USD 150,000. There has

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65 The outcome of the desk research and during the fieldtrip the Ak-Sh NGO said that CBF stopped working with them since around 2006.
66 The Bankwatch Network, “Between a Rock and a Hard Place.”
69 Talas Copper Gold is a joint venture between South African mining giant Gold Fields and Orsu Metals Corp., which is listed on the London and Toronto stock exchanges. Deirdre Tynan, “Kyrgyzstan: Mining Riot Rattles Foreign Investors,” Eurasianet.org, http://www.eurasianet.org/node/63128
70 Associated Press, “Kyrgyzstan gold mines center of tension,” SFGate, http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/04/02/BUMM1F5R5RTL
been much speculation of the attack’s motives. However, the most prominent one has been people’s environmental and economic concerns.

Local people are worried about the environmental impact that the mining activities may have. In addition, they were unhappy with the employment policies of the company as, according to them, few locals are hired73. The mining company said because it was doing exploratory works, it hired a small number of specialists and geologists74. However, even in this case, half of the staff came from Aral75. The Kyrgyz government, in its turn, asserted that the local population should be educated about the environment. Meanwhile, the representatives of another gold mining company, Andash, claimed that it was the responsibility of the government to ensure law and order and give a portion of taxes paid by the mining companies to local communities affected by mining76.

The spring attack did not yield any outcomes. On the contrary, in October 2011, the company was exposed to another attack by horsemen with sticks and petrol bombs. However, this time, Talas Copper Gold claimed that the incident was not a community action but the action of a small group. The October attack made Talas Copper Gold reconsider its engagement with the local community. In January 2012, the company signed an unprecedented trilateral agreement with the government and local people where the local people were given a status of a partner. Talas Copper Gold agreed to address environmental and employment concerns of the local community. In relation to the latter issue, a commission consisting of local people was set up to select candidates for drilling77.

Another example includes the Andash copper and gold project of the Australian company Kentor Gold in Talas whose employees received threats from local community members who were concerned about the ecological impact of the mining activities78. As a result, the company put its activities on hold79. Three Chinese mining companies, Jhoning ji Mining working in Buchuk deposit and Interbusiness Qaidi and Asia Gold Enterprises working on the Chon-Alai deposit, also experienced some violence and protests from local communities80. In May 2012, Jhoning ji Mining was accused of violating ecological regulations and was ordered to stop all activities until an official decision had been made by a joint committee investigating the situation in the mine81. Interbusiness Qaidi and Asia Gold Enterprises faced allegations from the PPI (pro-poor integrity) network, local community, and state bodies in Chon-Alai who blamed the companies for causing radiation affecting the health of the local population and increasing infant mortality. Before this, the people of Chon-Alai blocked a road, demanding local authorities check the legitimacy of the Chinese companies. As a result, the Osh province state administration set up a commission to check on the gold mining companies in Chon-Alai82.

Like Talas Copper Gold, some of these companies had no other option but to work with the local communities. In the case of Jhoning ji Mining in Buchuk, it was agreed between the company, the Youth Group of Kyrgyzstan (Kyrgyzstan jashtar keneshi), and the government that an investigation of the mine would be held with the participation of the youth group and local people. It is worth noting here that the same youth group was involved in the protests against Kumtor in Barskoon in June 2012. Furthermore, Kentor Gold held a meeting with a council of elders, a women's committee, a youth committee, an initiative group supporting the Andash project, members of the supervisory committee, and other villagers in order to proceed with the project activities. In the beginning, the company used to give in-kind support to the community, such as blankets to the local hospital and petrol to the farmers; however, they did not listen to the concerns and needs of people. Therefore, this is a considerable change in Kentor Gold's interaction with local communities.

However, this is not the first time the people of Andash expressed an interest in the mining activities. In 2007, they contacted an international NGO, Milieukontakt, with a request to provide them with information and support regarding mining. People wanted to know about the potential impact of the mining on their livelihoods and environment. Consequently, the NGO provided the community with training on their public participation rights, especially on the ecological issues per the Aarhus Convention. People were taught to hold public hearings. Furthermore, with the community's approval, an Environmental Impact Assessment was conducted by an expert who evaluated the possible impact of the mine on the community and environment. The report, with conclusions and recommendations, was sent to all the stakeholders. The representatives of the Andash mining project said they would incorporate the recommendations into the project. The key requirement of the community was that their life could continue without any changes and they should be involved in the decisions that affect them.

At that point in 2007, the mining company and local community did not find common ground as the Andash mining project was accused of refusing to give any information, and as a result the local community blocked the road to the mining site. However, as noted earlier, there is much more eagerness from the mining company to work with communities now.

The experiences of the above-mentioned local communities with mining projects illustrate that, if the needs and interests of local communities are not heard, they use aggressive measures to be included in decision-making, consultation, and sharing of economic benefits. Foreign mining companies in Kyrgyzstan have also learned that they need to work with local communities. As one of the Chief Executives of Talas Copper Gold recently said, getting community support for projects is even more important than getting support from the government. The cases also show that some communities are determined to become involved in the mining activities through both legal and illegal means.

In the same vein, the government has been considering amending the mining legislation so that it is more responsive to the needs of local communities. As noted repeatedly, the present legislation does not ensure that the welfare of communities is prioritised by mining activities. In addition, the distribution of income, spending of tax revenues, and community rights are not

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clearly stipulated. For this reason, the government has started to make changes in the mining legislation, requiring mining companies to work closely with local authorities and communities.

The Parliament is considering a law requiring mining companies to pay 2% of gross receipts from the field to local authorities (e.g. 50% of all the taxes from the mining companies are sent to local authorities). Another suggestion is to involve representatives of local authorities in an auction commission approved by the Prime Minister in order to prevent such situations when the central government issues a license while local communities impede access to mining sites. In addition, parliament members are discussing a possible requirement for foreign mining companies to build local refining factories to create jobs for Kyrgyz people. In fact, Sariev, the Minister of Economy and Investment, made a critical note about Kumtor for not setting up any factory despite being the largest foreign mining company in the last 15 years of its operation.

Among the international community in Kyrgyzstan, USAID is supporting the government initiative to revise mining legislation and policies. For this purpose, a special working group has been established to facilitate discussions on the changes in the legislation and to welcome participation of all stakeholders in the discussions. The working group has also drafted a law on subsoil assets and made it available on the website of the Ministry of Economy and Anti-monopoly Policy to collect comments and suggestions from the public. It is also intended to have meetings in each province to discuss the proposed law with local communities, local authorities, and representatives of the mining companies operating in the regions.

Furthermore, the government of the Kyrgyz Republic started promoting disclosure of information related to mining. One of the key reasons behind the above described conflicts between mining companies and local communities was either lack of information disclosure or misinformation about mining activities. In 2004, the Kyrgyz government endorsed the Extractive Industries Transparency Initiative (EITI) aims at promoting information disclosure in mining by calling on governments to provide the public with information related to extractive industry payments in an accessible and reader-friendly manner. Civil society is also called to be involved in the design, monitoring and evaluation of this process.

The EITI is recognized in the Country Development Strategy as an important tool to promote transparency in and development of mining companies. The EITI Council was established and included representatives of mining companies and civil society. To carry out organizational

94 The World Bank, “Mining Industry.”
95 The Extractive Industries Transparency Initiative (EITI) was announced at the World Summit on Sustainable Development in 2002, hosted by the United Nations Conference on Trade and Development, whose objective was to improve, enhance, and promote the contribution of the mining, minerals and metals sector to sustainable development and poverty reduction. In 2003, the EITI was launched in London at a conference that was attended by government representatives of participating countries, donor organizations, mining companies, and civil society.
96 The World Bank, “Mining Industry.”
support to the Council, the EITI committee was formed. For the time being the Kyrgyz government has published two EITI reports on: 1) gold mining in the first half of 2004 and 2) payments and revenues from the mining industry in 2009, published in August 2011. The latest report suggests that, in 2009, the government collected USD 96 million from 26 mining companies in the form of taxes and other payments. Tax payments by mining companies constituted 6.8% of total government tax revenue in 2009, which was an increase of 64% from 2008. Meanwhile, revenues from gold mining constituted 85.4% of the revenues disclosed in 2009. Additionally, the government audited six large power companies and more than 20 mining companies.

2011 has been successful for Kyrgyzstan’s EITI activities. In March 2011, the status of the Kyrgyz Republic moved up from a candidate country to a compliant country. In the same month, the Kyrgyz Republic received the Chair’s Award for remarkable progress in carrying out the EITI in spite of political turmoil in 2010.

As noted earlier, the EITI recognises that the role of civil society in designing, monitoring, and evaluating the EITI activities is crucial. As a result, in 2011, a public oversight board was formed in Kyrgyzstan to monitor expenditures of government agencies, distribution of licenses, and conduction of tenders. Furthermore, the Oil Gas and Mining Policy and Operations Unit of the World Bank Group (WBG) provided capacity-building grants to civil society organisations (CSOs) through the Development Grant Facility to support the role and participation of CSOs in the EITI process. In Kyrgyzstan, three NGOs received USD 109,910 between July 2005 and June 2008 to engage civil society in EITI activities (see Table 2). All in all, the World Bank has provided USD 265,000 for the EITI activities in Kyrgyzstan.

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Project Aim</th>
</tr>
</thead>
</table>
| Community and Mining Development Institute | - engaging local government and mass media representatives in the process of raising awareness about the EITI;  
- organizing and conducting training seminars for civil society groups in the regions affected by mining operations in order to promote a greater understanding of the EITI |
| Economic Policy Institute “Bishkek Consensus”  
HDC “Tree of Life” | - enhancing the transparency of benefit streams of the Extractive Industries in the Kyrgyz Republic  
- promoting participation of civil society in the EITI process in Kyrgyz Republic |

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98 The World Bank, “Mining Industry.”  
The discussion of EITI activities in Kyrgyzstan indicates that the government and mining industry have so far focused on transparently disclosing information to the public. According to a World Bank representative, the next stage for EITI activities should be involving people and encouraging them to develop an interest in the transparency of the mining industry. This is because, as the chief of the Independent Ecological Appraisal said, people’s interest in financial reporting or statistics is passive since they are keen on knowing what mining industries can do to improve their lives, what benefits they can expect in terms of infrastructural improvements, and whether the companies set aside funds for these purposes.

To sum up, for the time being the engagement of communities in the mining industry is nascent. Communities receive benefits from mining companies in the form of development grants, in-kind assistance, provision of equipment, and others. The government and mining companies have tried to improve information disclosure about payments and revenues coming from the mining industry. The participation of local communities in decision making and other key processes of mining activities have moved forward. Local communities have shown determination to participate in mining projects especially in such issues as employment and environment. Moreover, local communities believe that mining projects should provide the social, infrastructural, and economic benefits that used to exist during the Soviet times.

1.4 Conclusion

The mining industry in Kyrgyzstan is slowly being re-established since the collapse of the Soviet Union. Gold mining has the potential for growth, but social and political problems have limited this. The laws on mining do not clearly focus on community involvement. However, there are a range of other laws on such issues as access to information, right to peaceful assembly, and right to associations that enable citizens to get involved in the activities of mining companies.

