

In the Minute of the meeting of the working group “Extractive industries transparency initiative” (June 16, 2017)

The 44th meeting of the working group was held in the meeting hall in the 2nd floor of the office building of the Puma Imperial Hotel at 10.00 AM on June 16, 2017.

In the Working Group meeting, Enkhbayar N., a Senior Consultant of the Prime minister and Head of the Working group, Damba D., Senior Specialist of Natural Environment and Resource of the Ministry of Natural Environment and Green Development, Battsengel J., Senior Specialist of the General Taxation Authority, Oyuntuya G., Specialist of Mineral Resource Authority of Mongolia, Terbish B., Senior Specialist of the Authority for Against Corruption, Enkhbold D., Deputy Director of the National Association of Mongolian Mining, Naranzaya N., Head of the Working service of the Union of Gold Explorers, Bolormaa P., Senior Accountant of Boroo Gold LLC, Enkhjargal Ts., Staff from Areva Mongol LLC, Munkhbat T., Specialist of Oyu Tolgoi LLC, Erdenechimeg D., Manager of Open Society Forum, Bayarsaikhan N., Leader of Borderless Step NGO, Narantsetseg B, Leader of Wildlife safety fund Mongolia, NGO, Tserenjav D., Executive Director of Transparency Fund NGO, Batsaikhan G, Head of the Director Board of Responsible Mining NGO, Tur-Od L., Deputy Director of Transparency International Mongol NGO, Battuya on behalf of Bayarmaa B., Leader of Huvsgul dalai owners NGO, Batbold B., Board member of MBOIS, Tsolmon Sh., Secretary of the Working Group and Secretariat Coordinator. There were 19 members present out of 33 members and turnout was 57.6%.

Also, Nomindari Sh., and Tod-Od, Staff of Consulting Service of KPMG France Partnership, Michialova A., Manager of Adam Smith Organization, Enkhjargal N., Deputy Director and Selengee Sh., Consultant, Zoljargal N., Coordinator of Adam Smith program and Delgermaa B., Communication Specialist of Secretary Office, Otgontungalag A., Financial Officer of Working Group, and Information Technology Advisor Ganbat G and were present in the meeting.

The meeting was chaired by the Enkhbayar N., Senior consultant of the Prime Minister and introduced the discussing issues and rule of the meeting Department of the Ministry of Mining.

Enkhbayar N: I inform you that the 44th meeting of Working group of EITI. . Today we have planned to discuss following issues: Strategic introduction to implement experimental project in 5 soums financed by the European Reconstruction Bank; the introduction of the first balance general statement of EITI in 2016; introduction on amendment to the 222 the Government resolution and proposal on material criteria.

I suggest you that it would be good if we minimise time for introduction and increase time for discussion by following: 30 minute for first question, 20 minute for second introduction. Let start first introduction if you have questions.

1. Discussed: the introduction on criteria to choose 5 soums for example in the framework of experimental project for local relation financed by the European Reconstruction Bank

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Michialova A: I am working as a manager responsible for the project in London of Adam Smith Institution. We have chosen the soums where we will implement the project in previous meeting having used three methodologies. Now, I will show the value on demand criteria. The value of tendency showed by pecked line. In accordance with our research, the access of information is very slow, it is very difficult to gain mining information. We consider that 30% of them have information on EITI. 15% of the citizens in those soums have knowledge on transparency. Currently people get information from unwritten words, but there is possible to get information via internet soon. Demand value in Eroo soum: 50% of citizens are informed. Eroo soum locates close to Ulaanbaatar, 1/3 of population know about EITI. People are interested to get continuous information from Mining companies. Also, citizenare interested to get information close to them. For example: on tax. Citizen of Zaamar soum have much information on Mining industry and but they have very slow tendency for mining. In other words, conflict between mining companies and citizens is valued very high. Companies have slow knowledge of social responsibilities and do not work in this field, there was conducted the discussion between companies and citizen. Citizen of Zaamar soyum are interested to get information on work place, contract of local development and Alt-2 program. Citizen of Bayan-Undur soum have good knowledge in Mining industry and tendency was high. This soum depends from only one company and they are interested to get information related them. This soum is reorganized as Bayan-Undur soum quit recently and was one bag of Darkhan soum. We estimated that this soum depends from one company, because we could have information from people conversation that at least one member of the family or one member of their relation works in this company. People are most interested one question that what will be happened if the company operation is stopped? Research information in Delgerekh soum: people of this soum have slow knowledge in Mining industry, but tendency was high. The company in this soum did not included in information base however there was issued license in 2014. The operation of the company is being started now. The Holy Mountain of the soum is included in the place with licensed field of the company. People do not like to touch it. This soum locates far from Ulaanbaatar, there is no Mining industry. People do not have information on mining industry, thus, they want to get basic information on mining. There are many mining companies in Gurvan Tes soum. People have good information on Mining industry and they have negative tendency to mining industry and do not like to information. There mining industry conducted in Gurvan Tes soum for many years already, people do not interested mining industry. They require authority only. Thus it is required to conduct operation to give them authority not to give information in this soum. There is practice in some countries that issued authority to citizen. People of Girvan Tes soum have much information. Thus, It requires to give information to get apparent beneficiaries in accordance with requirements of EITI. I have finished my introduction. Now, Enkhjargal N., Director of the Consultant Organization, will give you next information on drafted strategy based on this research. (Annexed the introduction)

