

This Charter-guideline is approved by the National Council meeting held on December 23, 2013.

Charter of Sub-council to implement EITI in local area-
(Guidelines how to establish the Sub-council)

One. General

1. The purpose of this charter-guideline is to regulate relations of sub-council having task organize implementation of EITI at local level, improve transparency and accountability of the sector governance.
2. The sub-council shall consist of representatives from local authorities, entities engaged in extractive industries, civil society organizations, citizens, represented in equal numbers, decision making is made through consultations and works on the democratic principle.
3. The sub-council has the purpose to organize, monitor and regulate implementation of EITI related laws, international principles and requirements.
4. The sub-council shall be guided by Mining law, Petroleum law, taxation law, Budget law and other relevant law, resolutions and regulations, Government resolution No.190 of 2010, No.222 of 2012, international EITI principles and requirements adhered by Mongolia.
5. The sub-council as on level of administrative unit shall have memorandum of mutual understanding to be signed by stakeholders, which shall express a willingness to have close cooperation.
6. The memorandum of mutual understanding shall have the statement that parties should adhere to EITI related laws, resolutions, requirements, implement EITI as daily culture, advertize it in comprehensive manner.
7. The sub-council shall act on principle of rule of law, equal and fair participation, mutual respect, non violation and no discrimination.

Two. Organization and structure

8. The sub-council shall be established by the resolution of Presidium of Citizens Representatives hural of aimag, capital, soum and district where the extractive industries are working. The resolution shall be based on decision of the Governor, decision of meeting of Civil society organizations, general meeting of Bagh citizens, and companies.
9. Citizens Representatives hural of aimag, capital, soum and district shall have the powers to establish sub-council, discuss report, organize multi-stakeholders discussions, approve annual budgets, and carry out a monitoring.
10. The Governors of Aimag, capital, soum and district shall have the rights to nominate, or dismiss representatives for local governments, provide conditions to run sub-council, support with funds, provide with information when required.
11. The chair person of sub-council shall be a deputy governor of Aimag, capital, soum and district.
12. The sub-council shall compose of representatives from local government, entities having exploration and exploitation license, having petroleum production sharing agreement, entities having subcontracts with them (called hereinafter as companies), sector's professional unions (called hereinafter as professional unions), local civil society organizations, citizens in equal numbers, which shall be defined by the Citizens representatives hural.
13. The procedure to appoint or dismiss representatives of the sub council shall be as follows:

- 13.1. The local governor shall appoint or dismiss representatives from local government within the number defined by Citizens representatives hural.
- 13.2. The meeting of civil society organizations working in aimag, capital, soum and district shall nominate or dismiss representatives for the term of 2 years, meeting of bagh and horoo hural shall nominate or representatives in case of no civil society organization is working in their territory within the numbers, defined by the Citizens representatives hural.
- 13.3. The meeting of companies working in territory of aimag, capital, soum and district shall nominate or dismiss representatives for the term of 2 years, within the numbers, defined by the Citizens representatives hural. The representatives of companies shall be those who have decision making status.
- 13.4. The meeting of civil society organizations working in aimag, capital, soum and district shall be organized with support of Governor office, which shall provide facility to organize, and shall inform in writing results of the meeting.
- 13.5. The nomination of representatives of all parties should insure balance of gender participation, also participation of professional unions, media, women and youth representatives and should be on democratic principle.
- 13.6. The representatives of civil society organization, citizens in the sub-council shall work in the terms of activities and policy independent from the Government and company, for social justice.
- 13.7. The each stakeholder shall have own leader. The leader shall be selected by stakeholders internal meeting, and be eligible when the stakeholder meeting notifies the Sub-council on leader of stakeholder.
- 13.8. The rights and duties of a stakeholder leader shall be as follows:
 - 13.8.1. On the behalf of own stakeholder, a leader shall have the right to offer proposal on agenda of meeting, on decision of meeting, express an opposition, postpone discussing the issue.
 - 13.8.2. A leader shall have a duty to insure participation of all stakeholders in a meeting, be prepared for it.
 - 13.8.3. A leader shall have the right to give evaluation to implementation of the Annual work plan and ask for implementation.
 - 13.8.4. A leader shall have the right to insure a participation of own stakeholders in multi-stakeholders discussions, reporting, and provide information and promotion.
14. Members representing the stakeholder shall work closely with own group, shall have the right to implement delegation democracy through information dissemination, promote EITI and activities of Sub-council, include position of own stakeholder into decision of Sub-council. If a member has not fulfilled the duty or violated he/she shall be revoked from membership.
15. The Sub-council shall have a secretary, who shall be eligible member of the Council. The duties of secretary of Aimag, Capital council shall be carried out by chief of development policy department of Governor's office or by official with similar status. The duties of secretary of Soum, district shall be carried out by inspector for environment and mining by official with similar status.
16. The duties of secretary of Sub-council shall be preparations and organization of meetings, filing materials of meetings, assistance in implementation of annual plan, in compliance with EITI principles and requirements.
17. A facility for dissemination of information about activities of sub-council and related EITI implementation shall be at Citizens hall, or in Public library, insuring permanent, accessible information to the public.