Community engagement in mining areas in post-Soviet Kyrgyzstan has transformed since the Soviet times. People have become active in order to push for social and economic benefits from mining which used to be an inherent part of the mining industry of the Soviet times. As a result, the government and the mining companies have started to take actions in order to respond to the needs and interests of local communities. The government is changing the legislation so that communities have legal rights to participate in the mining activities. Meanwhile, the foreign mining companies learned that communities need to be consulted with in order to run the mining project successfully. The case of Talas Copper Gold has resulted in an unprecedented – though still tenuous - outcome. For the first time, a “treaty” was signed between the government, the mining company, and the local community. Kumtor also published its first socially responsible mining report as part of the EIT initiative.

For future mining activities at the Togolok gold deposit, it is of the utmost importance to involve the local community in the lifespan of the mining project – beginning even before exploration - so that the local community is not negatively impacted; on the contrary it should promote sustainable development, reduce poverty, build local capacity, and preserve local ecology.

2. The local area and the potential influence of the Togolok gold deposit on the area

2.1 Geographic and demographic characteristics

The Akshiyrak Aïl Okmotu is located in Jeti-Oguz region, Issykkul province, 560 km away from Bishkek, the capital of Kyrgyzstan. Its territory is 5,000 sq meters. It is 3,400 meters above sea level. The closest railway station is in Balykchy (385 km away) and the nearest airport is in Karakol (310 km away). The Akshiyrak Aïl Okmotu consists of only three villages: Karasai, Uchkoshkon, and Akshiyrak (see picture 1). Uchkoshkon is the center of the Aïl Okmotu. Karasai is the first village and is 180 km away from Kyzylsuu\textsuperscript{105}, the administrative center of Jeti-Oguz region. The distance between Karasai and Uchkoshkon is 100 km. Meanwhile, it is just 9 km from Uchkoshkon to Akshiyrak village. The Togolok deposit is situated very close to Akshiyrak village with 11 km between them. The Akshiyrak Aïl Okmotu borders the Barskoon Aïl Okmotu of Jeti-Oguz region, Enilchek Aïl Okmotu of Aksuu region, and China. Due to the fact that it borders another state, the Akshiyrak Aïl Okmotu was given a special status on 20\textsuperscript{th} March 2012 in accordance with Decree of the Government of the Kyrgyz Republic No 186\textsuperscript{106}.

\textsuperscript{105}The Soviet name is Pokrovka.

\textsuperscript{106}The Decree of the Government of the Kyrgyz Republic No 186 as of 20 March 2012 was issued to carry out the law on awarding a special status to the areas of the Kyrgyz Republic located on the borders in order to ensure state security, strengthen state borders, address border issues, promote social and economic development, and improve living conditions of people of the area by creating conditions for permanent residency, and stop internal migration.
According to official statistical data, there are 72 households in Akshiyrak Ayl Okmotu, and the population size is 532 people. In Uchkoshkon, there are 38 households, which are comprised of 288 people. The number of households and people in Karasai and Akshiyrak villages is smaller: 15 households (110 people) and 19 households (134 people) respectively. However, it should be noted that there is a slight difference between the official data and the actual number of households that live in Akshiyrak Ayl Okmotu. The official data includes all households and people who are registered as residents of the Ayl Okmotu but do not necessarily live there. If these “absent” households are excluded, there are 64 households in the Ayl Okmotu. For example, during a research visit to Karasai and Akshiyrak villages, local people said there were 4 and 13 households respectively in these locations.

The official data indicated that 99.4% of population (529 people) were ethnic Kyrgyz. Only two people are ethnic Kazakhs. There are 241 males and 291 females. The detailed breakdown of population according to age and gender is given in Table 3. The table shows that currently most people (46%) are of working age (18–59 years old). Twenty-two percent are young people between 18-34 years old; while 26% are elderly. From the table it is also clear that the Akshiyrak Ayl Okmotu might experience a population aging problem in the coming years as only 8.8% of the population are teenagers at the moment, 47 people between the ages of 14-17. However, the problem will not last long as the number of children below 13 years old is 18.6%. Lastly, there are 91 retired people, 3 veterans of war and labour, and 2 single parents. Unfortunately, no data is available for each village separately.

Table 3 – Breakdown of population in Akshiyrak Ayl Okmotu according to age and gender as of June 2012

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0 − 6 years old</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>7 − 9 years old</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>10 − 13 years old</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>14 years old</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>15 − 17 years old</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>18 − 34 years old</td>
<td>58</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>35 − 59 years old</td>
<td>57</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>60 years old and above</td>
<td>60</td>
<td>79</td>
</tr>
</tbody>
</table>

2.2 Lack of land

Notwithstanding the fact that the territory of Akshiyrak Ayl Okmotu is indicated as 5000 sq km in the statistics of the local authority, the Ayl Okmotu does not own its territory. According to the head of Akshiyrak Ayl Okmotu, the reason for this is that, during the Soviet times, Akshiyrak used to be a geological camp and no ranching was practiced. As a result, when Akshiyrak was given a status of Ayl Okmotu, its territory was not ascribed to it. This means that the villages of the Ayl Okmotu are the territory of other Ayl Okmotu such Lepinko, Svetlaya Polyana, and Shalba. For example, Uchkoshkon is in the territory of Lepinko Ayl Okmotu. The Ayl Okmotu of Akshiyrak turned to different ministries and the government to address the paradoxical situation with the land. However, there has not been an outcome yet. This has caused problems and has potential to cause more problems in the future which will be discussed in other sections.

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107 The head of Ayl Okmotu could not point out the exact year when Akshiyrak Ayl Okmotu was formed by saying that it was either 1995 or 1996.
### 2.3 Governance

The main office of Akshiyrak Aiyl Okmotu is situated in Kyzylsuu because there are no means of communication in the villages of the Aiyl Okmotu. Therefore, as the head of the Aiyl Okmotu explained, they are based in Kyzylsuu to be able to communicate with the region and province administrations. The budget of the Aiyl Okmotu is funded entirely by the national government. Seven people are employed by the Aiyl Okmotu at the moment as shown in Table 4. As indicated in the table, the employees are scattered among the three locations. The head of the Aiyl Okmotu is at the top of the governance structure. This is an elected position with such key responsibilities as designing socio-economic development programs and ensuring their implementation after the Aiyl Kenesh’s approval, putting together a budget and carrying it out after it is confirmed by the Aiyl Kenesh, creating new jobs, conducting activities on the development of housing stock and improvement of the territory, planning and implementing activities on the rational use of lands within municipal property, monitoring new construction, and carrying out activities on the prevention of emergency situations and dealing with their consequences. The head of the Aiyl Okmotu visits Akshiyrak regularly, especially for holiday celebrations.

**Table 4 – Employees of Akshiyrak Aiyl Okmotu**

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Position</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kudaibergen Aimanov</td>
<td>Head of Aiyl Okmotu</td>
<td>Kyzylsuu</td>
</tr>
<tr>
<td>2</td>
<td>Baktybek Oljobaev</td>
<td>Head secretary</td>
<td>Kyzylsuu</td>
</tr>
<tr>
<td>3</td>
<td>Nurgul Shamakeeva</td>
<td>Head of financial department</td>
<td>Kyzylsuu</td>
</tr>
<tr>
<td>4</td>
<td>Barktabas Bulanov</td>
<td>Vet specialist</td>
<td>Uchkoshkon</td>
</tr>
<tr>
<td>5</td>
<td>Marat Orozaliev</td>
<td>Specialist on young people policy</td>
<td>Uchkoshkon</td>
</tr>
<tr>
<td>6</td>
<td>Satybaldy Imankulov</td>
<td>Aiyil bashchy of Karasai</td>
<td>Karasai</td>
</tr>
<tr>
<td>7</td>
<td>Rustam Turgunbaev</td>
<td>Hostel administrator (part time)</td>
<td>Karasai</td>
</tr>
</tbody>
</table>

Only Karasai village has an Ayil Bashchy (the head of village) who was appointed on the 1st April 2012. Ayil Bashchy is an appointed position and is in charge of fulfilling functions delegated by the head of Aiyl Okmotu. In Karasai, the main responsibility of the Ayil Bashchy is to serve as the first contact point when people have problems. Because he is trained as a vet, it is also his responsibility to look after the cattle in the village. There are two members of the local Kenesh in Akshiyrak Aiyl Okmotu.

Different types of community-based organisations exist in Akshiyrak Aiyl Okmotu. They include an aksakal court, an NGO, a young people’s committee, and a women’s committee. However, all of these groups are located in Uchkoshkon. The aksakal court consists of four elderly people: 2 male and 2 female. It deals with disputes and minor criminal offences in the village. However, people said criminality and conflicts are almost non-existent in Akshiyrak Aiyl Okmotu. In fact, in 2012, the aksakal court has considered only one case so far. There are no police in Akshiyrak Aiyl Okmotu and people think that they do not need any because their village is so small that, if there is a conflict, it is solved by people jointly over dinner. In Karasai, there is a frontier post, as

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Akshiyrak borders China, where soldiers of the Kyrgyz Army are based to guard the borders. There is also a check point where passports and relevant border-control documents of people wanting to enter Akshiyrak are checked.

The committee of young people and women organize different events and holiday celebrations. The young people’s committee is headed by three people. The women’s committee promotes family unity and holds regular gatherings of women. The one NGO in Akshiyrak was formed in 2002 with the aim of providing people with employment. The key activity was organising a women’s group to produce different felt items such as bags, slippers, spectacle cases, and souvenirs. The items, especially those in the form of and with pictures of animals, were sold in American zoos through an organisation in Bishkek. It purchased the items from the NGO and sent them to Seattle, Washington. In the beginning, 30 women used to work in the group. They were provided with training on the production of felt souvenirs and then trained newcomers. The women were paid 20% from sale of the items as remuneration. However, this is not their main job as women make the felt items during their free time.

The NGO has not had any activities for the last two years because there were no sponsors, mainly because of the global economic crisis. They have resumed producing felt items recently, but for the time being only eight women are involved. The NGO has collaborated with the Wild World Foundation, which helped them organise a fair in Karakol. It has also collaborated with the Community Business Forum (CBF), which held some training and activities on environmental issues in the Akshiyrak community. However, both collaborations have ceased. In particular, the head of the NGO said she had not heard from the CBF since 2006. The representatives of the NGO noted that they had good relations with the Ayl Okmotu, which gave them a building with two rooms for the NGO’s activities.

There is also a committee on pastures (jaiyt komitet). It consists of elderly people of the community (aksakals). The main aim of the committee is to ensure that pastures located close to the villages (3 – 4 km away) are not used by people in summer. These pastures are reserved for winter to be used by the whole community. All in all, the community in Akshiyrak Ayl Okmotu, especially in Uchkoshkon village is very good at self-organisation to address community problems. For example, when a new bathhouse, which was constructed with grant funds, started being neglected, people got together and decided that they would nominate someone to look after the bathhouse and pay him. As a result, every family wanting to use the bathhouse is supposed to pay 50 soms (USD 1.06). If it contributes wood, the price is 20 soms (USD 0.42). Meanwhile, the bathhouse guard is supposed to look after the bathhouse and to pay its electricity expenses.

