

**A MODEL FOR TRAINING PROGRAM:
“Economic Evaluation of Mineral
Deposits in BULGARIA”**

**The First Session, Ad Hoc Group of
Experts on Supply of Fossil Fuels**

10-11 November 2004, Geneva

A MODEL FOR TRAINING PROGRAM: “Economic Evaluation of Mineral Deposits in BULGARIA”

■ Background:

- Recognition of need to get experience for deposit/mine evaluation under market economy conditions
- A training program requested from German Ministry for Economic Cooperation by Bulgarian Ministry of Environment & Water

A MODEL FOR TRAINING PROGRAM: Objective

- To Improve economic evaluation skills of Bulgarian experts under market economy principles
- To get practical experience

A MODEL FOR TRAINING PROGRAM:

Method

- **for a group of 15 people who were representatives from different Bulgarian ministries, institutes and companies were selected.**
- **Selected experts would evaluate two or more Bulgarian deposits under guidance of several German mining experts.**

(this would enable them to continue evaluations without assistance in the future)

A MODEL FOR TRAINING PROGRAM:

Steps of the training program- 1

- **Selection of mineral deposits, participant list and organizational issues with agreement German & Bulgarian experts,**
- **Organizing three weeks workshop to introduce economic evaluation of mineral deposits under UNFC on the following topics:**
 - **Characteristics of UNFC in comparison to other classification systems**
 - **Mining cost estimates & calculations in the market economy environment**
 - **Revenue estimates on the basis of market studies**
 - **Economic evaluations using financial models**
 - **Consideration of environmental costs in economic evaluations**
- **At the end of 1st workshop, participants were guided to collect data on exemplary mineral deposits to be carried out**

A MODEL FOR TRAINING PROGRAM:

Steps of the training program-2

- **After 5 months, Organizing second two week workshop that focused on practical economic evaluations of mineral deposits (1coal, 1 mineral & 1marble),**
 - **Importance of market-oriented economic evaluations for mineral deposits**
 - **Restrictive environmental legislation of the EU would lead the mines to include environmental costs**
- **After the 2nd workshop, 4 participants got supplementary training program in Germany. They visited the Rhenish lignite mining area & some others.**

A MODEL FOR TRAINING PROGRAM:

Steps of the training program-3

- **After 1 month, organizing third two-weeks workshop that focused on modern environmental management practice,**
 - **Simplified environmental protection plans for the mines**
 - **Estimation of environmental protection &recultivation costs**

A MODEL FOR TRAINING PROGRAM:

Results of The Training Program

- **Representatives of several Bulgarian Ministries and companies are able to apply economic evaluation methods according to UNFC,**
- **Government representatives would use their knowledge for a complete reclassification of Bulgarian mineral reserves &resources,**
- **Private companies would apply their knowledge to improve the decision making process with regard to market economic and environmental considerations.**