Three. Forms of activities of Sub-council

18. The main form of activities of Sub-council shall be a meeting of council. A meeting shall be chaired chairman of the Sub-council or Deputy of Governor.

19. The meeting of Sub-council shall be chaired by the Chairman, in his/her absence by member, who is delegated to do so, on consent of leaders of stakeholders. The secretary of sub-council shall have consultations on agenda and date with chairman, in his/her absence with member replacing, and then shall announce a meeting, and distribute printed materials to members at least 3 days before meeting day. The materials can be delivered electronically if the members agreed to do so.
20. A meeting shall have sequence number and procedure. The procedure of meeting shall be approved by the initial meeting of Council.
21. The Sub-council shall meet at least once per half a year, and may be convened by the demand of majority of members or by one of the stakeholders.
22. The meeting of Sub-council shall draft policy, program, annual plan, and budget, which are subject to be approved by the Citizens representatives hural, and shall implement, evaluate implementation, report to Hural, and shall convey conclusions and decisions to the aimag Sub-council.
23. The quorum of Sub-council meeting shall attendance of 2/3 of the members. Proposals and comments in written form from absent members shall be applicable, which shall be introduced by chair person. The decision of meeting shall be legitimate by majority. However, if whole group of stakeholders is not consent with decision, then the issue shall be postponed till next meeting, and next meeting shall have additional clarification, rationales in regard to discuss and make decision about the issue. Each member of the Council has the right of one vote.
24. The meeting shall have minutes, which is recorded by secretary, and shall be signed by chairman of Sub-council, and become official document, shall be stored as archive document.
25. If one of stakeholders calls for meeting of the Sub-council, offers agenda, the chairman of Council shall prepare meeting within 14 days and call for it.
26. Members of the Sub-council shall have the rights to express their own comments and thoughts on natural resources governance, transparency without any limitation, enforcement, not asking permission from others.
27. Drafting documents and proposals in relation to EITI implementation shall be organized by meeting of the Sub-Council or by consultation between chairman of the Sub-council and leaders of stakeholders in-between meetings, and shall involve representatives of stakeholders.
28. When the members of Council draft documents and proposals they shall be guided by EITI principles and requirements, take into consideration lessons from local and international context, receive comments and proposals from professional organizations and consultants and shall insure correctness of drafted information.
29. The annual plan, budget report, information, agenda of meetings, decisions shall be transparent to the public. The details of meeting minutes shall open for any citizen, civil society organization, company, media, government officials.