2.4 Environment

The climate of Akshyirak, like in other areas of the Central Tian-Shan region, is acutely continental. Tree vegetation is absent. The valley is mostly covered with steppe and alpine vegetation. Further to the south, the vegetation is poorer. In the valley of the Ak-Shyirak river pseudo-steppe, vegetation prevails. As for animals, marmots can be seen all over the valley.

Alpine relief is very typical for the glacial areas north-west of the Pamirs, the mountainous sites of Akshiyarak, Khan Tengri, Matcha (joint Zeravshan, Turkestan and Alai mountain ranges) and Talgar. Ancient glacial topography is distributed in the ranges with elevations over 3000 m in the north and more than 4000 m in the south.

The upper part of the mountains receive moisture from the Atlantic and Mediterranean air currents, so there is 800-1000 mm of rainfall, and up to 1600 mm on the Academy of Science
mountain range, and areas of Akshiyrak, Matcha, and Khan Tengri. There is good precipitation in these areas because of a number of reasons:

- the gradual increase in the height of the mountains to the east;
- the latitudinal position of the ridges and their fan-like divergence to the west and southwest, which contributes to the deep penetration of humid air masses into the mountains;
- the latitudinal valleys (Zarafshan, Naryn, and others), as huge troughs, causes air flows from vast spaces to one relatively small area. However, most areas are characterized by annual precipitation of 200-800 mm.

In the Akshiyrak range, the approach to the Northern Karasai pass from the Tian Shan range to the Kumtor geological village and on to the Petrov glacier is a well-constructed and well-used road crossing the Kumtor river. The road goes along the left bank of the river between the hills of moraine, ending at the terminal moraine ridges flow of the glacier. The total time to travel from Kumtor village to a short ice slope to the Petrov glacier is 4 hours. The glacier opens, gently climbs in the lower part has almost no cracks. On the glacier, there are easily-visible approaches to the passes that are located in its upper reaches. The western branch of the glacier is closed, as the snow gets deeper. The glacier is flat, which allows a good look at the upper reaches of the area: the valley of ice closes into a snowy rock wall along the left side of the lane which is located in the western pass, and along the right side, there is a broad saddle (the left edge of the plateau) in the Northern Karasai pass.

Furthermore, there is a state forest reserve called Sarychat-Ertash. It was founded in 1995 and has an area of 72,080 hectares. The forest reserve is located in the head river Uch-Kol on the Sarychat-Ertash Mountain. Its main aim is to preserve the ecosystem of the Inner Tian-Shan. The forest reserve is a home for snow leopards, manuls (a mountain cat), Tian-Shan mountain sheep, wild mountain goats, stone martens, marmots, and rabbits. In fact, it is the only place where it was confirmed that manuls live, which is on the international red list of threatened species. There are also numerous wild birds. Flora of the forest is represented by scant grass, which is characteristic of the highland109.

The weather in Akshiyrak Aiyi Okmotu does not get very warm. Local people said they had only three seasons: autumn, winter, and spring. The research team observed that even on a sunny summer day one needed to wear warm clothes. Moreover, there is a slight difference between weather in three villages. Karasai is colder than Uchkoshkon and Akshiyrak. In winter it can be as cold as -41 degrees in Karasai. Meanwhile, the latter two villages were said to be warmer. Most importantly, Akshiyrak Aiyi Okmotu is located at a high altitude. Therefore, not every person can travel and live there. The research team was warned a number of times by local people, akim110, and a frontier captain deputy that one can feel poor if they have a high blood pressure in Akshiyrak. A number of cases, including fatal ones, have been told as an example of health-related difficulties that may occur.

There is an ecological post straight after Barskoon (32 km). The post conducts a search of vehicles traveling to and from highlands to check if they have animals or their meat. It is a criminal offence to hunt for animals in the highlands of Akshiyrak and the forest reserve unless they obtain permission for hunting.

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110 Akim is the head of the region administration.
2.5 Main livelihood and employment

The main livelihood of people in Akshiyrak Aiyil Okmotu is cattle breeding. There is no agriculture as the land is not conducive to growing plants. People have sheep, horses, yaks, cows, and camels. Both people and a representative of the Aiyil Okmotu could not suggest any statistics on the average number of cattle that families have. In fact, they said that the average number would not reflect the real situation as the number of cattle each household owns depends on their economic well-being. Therefore, some households may have as many as 500 sheep, 20 horses, and 20 cows. Meanwhile, other families might only have a few. Nonetheless, during a validation workshop, the participants suggested that most people probably had 40-50 sheep and goats and 5 – 10 horses and cows.

Most people said that they earned a living by selling their cattle - usually in autumn. However, the validation workshop participants noted that people who did not have a formal job and, consequently, a regular salary, tended to sell their cattle several times during the year in order to generate some income. The participants also said that the latest average prices for the main cattle were as follows: 60,000 soms (USD 1,276) for a horse, 40,000 soms (USD 851) for a cow, and 5,000 – 5,500 (USD 106 – 117) for a sheep. Further, people hire a lorry for transporting the cattle from Akshiyrak to the lowlands for 35,000 -40,000 soms (USD 744 – 851) meaning 1,000 soms (USD 21) for each cattle. The households, which have many cattle can hire the whole lorry for transporting them. Households with fewer cattle can hire a lorry jointly. Nonetheless, it should be noted that people sometimes decide to sell just a few cattle even though they might have many depending on their financial situation.

It was repeatedly said by people that the grass in Akshiyrak was very strong and a little amount of it was enough to feed the cattle. However, there is not much grass in the highlands to reserve it for winter. Therefore, additional grass is purchased in the lowlands and transported to Akshiyrak on a hired transport for 35,000 - 40,000 soms (USD 744 – 851). Furthermore, people of Akshiyrak have encountered a problem with pastures. As noted earlier, Akshiyrak Aiyil Okmotu does not own its land. Therefore, Akshiyrak people use pastures belonging to other Aiyil Okmotu neglect them as they are based in the lowlands. The validation workshop participants said that, at the moment, they did not pay any fee to other Aiyil Okmotu for using their pastures. However, they noted that, if the Aiyil Okmotu from the lowlands demanded payment of taxes, it would be a problem for people of Akshiyrak.

Lastly, people in Akshiyrak have risks such as cold weather and wolves that threaten their successful cattle breeding. In fact, the latter was a pressing issue when the research was conducted. A number of cases of wolves’ attacks on cattle and on people were told to the research team in Karasai, Karakol, Kyzylsuu, and Uchkoshkon.

A considerable fraction of working age people has jobs beyond cattle breeding. According to Aiyil Okmotu statistics presented in Table 5, 80 people in the whole Aiyil Okmotu are employed in seven areas. In other words, 32% of working age people have a job other than cattle breeding. The remaining 68% are engaged in cattle breeding only. Interestingly, people complained that they are unemployed even though they do cattle breeding. Meanwhile, the focus groups suggested that people with jobs also do cattle breeding as their salaries in the amount of 2,000 – 3,000 soms (USD 42 – 63) per month are too little to earn a living. Most jobs are based in Uchkoshkon as it is the center of the Aiyil Okmotu and most social infrastructure is also located there.
Table 5 - Employment of local people

<table>
<thead>
<tr>
<th>No</th>
<th>Name of the activity</th>
<th>Number of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hunting and forestry</td>
<td>45</td>
</tr>
<tr>
<td>2</td>
<td>Transport and communication</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Trade, renovation of cars, household equipment, and personal gadgets</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Social and health services</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Production and distribution of electricity and water</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Financial activity</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Education</td>
<td>23</td>
</tr>
</tbody>
</table>

Table 5 also indicates that 45 of the employed people (56%) work in the field of hunting and forestry. People are employed by the Sarychat-Ertash forest reserve. The employed men told the research team that they observed animals and made sure that they reproduce safely. There is also a company called Foreign Hunting based in Karakol, which employs men from Akshiyrak Aiyl Okmotu. These men accompany foreign hunters to hunt wild mountain sheep and snow leopards in accordance with their permission for hunting and guidelines of the forest reserve.

According to Aiyl Okmotu statistics, 91 retired people receive a pension and only one person receives social benefits. During focus groups, social benefits were identified as a problem. People complained that their families could not receive social benefits even though they are eligible, according to them. They expressed deep disagreement with the existing eligibility criteria for social benefits. The representative of the Aiyl Okmotu explained that social benefits are given depending on the financial situation of the family and availability of land, salaries, and other material items. All of these, including income, is calculated and divided into a number of family members. If the amount is lower than a living wage, then social benefit is given. People in Akshiyrak are refused social benefits in Karakol based on the fact that they have cattle. They were not happy with the fact that they did not receive any privileges or benefits for living in the highlands.

During the validation workshop, the participants said that there were no “very poor” people in Akshiyrak Aiyl Okmotu. They asserted that even the households, who are considered poor have 5 – 6 sheep and goats and would be counted as middle-income households in the lowlands.

2.6 Infrastructure: Roads and bridges

There are two key problems with the roads to Akshiyrak Aiyl Okmotu. The first problem is that the direct road to the Aiyl Okmotu through Sook is not used because the bridge was washed away several years ago (see picture 2). For this reason, people travel through Jojoruk which makes the journey longer. It is 270 km from Barskoon to Akshiyrak through Jojoruk. Meanwhile, it is just 100-110 km through Sook.
The second problem is the condition of the roads and bridges. When the weather is good, the roads are usable but still rough to travel on. Only Jeeps, Nivas\textsuperscript{111}, or similar 4WD trucks can travel on these roads. In rainy and snowy weather the roads get muddy and slippery (see picture 3).

\textit{Picture 2. A washed away bridge (June 2012)}

Meanwhile, heavy snow can cover the roads so that they are not visible (see picture 4). Consequently, in winter, the roads can be closed for several months. During heavy snowfall in 2008-2009, Kumtor managed to shovel only 100 meters of the road in 13 days. Poor roads in

\textit{Picture 3. Jojurok road (June 2012)}

\textsuperscript{111}A type of car produced in Russia, similar to the Jeep. It has been used in Kyrgyzstan’s remote mountainous areas since the Soviet times.
cold weather are a great impediment for local people to travel outside of their Aïl Okmotu and to have access to essential resources such as food.

The bridge on the Karasai-Uchkoshkon road was also washed away in 2002. People used to drive on the broken bridge (see picture 5) until it was renovated in 2009. However, the present condition of the bridge is not robust either. The entrance and exit of the bridge are too narrow. It is challenging for cars to go through the bridge (see picture 6). There is a risk of a car falling off of the bridge because of one wrong move. People in Uchkoshkon shared with the research team a number of stories when they fell into the river and had to be rescued. Moreover, they said that if a car was left in the water for more than an hour, it would sink. Therefore, when the weather is cold, people try to travel in two cars so that they could help each other in case of emergency. The roads from Uchkoshkon to Akshyirak are worse as they are almost non-existent.
Picture 5 - A broken bridge on the Karasai-Uchkoshkon road

Picture 6 - The Karasai-Uchkoshkon bridge after renovation (June 2012)
Water is a key problem in Akshiyrak Aïyl Okmotu. People in Uchkoshkon drink water from a footrill\textsuperscript{112} that was left after the Soviet geological works of the 1970s (see picture 7). The footrill is located in the village close to houses. Water was discovered by the Soviet geologists during their work in the footrill. The geologists installed tubes and an electric generator to pump water out from the footrill in order to proceed with their work. However, after the collapse of the Soviet Union, the tubes and pump have been neglected and, thus, are out of order. As a result, the water flows freely in it. One of the participants of the validation workshop, who has been inside of the footrill, said that there was approximately one meter deep water there.