Translation from Mongolian

Enkhjargal N. I glad that we have 2nd chance to cooperate with EITI. It is impossible to give information of every soum, because of we have not enough time. In the future, we will draft plan on work direction and operation by every soum. Our general goal is to distribute information on EITI in local area, as well as to improve relation between local citizen and mining companies. The criterias of our work are number of informed information on transparency. For example: if, there is 15% of people in Zaamar soum are informed so, we work to improve this percent to 20. But, this plan is not drafted yet. It will be drafted after operation plan of soums. Also, local people are not ready to start communication. Because, Mining companies do not understand social responsibilities, citizens do not have enough information on Mining industry. Also, people do not understand their rights, and what they should require from Mining Company. Therefore, it is required to educate people, them improve our cooperation and to work with diversified citizen's organizations. The government will require required issues in accordance with state authority. Our company has cooperated with Oyu Tolgoi LLC in order to improve mining cooperation. We had conducted meeting in soum and bag, but most part of citizens did not take part here, and active few citizen had only presented in the meeting. Therefore, we hope to change this situation and improve cooperation of citizen, companies and Civil Society Organizations. So, it is required to let work coordinator of EITI in every soum in order to establish institution in these 5 soums, as well as to create deputy-council in some soums. But, deputy council in Zaamar soum does not work well, because there is no basis to activate them well. Citizen and companies in Zaamar soum do not understand each other. Thus, we will change and improve this situation. Knowledge of the company is very slow, thus we will conduct to improve their education at least in middle level. Besides, staffs of NGO on local area have high education on mining industry. Thus, we hope to support them and conduct training directed to them. So, we hope to cooperate in this direction. After conducting those operations, we will start communication. Within first 2-3 month until December we will finish those operations. We do not publish brochure and TV broadcasting during this period. Then, we will establish information center in soums. The government office of soum will supply room for us. The coordinator will work in information center, and distribute all information of mining companies in local area, as well as introduce statement of EITI to local people. The salary of coordinator does not solve yet. We have calculated to give 200.000-450.000 tugrugs for 5 months to every coordinator; however, we did not focus this cost in the project. After the project, If it is considered that we really need coordinators, we have to find chance to let work them at least for 2 years having solved their salary. I ask you to cooperate in this direction. Next issue is about deputy council. Is the chance to cooperate based on council which financing by Asian foundation? Also, it is required to study "How many councils need in one soum?" There is a chance to contribute to involve them in training, to supply with information and to become respectful staff in local area, because we have not chance to give them financial support as salary to members of deputy council. So, we will conduct some events cooperating with mining companies such to conduct business meeting, informal meeting, as well as to have breakfast. We should target group to supply with information. Our budget is not enough. Thus, we have

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planned to cooperate with state organization, active citizen in local area, Civil Society Organizations, media points. Also, we will determine the Main thesis of communication and distribution canal. For example: let educate local people, to cooperate with companies in the field to introduce EITI, and mutual cooperate with company in the field to introduce the company to citizen by easy words. (Annexed the introduction)

Enkhbayar N. Thank you Michailova and Enkhjargal for the introduction.

Bayarsaikhan N: I thought that result of Zaamar and Gurvan Tes will be very approximate. How have you study on influenced factor in research? There is much conflict between people and company, because there are many mini-miners in Zaamar soum. But, situation in Gurvan Tes soum is little bit different. They have more information on mining industry; they shift for their selves, because there are many people who has pawned their life. Now, they struggle to cancel licence of Toson Bumba Mountain. In my opinion, Adam smith Organization should give information on estimation to the members of working group. TAN union and Civil Society Organization have practice to introduce statement of EITI. It would give more result if you study their practice. The strategy is good for today. But How will be supplied the consistence? Is it possible to be changed, because we hope to say our idea and give consult? Our work group and National council have announced 2016 and 2017 year “to strengthen the deputy council”. Our company has issued the National strategy, but it is not implemented yet, also, no one does not work for this strategy, You do not conclude result contract with work service, as well as, it is not clear responsibility method of head of working group. Therefore, be careful to draft 5 different strategy which is not implemented. Why do you direct the training to companies?