Four. Consensus forms the Sub-council

30. If meetings of the Sub-council are not able to produce decisions because of different and disputed matters, the following procedure can be applied to resolve.
 - 30.1. The leaders of stakeholders shall negotiate and find consensus
 - 30.2. The working group shall be appointed to draft the issue and resolve the disputes.
 - 30.3. The Sub-council shall appoint team of consultants and experts, and report to the Working group and ask their comments and suggestions.

Five. Directions of the Sub-Council

31. The Sub-council shall have annual plan. The annual plan shall be developed on basis of International EITI principles and requirements, with implementation time, budget, funding sources, responsible persons and measureable impacts.
32. The Sub-council shall have the following five directions:
 - 32.1. The disaggregated report by license holders of minerals and companies for oil and natural gas, by received taxes, payments, dividends and donations, and from other hand, report on payments shall be produced, published, promoted and disseminated every year.
 - 32.2. Contracts concluded between extractive companies and Government, local authorities, and report of contracts implementation shall be published every year and discussed by Multi-stakeholders, and disseminated.
 - 32.3. All licenses granted in local area, and their transfer and change of holding shall be disclosed frequently and shall be promoted electronically and disseminated.
 - 32.4. Recommendations, decisions on discrepancies verified by National and Local EITI report shall be implemented, follow-up shall be conducted and, findings and issues shall be discussed by Citizen representatives hural;
 - 32.5. Information about activities of Sub-council, implementation in local area shall be frequently disseminated by mass media.
33. Various activities aimed at better public knowledge and understanding about EITI objectives, principles, requirements and benefits, better participation shall be organized frequently, including installing information center or cabinet, organizing training, workshop, open day, road-show, printing and disseminating printed materials such booklet, brochure, running open-telephone, organizing multi-stakeholder discussions an conferences.
34. The Sub-Council shall promote and implement decisions and recommendations in local area given by National Council and Working group.
35. If required, the issues to be overviewed by the Sub-council and decided nation- wide can be deliberated by National Council and Working group, which shall be submitted by the Secretariat, receive decisions accordingly.
36. Sub-council in aimag and capital, and soum and districts shall communicate directly to each other, also with National Council and Working group, and coordinate activities and exchange information.

Six. Reporting and monitoring of activities of Sub- council

37. The Sub-council of Soum and district shall report on implementation annual work plan, and results to own Citizens representatives hural, sub-council of aimag and capital shall report on implementation of work plan and results integrated with soum and districts accordingly to aimag and capital citizens hural. Findings of discussions made by aimag and capital hural shall be submitted to EITI secretariat. The Secretariat shall post reports of Aimag and Capital sub-council at own website, and shall disseminate to public.
38. Leaders of stake-holders, members of the Sub-council shall have hearing on progress of implementation of EITI activities, make suggestions to improve and activate activities and proposals to the Sub-council.
39. The Sub council shall bear duties to provide information required to National Council and Working Group, Secretariat, Civil society organization, Media organization for the monitoring over progress and implementation of annual plan, relevant laws and regulations, meeting the International principles and requirements by the Sub-councils.

Seven. Funding and other aspects of Sub- council

40. Operational expenses of Sub-council such as stationery, communications, travelling and meeting shall be included into budget of Governor office of aimag, capital, soum and district and approved by Citizens representatives hural and shall be funded accordingly.
41. Financial sources of funding of activities of Sub-council to implement annual plan may be consist of donation, support of local and foreign citizens, companies, special funds of Government, and project and program resources.
42. Expenditure of EITI secretariat shall have expenses to build up capacity of secretary of the Sub-Council, printing promotion materials, organizing training activities.
43. The Sub-council may have own logo, applicable in its meeting material, banner, official letter, address, website and promotion materials.
44. The EITI secretariat shall organize EITI implementation on integrated national level and provide with guidelines and instructions the Sun-councils based on international principles and requirements, laws and regulations.
45. The Sub-council shall have the right to obtain reference, information, promotion materials, manual, methodological advices from National Council, Working group, their members, secretariat on any aspect content of EITI principles, requirements, relevant law and regulations and their implementation.

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