\textit{Picture 7}. Footrill – the source of water in Uchkoshkon (June 2012)

In 2009, ARIS\textsuperscript{113} constructed a natural filter for water in the footrill by putting gravel and sand so that water could go through them and then flow through the tubes to water pumps in the village. However, according to the representative of the Akshiyrak Aïyl Okmotu, the pipes were laid too close to the surface of the ground. As a result, during winter, the pipes freeze. In 2011, they unfroze close to the end of spring. In 2012, it happened close to the end of June. According to the organization that laid the water pipes, nothing can be done with the pipes and the water system in general as the weather conditions in Uchkoshkon are too severe to have the water system. However, the focus group participants in Uchkoshkon were convinced that the organization did a poor job, as they claimed the village had a consistently working water system during the Soviet times.

\textsuperscript{112}Footrill is a level or inclined road giving entrance (as by a tunnel driven in a hillside) to a mine. For more information, check: http://www.merriam-webster.com/dictionary/footrill

\textsuperscript{113}ARIS is a joint program of the Kyrgyz government and donors on the development of rural areas in Kyrgyzstan. It provides grants to local communities to improve their social infrastructure. There should be contribution from the community as well as participation of all the groups in the community (e.g. women, young people, etc.) (Jailobaeva 2011).
When the water pumps and tubes in Uchkoshkon are frozen, people use a hose to access water in the foothill. Once water is outside, they carry it to their houses. It should be pointed out that people said that the water had too much iron, which they observed from the abundant build-up of minerals in kettles and the damage and loss of their teeth. Consequently, a lack of clean water is a problem for people in Uchkoshkon. In Akshiyrak and Karasai villages, clean water and a water system are also a main problem as people use water from the river. In Karasai village people had to transport water a long distance.

2.9 Energy

There are two electrical substations in the Akshirak Aiyл Okmotu: one in Karasai and the other in Uchkoshkon. Each substation has one employee. The power of electricity at the substations is 110 Volts. However, the substations distribute the electricity to villages in the amount of 10 Volts. Consequently, all the villages of Akshiyrak Aiyл Okmotu are supplied with electricity. People said they did not have a shutdown of electricity. Nonetheless, they noted that the power of electricity was weak, which was, in particular, evident when all the households used electricity at the same time during winter. Moreover, it is not strong enough for heating. People use dung and oil to heat their houses. There is no gas. There are no woods, as trees and plants in general do not grow in the area as noted earlier. Thus, during spring and summer, people prepare dung for winter by drying it on the sun (see picture 8).

![Picture 8. The dilapidated building full of dung inside and outside (June 2012)](image)

2.9 Communication with the outside world

Akshiyrak Aiyл Okmotu does not have any well-established means of communication with the outside world. There are only portable radio transmitters in the substations, frontier post, and forest reserve. There is no phone or mobile connection. Consequently, there is no Internet or fax. In fact, when the research team was in the office of the Aiyл Okmotu in Kyzylsuu, it witnessed trouble communicating exam questions from the Ministry of Education to a school in Uchkoshkon. There was only one option, delivering the letter with the questions to Uchkoshkon.
by hand, as it could not be faxed or emailed or even read over the phone. In fact, the mobile connection stops working after Barskoon.

For the most part people in Uchkoshkon use portable radio transmitters of the forest reserve to communicate their message to their friends and families in the lowlands. The workers of the forest reserve connect with their office in Barskoon during weekdays only at 8 am. Thus there is only one opportunity during the weekdays for people in Uchkoshkon to pass their message to the lowlands. People expressed a deep wish and need to have a mobile connection. One of the participants of the validation workshop suggested that at least portable radio transmitters could be provided to people in Uchkoshkon and workers of Akshiyrak Aiyil Okmotu in Kyrgytsu so that they could communicate without asking workers of the forest reserve.

The transportation system in Akshiyrak Aiyil Okmotu is non-existent. As stated earlier, the closest railway station and airport are more than 300 km away. The research team naively assumed that it would be possible to get a taxi from Barskoon to Akshiyrak Aiyil Okmotu. However, the experience clearly showed that there was neither public (buses) nor privately run (taxis) transport to/from Akshiyrak Aiyil Okmotu. Local people travel by their own cars. The families that do not have a car travel with those who have cars by paying 500 soms (USD 10) and providing 20 litres of petrol. If one has luggage, an additional payment is made. In the course of the focus group with men in Uchkoshkon, it was identified that there were 36 cars in the village. It is worth pointing out here that there are no petrol stations in Akshiyrak Aiyil Okmotu. Petrol is purchased in the lowlands and transported to the villages by families individually.

There is a frontier post at the entrance to the Akshiyrak Aiyil Okmotu (in Karasai) as it is an area bordering on China. Consequently, people who are not registered as residents of Akshiyrak Aiyil Okmotu need to provide their passport and permission from the Frontier Department of the National Army in Karakol to enter the territory of the Aiyil Okmotu. The difficulties with transport, necessity of paperwork to enter Akshiyrak Aiyil Okmotu, and the long distance prevent friends and relatives of Akshiyrak residents from visiting them. This also restricts communication of people in Akshiyrak with the outside world.

2.10 Houses and their conditions

According to the Aiyil Okmotu statistics, the majority of families own their homes. Two families rent a house. Meanwhile, one family lives with their relatives. All the houses are classified by the Aiyil Okmotu as poorly equipped with no amenities. The research team observed that the houses in Akshiyrak Aiyil Okmotu were not large, usually with two rooms and a kitchen (see picture 9).
There are houses that are either in a poor state or unlike the regular houses. For example, two young families in Akshiyrak village live in the building of a former school which the research team found to be almost in ruins (see picture 10). In Uchkoshkon, two single parents with their children live in a shipping container. Kumtor provided five shipping containers, two of which were insulated and turned into houses for young teachers114(see picture 11).

114 The first teacher is a divorced female with three children and the second one is a widowed male with one child.
The building of the former school in Akshiyrak village which is now used as a house (June 2012).

A shipping container provided by Kumtor and turned into a house (June 2012)

2.11 School

There is only one school in Akshiyrak Aïyl Okmotu\textsuperscript{115}, which is located in Uchkoshkon village. It is a public boarding school providing accommodation to some pupils whose families live in other villages within and nearby Akshiyrak Aïyl Okmotu\textsuperscript{116}. There are 45 pupils, 21 of whom live in the school’s dormitory. The school provides partial secondary education as it runs only grades 1 - 9. Almost half of the school (20 pupils) study in the primary classes; while, the second half (25 pupils) are in the secondary and high classes. 18 pupils are girls and 27 are boys. In 2012, six pupils finished school, three of whom earned a certificate with distinction. Twelve teachers work in the school, four of whom are men and eight are women. The age distribution of teachers is as follows:

\begin{itemize}
  \item[a)] 1950 – 1960 - 2 people
  \item[b)] 1961 – 1970 - 3 people
  \item[c)] 1971 – 1980 - 5 people
  \item[d)] 1981 – 1990 - 3 people
\end{itemize}

The school has a teaching method that differs from that of a regular school in the lowlands. A usual 45-minute lesson is divided between two classes. In other words, pupils of two grades (e.g. 1\textsuperscript{st} and 3\textsuperscript{rd}) sit in one class. The first 20 minutes are spent to teach the 1\textsuperscript{st}-grade pupils and the other 20 minutes to teach 3\textsuperscript{rd}-grade pupils. Only the 9\textsuperscript{th}-grade pupils have 45-minute lessons. According to the head of the school, the quality of teaching is effective as there are few children and teachers work individually with each of them resulting in the high level of pupil’s education. For instance, this year three of the six graduates received an award for success in the

\textsuperscript{115} The Kyrgyz name of the school is internat.
\textsuperscript{116} Children of families in Karasai study in schools in the lowlands (e.g. Barskoon) as Karasai is closer to the lowlands than Uchkoshkon and Akshiyrak and people from Karasai have houses in the lowlands.
study from the Ministry of Education. Meanwhile, the remaining three received an award from the school. Further, pupils have not only actively participated in different intellectual and creative contests among pupils in the region level but have also succeeded in some of them. Recently local students won second prize in a contest on environmental issues. Depending on their financial situation and availability of relatives in the lowlands, families let their children study the 10th and 11th grades either in Barskoon, Karakol, or even Bishkek and earn full secondary education. Children of families with limited financial means and no relatives who can provide accommodation and care in the lowlands, tend to give up education. Some children miss their parents while studying in the boarding school, and therefore decide to stay at home instead of studying.

The school is financed by the Akshiyrak Aiyl Okmotu. It also receives various grants. Parents do not contribute financially, which can be explained by the fact that there is little cash flow in the village and the parents of some children are shepherds and live in different locations. Some parents help with an annual renovation of the school (e.g. cleaning, doing paintwork). The school has two buildings. One of them is new, built in 2010, where children study (see picture 12). The other building is a dormitory. It is an old building from Soviet times (see picture 13). In fact, the head of the school said it used to be an office of Soviet geologists. At the moment, it is in poor condition. Nonetheless, as mentioned above, it accommodates 21 children. It has cooking facilities, a study room, and a workshop. Both buildings have electricity but no gas. The heating system is electricity based.

![Picture 12. The main building of the school (June 2012)](image-url)
The school has a library that receives books and textbooks from the region, but only in small numbers. Consequently, children share textbooks. There is also a medical room where medical check-ups of children are meant to take place. However, during a tour around the dormitory, the research team learned that both library and medical room were used as a storage room for keeping fruit, vegetables, and other food items because the school does not have a proper storage room or refrigerator. These are of utmost importance as the school makes an annual purchase of food items in autumn as the roads might close in winter because of the poor weather.

The school has computers; however, not only are they outdated, but some are unusable as the car transporting them fell from the bridge into the water. The other issue, noted by the head of the school, is a lack of the Internet, which isolates them from information.

According to the head of the school, their key problem is the poor condition of the dormitory. There are many cracks inside the rooms (see picture 14). Moreover, the building is sinking as it was not built on a proper foundation and, as a result, it is not seismically sound.
There are two medical institutions in the Akshyirak Aiy Olmottu: a Family Doctors Group (FDG) and a Feldsher-Obstetrician Point (FOP). Both institutions are located in Uchkoshkon and attend the needs of people in Uchkoshkon and Akshyirak. People of Karasai have access to other medical services such as a feldsher (a rural medical practitioner, equivalent to a physician assistant) in the frontier post and a doctor in Karakol village of Barskoon Aiy Olmottu, which are located close to Karasai. There used to be a FOP in Karasai, but it does not exist anymore.

The FDG and FOP in Uchkoshkon are two separate institutions and subordinate to their respective head organisations in Jeti-Oguz region where the salaries of the FDG and FOP employees come from. Each institution has only one employee. The FDG has a feldsher who does medical check-ups of people, immunization of children, and refers patients to the FOP. The specialist in the FOP works as a feldsher and an obstetrician. She treats people for common illnesses and delivers babies. The FDG and FOP are based in the same building. Two rooms belong to the FDG; while the rest of the building belongs to the FOP, which acts as a hospital. According to the FOP feldsher, the building was established in the 1970s as a hospital with 15 beds. However, now it has only two beds (see picture 15). The hospital is mainly used for delivering babies. Annually, four or five babies are delivered. The building has electricity but no gas. The heating is done with the use of dung and oil as described elsewhere. On the whole, the state of the building and medical equipment is very poor (see picture 16).

There is no doctor in Akshyirak Aiy Olmottu able to treat people with complex medical problems. If there is an emergency, people collect petrol from the community to drive the ill person to the regional hospital in the lowlands. People said it was very dangerous, especially when one had such an illness as appendicitis, which requires immediate medical attention. This is a common disease in Akshyirak Aiy Olmottu because of their diet. People mainly eat meat and dairy products as they lack fruit and vegetables. During the focus groups with women, it was said there had been four cases of appendicitis since May 2010 (i.e. two cases per year). There is no pharmacy. The FOP feldsher buys antibiotics and medicine for common diseases such as flu in the region and sells them to people in Uchkoshkon when they need them. Furthermore, there is no dentist in Akshyirak Aiy Olmottu even though dental health is an issue for people because of the water’s mineral content, as noted above.
Since 2010, new social facilities, namely a bathhouse, a cultural house, and a sports hall, have been built in Uchkoshkon with the support of grants (see pictures 17-20). The key funding for the construction of these facilities came from ARIS. It is a condition of ARIS that people should
contribute to the project. Therefore, for example, Uchkoshkon people contributed 70,000 soms (USD 1484) to the building of the sports hall. People said the head of Aiyл Okmotu played a very active role in arranging and organising these projects.

The new sports hall has training equipment, a ping-pong table, and a pool for the use of Aiyл Okmotu residents, especially young people and school children. The cultural house is used very often by people for the celebration of holidays. It is nicely renovated and equipped with modern technology. People also seemed to be pleased with a new bathhouse. Recently, a car fixing workshop was established.

Currently, a boxing hall is in the process of construction in Uchkoshkon for young men to train in boxing and other types of fighting sports. In Karasai, a hostel (guest house) is being built in the building of the former FOP. According to the representative of the Aiyл Okmotu, they decided to build the hostel because of the roads in poor weather. People kept getting stuck on the road in the rainy and snowy weather with no place to stay. Therefore, a room of the former FOP is renovated to use it as a hostel. Beds are going to be supplied soon.

*Picture 17. Cultural House (June 2012)*
2.14 Soviet past of Akshiyrak Aïyl Okmotu

In the 1970s-1980s, Uchkoshkon was a camp for Soviet geologists who explored the area. In Karasai, there were collective farms. As a result, the villages had a developed infrastructure that included schools, libraries, shops, houses, flats, cultural houses, hospitals, bathhouses, electricity, water, and gas. The villages were also supplied with food and other necessities by helicopter. According to local people, during the Soviet times, about 1,000 – 1,500 people lived in Uchkoshkon alone. However, in the mid-1980s, the Soviet geologists left Akshiyrak. Since then, Akshiyrak encountered massive out-migration and dilapidation of infrastructure. Most buildings are in ruins (see pictures 24-25). Only key facilities such as the FOP and geologists’ office (now used as a school dormitory) survived. Meanwhile services such as libraries and
shops do not exist anymore. Further, six footrills are left after the Soviet geological works. According to local people, they have iron, uranium and other chemical elements that they are not aware of.

Picture 21. Ruins of the building from the Soviet times (June 2012)

Picture 22. Foundation of the building from Soviet times (June 2012)

However, within the past couple of years, people have started building houses on the ruins and foundations of the Soviet buildings as it is cheaper than transporting construction materials from the lowlands (see picture 23).
2.15 Sense of solidarity and friendship in the community of Akshiyrak Aïyl Okmotu

The Akshiyrak community is proud of its solidarity and unity (yntymak). When the research team asked if there were police in Akshiyrak, both men and women in Uchkoshkon as well as the representative of Aïyl Okmotu received the question with surprise and some embarrassment. Their answer was that they were very united and there was no criminality at all. Some residents of Uchkoshkon even said the doors of their houses and cars are always open and they can go to each other’s place without a knock. In fact, if they hear a knock, they straightforwardly know that it must be an outsider. People share food, petrol, and anything with each other when needed as one Uchkoshkon resident said "We solve problems commonly without saying it is yours and it is mine (senikin/meniki kylbastan)".

The people of the Akshiyrak Aïyl Okmotu regularly come together as a community for the celebration of holidays. As they said, every single holiday is celebrated (e.g. Labor Day, Independence Day, Child Protection Day) and people from all the three villages gather together in Uchkoshkon, put up performances, and have a feast. The representative of the Aïyl Okmotu praised the extraordinary enthusiasm of the Akshiyraki people about the organization of community gatherings and celebration of holidays. He said that in other Aïyl Okmotus, one needs to almost force people to organize something. However, in Akshiyrak, people do this on their own initiative and with great eagerness. As an example, the Aïyl Okmotu representative talked about a Mother’s Day celebration when a concert was organized for women of all ages, despite the fact that it is a new holiday in Kyrgyzstan introduced in 2012. Another example of the devotion of Akshiyrak’s people to the social life of the community is that they organize song contests (yr-kese), where each village is represented at least by one team. The Aïyl Okmotu provided six traditional outfits to the community for such celebrations and contests.
Community gatherings and celebrations

2.16 Local lifestyle

It is worth mentioning some important aspects of the layout of the villages and lifestyle of the people in Akshiyrak Aïyl Okmotû. The villages are not like the regular ones with streets and houses lined up. Most houses are located in Uchkoshkon. Therefore, one can say that it is a residential area (see picture 26).

However, in Karasai and Akshiyrak villages, houses are scattered along the territory of the village (see picture 27). In fact, the Aïyl Okmotû representative said, because of this, it is difficult to measure the territories of the villages as houses can be located anywhere. People simply build houses in places which have water and grass for herding cattle.
Like the layout of villages, the local lifestyle also revolves around cattle breeding. It is half nomadic as during spring and summer people leave for the pastures (*jailoo*), which are about 20 – 30 km away, to herd their cattle. During a focus group in Akshiyrak, people said there were 13 families in the village and 10 of them had left for pastures (*jailoo*). However, in the course of the validation workshop, participants from Uchkoshkon said that, in their village, not everyone goes to the pastures because some people provide shepherding services. In other words, they can take cattle of others to the pastures for such payment as 100 soms for a cow and 20 soms for a sheep. Cows giving milk are taken for free as their milk is used by the shepherd.

### 2.2 Conclusion

The Akshiyrak Aïyl Okmotu is somewhat unique among Aïyl Okmotu as it is located deep in the highlands and borders another country. It is small in terms of the number of villages and population. Most importantly, it does not own its territory. The Akshiyrak Aïyl Okmotu has basic infrastructure (roads and electricity) and limited social services (school and medical facility). However, for its population size, it has a large number of human resources with 46% of the population being of working age. The key livelihood of the population is cattle breeding. The Aïyl Okmotu has made some effort to improve the social infrastructure by building a cultural house, a bathhouse, a sports hall, and a boxing hall. Most importantly, there is rich social fabric in Akshiyrak Aïyl Okmotu, with solidarity in the community and different community-based organisations. Moreover, the Akshiyrak community has positive relations with the Aïyl Okmotu workers. However, Akshiyrak Aïyl Okmotu encounters a number of problems which include:

- Akshiyrak Aïyl Okmotu does not own its territory. People live in and use pastures of other Aïyl Okmotu;
- Poor roads, especially in the rainy and snowy weather when roads can get closed;
- Lack of a bridge on the Sook road, which causes the distance to Akshyirak to be diverted and longer;
- Lack of a functional bridge on the Karasai-Uchkoshkon road;
- Lack of communication: there are no phone, mobile, fax, and Internet services;
- Lack of public and private transport services;
Lack of gas and clean water;
- The heating system that people and social facilities use (burning dung) is outdated;
- Poor social facilities: the hospital and dormitory of school need doctors, dentists, and new buildings.
- Lack of service facilities such as shops and petrol stations.
- Lack of businesses;
- Lack of employment opportunities.

3. The potential social and economic impacts of the construction and exploitation of a gold mining operation at Togolok

3.1 The capacity of local residents to take opportunities for mining jobs

In the course of the focus groups with people in Uchkoshkon, both men and women said they could do a number of labor and service jobs for the mine as shown below.

<table>
<thead>
<tr>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>digging</td>
<td>cooking</td>
</tr>
<tr>
<td>guiding</td>
<td>cleaning</td>
</tr>
<tr>
<td>driving</td>
<td>sewing</td>
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<tr>
<td>car repair</td>
<td>washing</td>
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<td>welding</td>
<td></td>
</tr>
<tr>
<td>drilling</td>
<td></td>
</tr>
<tr>
<td>drift mining</td>
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</tbody>
</table>

The research team learned that people in Akshiyrak Aiyl Okmotu already had experience working for foreign geological companies. Men did soil-test digging for Chinese and Japanese companies during their exploration work in Akshyirak within the past five years. Based on this experience, people asserted that the future mining company to work at the Togolok gold deposit should not bring any workers from the lowlands for labor and service jobs. People stated that they had the capacity and experience to do these jobs. Further, during the validation workshop, one of the participants said that a few of his village fellows in Uchkoshkon were qualified drillers and drift miners. Moreover, he noted that young people from Akshiyrak Aiyl Okmotu now studied mining professions due to the potential operation of the Togolok gold deposit.

Most importantly, people of Akshiyrak Aiyl Okmotu said that they were accustomed to living and working in the high-altitude conditions and climate of Akshiyrak, which workers from the lowlands can find difficult. The research team was told by focus group participants an example of two women who were brought from the lowlands by the Japanese company as cooks. Firstly, the women felt unwell because of the high altitude and, secondly, were unable to cook due to a lack of regular cooking facilities. As a result, locals taught the women how to cook using available local facilities (e.g. baking bread on kazan, a large, metal cooking vessel).

Moreover, local people said they knew the area and roads very well, which was important for jobs such as driving and guiding. Cases when foreign companies were bound to employ locals as
guides were particularly emphasized. Moreover, local people pointed out that they already had cars for the rough roads of Akshiyrak Aiyl Okmotu, which they could offer to the mining company. The research team observed that it was indeed difficult to find one’s way among the hills and mountains of Akshiyrak Aiyl Okmotu as there are no signs or straight roads. Furthermore, people noted that hiring them would save funds for the mining company as it would not spend more on living expenses of the people since they already lived in Akshiyrak. Consequently, according to the comments from people, it would be economical and effective for the future mining company to employ the local population as they are based in Akshiyrak, know the area, and are adapted to the high-altitude conditions and climate.

People said previous foreign companies did not employ them because they did not have a certificate showing their qualifications, despite the fact that they had practical skills and experience to do these jobs. Many focus group participants echoed this quote: “These are the jobs that we have done all our life. We just do not have a certificate as we did not study them”. Therefore, according to the research team, it would be important for the company to sign a contract with people, foreign mining companies opted for workers from the lowlands as they could provide a certificate stating their training to do the jobs. To avoid this with the future mining company, people suggested that, if availability of the certificate and qualification was important for the company, it could organize a training center in Akshiyrak Aiyl Okmotu to train people as Kumtor does and award certificates to them. Moreover, they pointed out that the training center could teach the locals to not only do the labor and service jobs but also geological ones. People expressed great willingness to learn, especially something new, and work. They stressed that the training center would particularly benefit the young people of Akshiyrak Aiyl Okmotu, who constitute 22% of population as noted earlier.

Local people also said the future mining company should sign a contract with every employee. Referring to their previous experience, especially with Chinese companies, they asserted that they had been cheated and underpaid for their digging work. They were paid 300 soms (USD 6) for digging 1 m², which they thought was very cheap. Meanwhile, according to them, workers from the lowlands received 1,000 soms (USD 21) for the same job. They described this as unfair treatment. However, at the same time, they were not sure whether it was Chinese or Kyrgyz intermediaries who underpaid them. As a result, people boldly stated that the head of the Aiyl Okmotu should be involved in the issues of employment with the mining company to make sure that everything is written on paper. All in all, the people’s recommendations are that contracts should be signed with people, payment rates should be shown beforehand, and the Aiyl Okmotu and the mining company should arrange for employment to be registered on official record (trudovaya knjika) 117, which is important when retiring and organizing a pension payment.

3.2 The (potential) ability of local businesses and households to supply goods and services to the mines or miners

The research identified that there were no local businesses in Akshiyrak Aiyl Okmotu. Recently, a Station of Technical Service was opened with the support of ARIS for fixing cars. As noted repeatedly, there are no shops or petrol stations. Consequently, local people bring food, fuel, clothes, and other necessities from the lowlands in large amounts by hiring a lorry for 35,000 - 40,000 soms (USD 744 – 851). For example, the research team had to take the petrol needed for

the car with it from the lowlands. During the focus groups and validation workshop, it was identified that 4 women in Uchkoshkon village are merchants who bring various goods 4 or 5 times a year to sell their village fellows and residents of other villages of the Ayl Okmotu. One of the merchants, who was present at the validation workshop, said that they usually brought goods for different holidays such as the New Year, Women's Day. Therefore, goods were usually gift sets. Women in the focus group in Akshiyrak village said that the prices of merchants’ goods were too expensive.

This indicates that access to goods is an issue for the people of Akshiyrak Ayl Okmotu. Improving the supply of goods will have to be a priority for the future mining company at the Togolok gold deposit. People particularly wished that the mine set up a grocery shop that would sell food for the same price as in Karakol. During the validation workshop, it was discussed that local people could supply meat and dairy products to the mine. Further, the mine workers could use the social facilities of Akshiyrak Ayl Okmotu. However, it is important that an agreement stipulating adequate payment for the use of the facilities should be signed with the Ayl Okmotu and people.

3.3 The impact of in-migration of workers, including possible impacts on the current social structure

According to local people, there has been a growth of in-migration in Akshiyrak Ayl Okmotu recently. As stated earlier, in the 1970s-1980s, Uchkoshkon was home for around 1,000 – 1,500 Soviet geologists who left in the late 1980s. As a result, Akshiyrak’s population began to shrink; while the infrastructure of the Soviet geologists’ camp was neglected. The decrease of Akshiyrak population continued until the late 1990s. During the validation workshop, one of the participants said that, in the mid-1990s, there were very few people left in Akhiyrak Ayl Okmotu. Starting from the late 1990s – early 2000s, the population started to grow.

Further, the focus groups as well as individual conversations with people indicated that the past three years have seen the arrival of young people to Akshiyrak Ayl Okmotu from the lowlands. They have built houses on the foundations and ruins of the geologists’ buildings from the Soviet times. The focus group in Akshiyrak village had young people of 25-36 years old who moved to Akshiyrak in the past two years. They said that they came here to do cattle breeding as there were no jobs in the lowlands. These new Akshiyrak residents came from the villages of Jetioguz region.

The research team observed that the in-migration of these young people is seen as a positive phenomenon. People said, “We have grown in number” (koboushup kaldyk) and “maybe we will soon turn into a proper village” (aiyl bolup kalabyz). The research team also learned that people who used to live in Akshiyrak Ayl Okmotu but left, were coming back because they had found life in the lowlands difficult, noisy, and expensive. However, interestingly, children of those Akshiyrak families who managed to get their children into the schools and universities, do not return to Akshiyrak as they find employment in central and even urban locations. This means that the recent in-migration in Akshiyrak Ayl Okmotu attracted young people who do not have opportunities in the lowlands to find a job and/or are poorly educated. As a result, they had to take up cattle breeding to earn a living.

The impact of mine-related in-migration on the community and its structure will depend on the type of in-migration that the mine will bring about. Consequently, it can have a positive or negative impact. Local people can take in-migration favorably if they are provided with jobs by the mine in the first instance and if migrants come from the same region to fill up the vacant positions left after the local people have received jobs. In the above section, it was stated that most people in Akshiyrak see potential employment as the key benefit from the mine.
Therefore, if the locals are first provided with jobs, any influx of migrants from the nearby villages would be considered positively by local people. It would be even effective for the mine to hire people from the lowlands who used to live in Ak-Shyryak so that they could blend in into the local culture and be taken as an insider. In-migration of outsiders should not trigger any negative reaction from the locals if they are qualified specialists on gold mining and processing (e.g. geologists).

The in-migration can cause a negative reaction and aggression from local people if workers from the lowlands are employed instead of local people to do labor and service jobs. This will definitely trigger tension between the local community, the mine, and the migrants, as local people believe that they can do those types of jobs as well as the workers from the lowlands, if not better as they live in Akshiyra Aiyl Okmotu, are accustomed to its high altitude climate, and know local living and working conditions. Moreover, they have learned from experience of previous foreign companies that the companies ask for assistance from the locals at any rate because of their knowledge about the area. To emphasize again, during a focus group with men, it was clearly said by some of the participants that, if their expectation of employment is not met by the mine, they have a right to protest.

3.4 The impact of new infrastructure and services associated with the mine

Akshiyra people said the mine could bring about new infrastructure and services in their area in the form of construction or renovation of roads, bridges, and a water system, installation of a telecommunication system, and supply of goods and services which used to exist during the Soviet times. In fact, they voiced fervent hope for the improvement of these infrastructural objects and services as they will better their living conditions. As the section above showed, the present condition of roads and bridges in Akshiyra Aiyl Okmotu are far from satisfactory. The roads are rough and have a tendency to get muddy and slippery or even covered in snow, making the roads either hard or inaccessible to drive on. An absence of Sook Bridge has made travelling to/from Akshiyra longer, while the two sides of the Uchkoshkon-Karasai Bridge are too narrow for the cars to drive safely as there is a chance that they might fall into the river. For these reasons, the new roads and bridges will shorten the distance and make travelling safer.

Any future mining company will have to address the issue with water as there is no clean water in Akshiyra currently. Furthermore, people bitterly complained that they were cut off from the world since there were no means of communication as described earlier. Only occasionally-available radio transmitters are available which connect Akshiyra with the lowlands. In this regard, people said it would be extremely helpful if the future mining company could install a telecommunication system. In one of the focus groups, participants noted that Beeline, one of the key mobile operators in Kyrgyzstan, had visited Akshiyra before with the intention to install a mobile connection in the area. However, the company decided not to do this as it concluded that there were too few subscribers with which local people did not agree. Nonetheless, technically a mobile connection could be brought to Akshiyra Aiyl Okmotu. Moreover, most people already have mobile phones which they use in the lowlands.

People would also benefit from the improved supply of goods and services through the establishment of a petrol station, a food and basic necessities shop, and a car repair shop. People mentioned the potential for the future mining company to organize supplies of goods, especially fuel and foods.

People also wondered if the mining company could help them with the improvement of their FOP and school dormitory. As stated above, both facilities are in a poor condition as they are old buildings. They lack funding to do renovations and obtain new equipment. Renovating the FOP would benefit the mining company too as it could serve as the first medical point for the mine in
case of health emergencies. Most importantly, it would be the mine's contribution to the development of the community and its sustainability if it assisted in the improvement of the FOP and school dormitory.

Because of the small size of the area and currently limited infrastructure, even small improvements would be well received. It is unlikely that a mine at the Togolok deposit would be large enough to support every desired infrastructure improvement of the community; however, it appears that inexpensive projects could have a marked improvement on local infrastructure – earning support from the community.

3.5 The potential impact of the mine on traditional hunting, fishing, and foraging areas

Hunting, fishing, and foraging come a distant second to agriculture in Akshiyrak Aiyl Okmotu. However, as noted above, 56% of the 80 employed people in Akshiyrak Aiyl Okmotu work in the field of hunting and forestry. In the validation workshop, it was said that hunting brought significant income\(^{118}\). People said that the potential impact of the mine on hunting could be that animals could be scared off by mining activities such as blasting, and could find new homes altogether. If this proved to be true, it would then affect the hunting activities of people and deprive the forest reserve of animals.

People do fish occasionally for their daily meal. Fish in Akshiyrak Aiyl Okmotu are very thin and 10-15 sm long. People from Uchkoshkon catch fish in Sary-Sai River which is approximately 1 km away from the village and originates in the area of the Togolok gold deposit. The river goes through Akshiyrak village and flows to China. Taking into account that the genesis of the river is in the Togolok gold deposit area, the mining activities could potentially influence fishing. As environmental concerns were among the most important noted by locals, this could be a potential area of focus for them.

Foraging is limited in Akshiyrak Aiyl Okmotu. As noted earlier, the environment in the area is not conducive to growing vegetation. Trees are absent. There are only a few types of herbs, namely *altn tamyr*, *edelweis manmyry*, *akkodol*, *budu muuz\(^ {119} \)* which people occasionally forage for and use for medical purposes. For example, *akkodol* is used for lung ailments. People also collect *tepek* which is a sort of mushroom. They do not forage wild honey as it does not exist in Akshiyrak Aiyl Okmotu due to the high-altitude. The herbs growing in the area of the Togolok gold deposit have the potential to be effected but this was not a cited concern by locals.

3.6 Any other potential impacts, negative or positive, that are considered important by the local residents

Akshiyrak people and workers of Akshiyrak Aiyl Okmotu said that the construction of the Togolok mine would cause a dispute over land. Earlier it was stated that Akshiyrak Aiyl Okmotu did not own its territory. Therefore, before the start of the mining project, the mining company will have to identify which Aiyl Okmotu the lands affected by the mine belong to in order to work with them. This will trigger dispute between different Aiyl Okmotus over their ownership of land and any associated incomes from the mine. According to the participants of the

\(^{118}\)When the research team wanted to clarify how much income hunting generated, the head of Akshiyrak Aiyl Okmotu was reluctant to share any data.

\(^{119}\)The names of the herbs are in Kyrgyz.
validation workshop and the head of the Akshiyrak Aiyl Okmotu, it is not known which Aiyl Okmotu territory the Togolok gold deposit is located.

The paradoxical situation of Akshiyrak Aiyl Okmotu with the land has already caused issues related to mining. In July 2012, a Chinese company started digging in the footrill in Uchkoshkon where water is collected. However, they did so without informing people about it. People objected to the work as they were worried that the company would contaminate their water. However, the Chinese company showed permission from Lepinko Aiyl Okmotu, as Uchkoshkon is in the territory of Lepinko on paper, and from people of Uchkoshkon as of 2010. People did not know what to do and demanded that the Chinese company hire local people to work. Two people were employed. The Chinese company finished their work in a week as a result of which they collected three tons of sample soil. This case clearly demonstrates the significance of the problem for the future mining project as the issue of the land is a potential source of social conflict.

Further, local residents specifically do not want a Chinese mining company to work at the Togolok gold deposit. In fact, it was a key finding of the research that the local people had anti-Chinese sentiments. Since 2006, two Chinese companies have done explorative geological work in the Akshiyrak Aiyl Okmotu. They employed local people for digging. However, locals claim the companies did not pay the full amount that they had promised. Moreover, they did not provide any information to the local community regarding their permission to do explorative works and payment rates. People claimed they were totally unaware whether the company indeed held permission. In fact, they said even a visiting deputy of the region was surprised to see the Chinese in Akshiyrak Aiyl Okmotu and wondered who gave them permission to be there.

There were also complaints that the same payment rate was applied to all the jobs even though some of them were harder and required a certain set of skills and entailed different levels of risk. Supposedly none of these were reflected in the payment and no contracts were signed. Most importantly, the companies did not provide any safety measures. During focus groups, people said the Chinese made them dig very deep and did not provide any special equipment except helmets. In fact, according to their narratives, the Chinese said to them, if an inspection comes from the center, they should say they have special clothes. People expressed discontent with the Chinese companies by saying, “The Chinese did not listen to our demands and needs. They lied to us”.

Furthermore, local people think that the Chinese might bring their own workers from China for labor jobs instead of employing people in Akshiyrak. According to them, this is because there are people in China who were born as a second child, and therefore were deprived of documents in accordance with China’s one-child policy. As a result, such illegal Chinese are exploited in construction work in Kyrgyzstan. It is not confirmed whether or not this is true; however, the Chinese companies in Kyrgyzstan do often bring their own men from China to work.

\[120\]

\[120\] In 2010, the Chinese company came to Uchkoshkon. They were accompanied by the present akim, who was not akim at that point, and the head of the state property registration agency. There was a meeting with people where they asked questions about the impact on the environment. However, the Kyrgyz official accompanying the representatives of the Chinese company scolded people for asking such questions when the mining project was for their benefit and Kyrgyz ecologists would make sure that the environment was not damaged. As a result, people were divided into two: against and for the mining project. Eventually, when the Kyrgyz officials said that there would not be any harm, people agreed. Voting was done on paper and majority of Uchkoshkon residents gave permission for mining activities in the footrill.
Moreover, people doubt that Kyrgyzstan would benefit from the gold production because, geographically, the Togolok gold deposit is located only 16 km away from the Chinese border. People in Akshiyarak are afraid that if the Chinese were chosen to work in Togolok, they would build a direct road from Togolok to China and take all the gold. They felt that no one from Kyrgyzstan would be able to control that. The research team was told at the Karakol frontier department that the Chinese company that worked in 2006 wanted to build a road from Akshiyarak to Kashkar (China) through Bedel. Meanwhile, some people in Uchkoshkon said the Chinese were already building a road. In other words, there is a great panic in the community that China would seize Togolok and benefit from the gold production without sharing it with Kyrgyzstan. As a result, people in Akshiyarak have no trust in Chinese companies.

In fact, they are suspicious of China in general and consider it a threat to Kyrgyz land and identity. In the course of focus groups, people recalled a negative experience when Uzengikush was given to China during the Akaev administration. People were particularly regretful because this land is located near Akshiyarak. They also said if they had not lived here, the land would have already been seized by the Chinese. Therefore, people see themselves as border guards. They are very proud of their land and want to protect it from any Chinese expansion. They pointed out that they would not give away their land (Jeribizi berbelbi).

A profound concern was a potential dissolution of the Kyrgyz identity. They think that building an Akshiyarak-Kashkar road by a Chinese company would entail closer interconnection and easy travel between the countries and as a result, the two ethnic groups could get mixed and the Chinese would prevail. As one man said, "a million can be lost in a billion" (million/milliard bolup ketpesin). During the focus group with men, they were deliberating what would happen if one day their grandchildren started speaking Chinese. They were anxious about the future identity of their children and preservation of Kyrgyz identity and Kyrgyz language. Lastly, locals do not want a Chinese mining company because they see the Chinese as posing a greater environmental threat. During the focus group with women, it was said the previous Chinese company wanted to establish tailing pits behind a hill in Uchkoshkon. They thought this would harm their water and pastures.

When the research team was leaving Akshiyarak Ayl Okmotu, it was discussed at the frontier checkpoint that nine Chinese and seven Kyrgyz arrived in the Ayl Okmotu to do geological explorative works. However, some local men sent them away by saying that they would not let the Chinese come close to the area (Kytailardy jolotpoibuz). While the ethnic makeup or national origin of the bidding companies may not be a factor for selection, it should be noted that a Chinese company would face significantly stronger negative sentiments from the community. The potential for conflict would be increased by the presence of a Chinese firm. In fact, it is possible that people of other locations in the Jeti-Oguz region might join the protests. The cases of violence around other mining sites in Kyrgyzstan, described in the first section, are a clear illustration that people can become aggressive and violent if their voices are not heard.

Women in particular expressed some skepticism about the potential positive impact of the mine on their lives. They said the benefits of the mine might not reach the community and the real poor because of corruption. With reference to the case of Kumtor, one of the women asserted that the lives of the people in these communities located near Kumtor had not improved and there had only been harm from the mine. Meanwhile, all the benefits are given to the rich and taken out of the country. These women were even very skeptical about the social research done by the team. They said it was done for appearance’s sake and their voices would not be heard at any rate. They were convinced that when the time came, the government and the wealthy people associated with it would decide for their own benefit.

It should be mentioned that people in Akshiyarak said they agreed to the opening of the mine now as long as they would be provided with jobs and the environment would not be harmed.
However, they said their attitude to the mine might change in the future as it is difficult for them to say at the moment what positive and negative impacts a mine may have on their lives. This would have to wait until the actual construction of the mine and production of the gold have started.

The research team used the case of Kumtor to consider other potential impacts of the Togolok mine on the Akshiyrak community. While the Togolok mine will be much smaller than Kumtor, it is still likely to employ several hundred people. As there are only 247 people of working age in the Aiyl Okmotu, more workers would have to be brought in from the lowlands or other areas. As described in Section 2, the Akshiyrak Aiyl Okmotu does not have the facilities to accommodate this number of people, suggesting that new buildings, along with other deposit facilities would be built.

Taking into account that the Togolok deposit is located 20 km away from Uchkoshkon and 11 km away from Akshiyrak village, the deposit facilities will have to be located very close to the village. Consequently, these factors can entail the following impacts on the community:

- Overpopulation of the Aiyl Okmotu by outsiders. As a result, the local people might feel like a minority, which can be a source of social tension. Moreover, there might be a conflict between the local people, foreign personnel and workers from the lowlands as the latter two groups might create changes in the community life and customs.
- Abandonment of the main livelihood activity. Local people might give up on their main livelihood activity because of the jobs provided by the mine. This might develop dependence on the mine.
- Loss of the main livelihood or relocation of people. Because of the close location of the deposit to the community, mine construction could push some agricultural activities elsewhere.
- The increased levels of noise resulting from the construction of the mine facilities might disrupt people’s quiet life. According to the research, the absence of noise in Akshiyrak is valued by some people.

### 3.7 Conclusion

The research demonstrates that there can be potentially both positive and negative impacts on the community by a potential mine. Locals are keenly aware of these and will be looking for the best outcome for them and their community. The residents of Akshiyrak Aiyl Okmotu see the key potential benefit of the mine in the improvement of the infrastructure and services that they lost after the closure of the Soviet geological camp. Meanwhile, the main negative impacts could be environmental damage, social tensions over land, and community objections against an issue of a license to a Chinese company.

The positive impacts:

- Provision of employment to local population.
- Improvement of the infrastructure: roads, bridges, communication, and water.

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For example, Kumtor has the following deposit facilities: the open-pit, underground decline # 1, SB zone, underground decline # 2, stock work zone a crusher, a mill, a tailings dam, an effluent treatment plant, maintenance workshops, workshops, an administration office, a site camp, warehouses, fuel storage facilities, haul roads, electric power transmission lines. Kumtor Gold Corporate Website, "Deposit Facilities," http://www.kumtor.kg/en/deposit/deposit-facility, June 18, 2012
- Improvement of the social services (school and medical facilities) and supply of goods and services (food shops, petrol stations, car fixing workshops).
- Promoting local entrepreneurship by purchasing local meat and dairy products.
- Training people and providing them with training certificates.

These impacts will lead to the improvement of the living conditions in the community in general. Furthermore, local capacity would be strengthened, especially through training people and improvement of infrastructure and social services, which will remain when the mine closes.

The negative impacts:

- Ecological damage to the area which would affect the health of local people and could impact their main livelihood – agriculture (see below).
- Social conflict resulting from a dispute over land, underemployment of local people and overpopulation of the local community by outsiders.
- Protests by local people if a Chinese mining company is chosen to work at the Togolok gold deposit.
- Abandonment of the main livelihood by local people due to the abundance of mining jobs.
- Development of dependence of the local community on the mine and loss of economic sustainability.
- Loss of the main livelihood due to the takeover of the pastures by the mine. This can result in the relocation of people.
- Disruption of the quiet life of people because of noise from the construction of the deposit facilities.

4. Potential environmental problems on a broad scale

The people of Akshiyrak Aiyi Okmtu expressed ecological concerns. Most people that the research team talked to said they would not be against the mining project if it did not damage their environment. The main concern of the population is that the mine and its tailing pits could contaminate their water. They see water as their key source of survival and life. In the same vein, people asserted the land and grass are also important since their contamination will lead to the contamination of the cattle, which would then affect the health of people in and near Akshiyrak. As one of the women said, "We are in a tight circle: our cattle eat grass, we eat the cattle. Thus it is important that the grass and environment are not polluted". Moreover, since people in Akshiyrak sell their cattle to people in the lowlands, any problems could also influence on people in other locations.

The next concern of Akshiyrak’s people is air pollution. People said that Kumtor has polluted their air with dust and chemicals emitted during mining explosions that come to Akshiyrak by wind. According to them, this has had detrimental consequences on their health. People, especially women, said the level of different skin disease and allergies had increased in their area because of the polluted air. During the focus group, one of the women complained that her
A 2-year-old child had allergies and skin problems since birth. Meanwhile, older female residents of Akshiyrak said before they had not known any allergies and skin illnesses and these were something new for the area. All in all, people said Kumtor has had a negative influence on the health of people in Jeti-Oguz region, especially in such villages as Barskoon and Kyzylsuu. They also claimed that along with the increased number of allergies, women had more miscarriages and gave birth to children with disabilities. Therefore, the representatives of the Akshiyrak Ayl Okmotu and region administration in Kyzylsuu said even if the people of Akshiyrak would not protest, the people of Barskoon would, as they have had a more negative experience with Kumtor. However, it should be mentioned that a few people expressed some uncertainty whether it is the impact of Kumtor or the impact of all of the different imported food products that are no longer fresh and organic.

People identified the skin disease and allergies resulting from the polluted air as the potential impact of a Togolok mine on their health. Furthermore, people in Uchkoshkon and Akshiyrak villages said they feel mining explosions of Kumtor, which happen "like an earthquake." Some residents noted that they had cracks in their houses that emerged as a result of the explosions. However, people did not say the same would happen with the Togolok deposit; although, it can be assumed that the influence of blasting in Togolok would be stronger as it is located closer to the villages of Akshiyrak Ayl Okmotu.

People said the future mining company should not process gold with the use of cyanide as it is very harmful. This may serve as a flashpoint because the majority of gold mining worldwide uses cyanide for processing. Meanwhile, there were a few people in Akshiyrak Ayl Okmotu who wondered if it would be wise to have the mine in Togolok deposit because of the potential negative environmental impacts. They said perhaps it would be more sensible to preserve the environment as it is since its water, grass, and land have fed them for centuries. If they are polluted, this could all be ruined. Meanwhile, they asserted, most benefit from the mine would go to a foreign country and the foreign company would leave once the resources were depleted; while local people and their children would remain.

5. Assessment of the interrelation of environmental and social impacts

The environmental and social impacts of the mine are closely interrelated. As the previous sections demonstrated, the environmental impacts of the mine have been identified as a main concern for the local community. People said they would be against the development of the mine if it had negative impacts on their environment. This suggests that the mine will not have an opportunity to bring any positive social impacts to the local community if it damages the local environment. People prioritise preservation of the environment because their main livelihood is tightly connected with the environment. Moreover, the environmental problems such as air pollution resulting from Kumtor have already had perceived impacts on the health of people. Therefore, people emphasised the importance of preserving the environment for them and future generations. Some locals even questioned if the mine was needed in the first place. For these reasons, the social impacts of the mine cannot be considered separately from the environmental impacts.

The controversy around the case of Kumtor and other foreign mining companies has indicated that environmental issues can turn into a political and social dispute and serve as leverage for political manoeuvring and social unrest in Kyrgyzstan. For example, Kumtor has been criticised for causing an environmental crisis by the government and parliament of the Kyrgyz
Republic. Meanwhile, some local and foreign commentators claimed that the environmental issues were used by the government, the parliament, and local authorities to bargain a better economic and social deal with the mining company. Recent polling done by Oxus International across all seven oblasts of Kyrgyzstan found that environmental concerns were the number one cause for conflict between mining companies and communities.

For these reasons, the environmental impacts should be a priority for the Togolok deposit in its operation and all the stakeholders should be involved in the management and monitoring of the environmental and social impacts, as illustrated in Figure 1, to avoid social, political, and environmental conflicts and promote sustainable development for communities.

Figure 1. The interrelation of environmental and social impacts

6. Recommendations on how to mitigate negative impacts and enhance positive impacts

The gold mining sector is currently a key industry in Kyrgyzstan, making the largest contribution to the country's GDP and national budget of the industrial sector – though based entirely on the Kumtor mine. Consequently, the Togolok deposit has the potential to become a project promoting the economic development of not only Akshyrrak Aiyl Okmotu but the communities beyond it. However, at the same time, the gold mining sector has been a source of political, social, and environmental conflict in Kyrgyzstan. Foreign mining companies have been condemned for causing an environmental crisis and ignoring the needs and interests of local communities, the government has been accused of widespread corruption, and communities have been labelled as violent and ignorant. This report has spelled out potential positive and negative impacts of the Togolok deposit on the local community.

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122 In June 2012, based on their research, the parliamentary commission accused Kumtor of polluting and reducing the size of glaciers and volume of water in Issykul province. The commission claimed there was no clean drinking water left in the region and people now had to drink muddy water. It was also asserted that the tailing pits of Kumtor had zinc, cyanide, and other chemical elements that were harmful to the environment and people.
Below are a set of recommendations to enhance positive impacts of the mine and mitigate the negative ones which were developed by the research team as well as suggested by the local community of Akshiyrak Aïl Okmotu:

1. The government, the mining project, and the local authorities of Akshiyrak and other Aïl Okmotus who the territory of Akshiyrak belongs to should resolve the issue of land ownership and the inherent financial implications this has regarding mine development. It appears, based on our research, that the most positive solution would be giving the current nominal territory of Akshiyrak Aïl Okmotu to it legally so that it receives the appropriate taxes from the mine and uses them for its people who will be affected by the mine. However, there may be a deeper political history associated with this that was beyond the scope of our research.

2. The principles of socially responsible mining, described in Section 1, should be followed by the Togolok mining project. Any mining company should base its activities on the key pillars of socially responsible mining: the right of the community to information, to public participation and decision-making, and access to justice.

3. The government should ensure that legislation for socially responsible mining is provided and that other laws on the environment, public participation, and information disclosure are competent and, most importantly, are implemented through robust mechanisms. The government should also ensure that there is an atmosphere of peace and stability and guarantee that, in case of conflict, it will be resolved in a civilised way through the court system.

4. The mining project should be implemented and monitored by the four key actors: the government, the mining company, the local authority, and civil society represented by national and local NGOs and various community-based organisations. A mining project committee consisting of representatives of the above stakeholders should be formed to oversee economic, social, and environmental aspects of the mining project such as employment, improvement of infrastructure, monitoring, and environment protection.

5. The mining company should disclose information fully to the communities that may be affected by the mine so that people know what work will be done, what impact there will be, how the work will be done, how much money will be paid to the locals for their jobs, and what the economic and social assistance of the mine to the community will be. The principles of EITI should be followed by the Togolok mining project.

6. The government and the local authority should ensure that an agreement is signed with the mining company stipulating fair distribution of the income between the stakeholders.

7. The demands of the community, summarised below, should be taken into account and negotiated between the government, the local authority, the mining company, and the local community to reach consensus on them.

- Hiring local people of Akshiyrak
- Informing locals about the payment rates in advance
- Paying relative to skills involved and local conditions
- Signing a contract with each employee
• The head of Aïyl Okmotu should monitor and control the employment process and act as a defender of the local people
• Registering the employment of local people in official work records
• Establishing a training center to train local people and provide them with certificates.

8. The government, the mining company, the local authority, and the local community should consider developing the following policies in order to mitigate potential social, economic, and environmental conflicts:

• Environment management policies should be developed to ensure that the environment is not disturbed unnecessarily and activities bringing social impacts should be based on the analysis of potential environmental impacts. Ways to mitigate any potential environmental impacts should be worked out and meet international standards. For this, an environmental assessment should be undertaken examining both local and lowland impacts. The potential impacts identified in the assessment should be reflected in the environmental management plan.

• A livelihood management plan should be developed to sustain the main livelihood of Akshiyrak Aïyl Okmotu so that people do not abandon it and grow dependent on the mine, which could have detrimental repercussions on the sustainability of the community after the mine closes.

• Employment and immigration policies focusing on providing jobs to the people of the Akshiyrak Aïyl Okmotu and Jeti-Oguz raion and overseeing in-migration of outsiders and foreigners in relation to local employment offerings.

9. The mining company, the local authority, and the local community should discuss the possibility of using local meat and dairy products. This will contribute to the improvement of the economic life of local people and to the promotion of local entrepreneurship.

10. The mining company should consider contributing to the improvement of the infrastructure in Akshiyrak Aïyl Okmotu as the local community has high hopes for the potential improvement of the infrastructure as a result of the project. If this is possible, it is highly recommended that the mining company involves the local community in and encourages its contribution to the infrastructural projects to promote sustainability and a sense of ownership and accountability and to decrease dependence of the community on the mining project.

11. The government should consider strongly the implications issuing a licence for Togolok deposit to a Chinese company. The local people have anti-Chinese sentiments because of their previous negative experiences of working with Chinese mining companies. In addition, the Chinese are seen as a threat to the cohesion of Kyrgyz land and identity. The research team stresses this risk in the light of the surge of nationalism in Kyrgyzstan after the 2010 ethnic conflict in the south of Kyrgyzstan.
7. Research Methodology

Data collection tools of the research included semi-structured and in-depth interviews, focus groups, informal conversations and discussions, and image collection.

Interviews were held with formal and informal actors in the community. Formal actors included the head of region administration, the lead secretary of Akshyrrak Aiyl Okmotu, the guard of Karasai hostel, the head of the local school, the head of the FOP, and the head of a local NGO. Informal actors interviewed were the head of women's committee (who is also the head of NGO), and the head of a youth committee.

Three focus groups were conducted. The first focus group was with twelve men in Uchkoshkon. Among them there were four men from the forest reserve, three residents of the village without a formal job, three workers of the Aiyl Okmotu, and two workers of school. The age range of men was from the mid-20s to late 60s.

The second focus group was with nine women in Uchkoshkon. Their age range was from 30 to 70. There were two retired women, three teachers, one housewife, one worker from the school, one electrician, and one NGO leader.

The third focus group was with residents of Akshyrrak village. It was a mixed group of women and men who were present in the village at that moment as most people left for the jailoo and, moreover, village's population was quite small. The group consisted of three women and two men, the age of whom ranged from the mid-20s to the mid-30s. This group included mainly new residents of Akshyrrak Aiyl Okmotu. No focus group was held in Karasai as there were very few people available. The majority of the population were either in jailoo or in the lowlands. On the whole, Karasai has the smallest number of people in Akshyrrak Aiyl Okmotu.

In addition to formal interviews and focus groups, informal conversations and discussions took place with teachers in Uchkoshkon, a family member of the guard of the electric station in Karasai, soldiers at the frontier post in Karasai, a deputy captain of the National Army in Karakol, and a member of the aksakal court. The issues discussed were community life, problems, and priorities of Akshyrrak Aiyl Okmotu. A large number of images of the surroundings, infrastructure, and social objects of Akshyrrak Aiyl Okmotu were collected.

The validation workshop was attended by nine people. More people were informed and invited to the meeting. However, due to various reasons, several did not end up attending.
Bibliography


Constitution of the Kyrgyz Republic (Unofficial translation from Russian was done by the EU-UNDP Project on Support to the Constitutional and Parliamentary Reforms and OSCE/ODIHR), Article 20, June 27, 2010.