Michailova A: There was conducted mining industry in Zaamar and Gurvan Tes soum for last 20-50 years. People in those soum have negative tendency, because they have negative influence from mining however they know about mining industry. The research was conducted in accordance with issued information. About consistence: at first: If this project is implemented successfully in local area of Mongolia, so there is chance to get finance from the European Reconstruction Bank and other European countries. Also, we regard that there will be created chance to supply consistence and get finance if transparency law of mining industry. We have planned to conduct meeting at the frame work of the project. As well as, we need to conduct discussion on practice from our conducted operations. You all have chance to share your opinion here.

Enkhjargal N: We have visited in local area with members of working groups, such as; Bayarmaa, Tserenjav and etc, and they focused their idea. We will pay attention to this issue in the future and will focus idea of people who want to focus their idea. If the project is implemented successful in those 5 soums, so we have chance to solve the salary of coordinators in next period. It will be consistence of the project.

Previously, we have issued the National strategic program, which are implemented yet. Does it depend from finance? We have drafted strategy of communication team 4-5 members, but finance for those staff did not solved. But work place of Ganbat was certified only. Have we asked about it yet?

Batsaikhan G: Which measurement have you used to draw tendency axis on knowledge and information? Even, information will be slow if tendency is slow. But, is there any result that information was slow as well as tendency was slow? You have talked about training directed to companies. Is the training about EITI or about mining industry?

Michialova A: The research was conducted by methods; public opinion poll and focus group conversation. 5 soums was elected for implementing project. Maybe the result wills different if this project is implemented in different soums further. The result of research shows that knowledge people in Gurvan Tes soum where is conducting mining industry, is high. Maybe, we can find soum where is slow knowledge of people, but their tendency is high, if the project is implemented successful and will continue it in different soum. The training is nit training of EITI, but this training will be conducted based on demand and requirement of soum.

Bayarsaikh G: Why did you notice in Axis 1, 2? Is it not 1.1? Michialova A. It shows average.

Selengee N: Good morning all. My name is Selengee, and I am a consultant of Interconsulting Company. I have participated in research and visited in 3 soums. Your question was most important. This is a digital research which base on the information triple participants. 7th question “How do you toward mining industry?” is estimated by coefficient. Horizontally, it will be a question “How much information does have?” which estimated as a coefficient. And it will be certified by conversation. For example: However people say that they have information on mining industry. But we certify it by question “What is your last information on mining industry?”.The digital information is certified based comparison on answers of questions and found their interdependence.

Enkhjargal N: I understand the meaning of this question that our goal must be more widely”. The general goal of our organization is to improve knowledge and information of EITI. It is not interesting for people to talk them about this organization and sum of the tax which was paid to the state budget. So, people need general information, For example: about mining industry, and responsible mining. Further, we will give the information which you require, and inform about communication of company with local citizen, as well as example of other countries.

Bolormaa P: You said that you are very surprised having heard information on communication strategy, also, amount of paid tax of the company is not interesting for citizen. It is improbability. The most important factor of the statement of EITI is tax paid to state budget. The tax is biggest monetary source of local area such as pay free school service, medical service, financing police station and government of local area. Also, you said that the citizens are un-educated. But, you should deliver optimal information about tax, and how many work places have supplied by this

company. I understand that this strategy is directed to fight our country. Because, this strategy is not directed to deliver optimal information to citizens.

Enkhjargal N: Read the communication report. I gave brief information because we have not enough time. The main 3 thesis of the research is developing further. We could find which information is required to people, while we were working in local area for more than 40 days. We will supply them with information on mining industry and then information on EITI.

Selenge Sh: There was created structure 4+1 by the research why do not you interest information on tax. But they explained that all paid tax is delivered to state budget directly, but 2-3 taxes such as water tax stays in budget of local area.

Tur-Od L: In the result of research, 5 different soums require 5 different demand and requirement. Because, there are different demand and requirement in every local area. Thus, is it required to draft different strategy for every demand and requirement? Or will be good general strategy for all? At second, there is triple or mutual discussion mechanism in those soums. Is there any council or mechanism which works for other project. If so, is there any chance to cooperate with them? Have you research it?

Michailova A: Today we introduce you general strategy. Further, we will draft strategy for every soum. We have general plan to implement in every soum.

Enkhjargal N: When we have worked in 5 soums, we have observed the chance in some unit which supplied requirement of donors.

Michailova A: There was criteria for chosen soums, that “Was there conducted any project and program of the soum?” 2 soums which were conducted projects and soums was chosen for our project. We have planned to conduct experimental operation. Then we will decided is it productive if we create new council or use old one.

Enkhbayar N: Thank you, let me start view and criteria if your opinions have finished?

Tur-Od L. I think, we should methods and mechanism to supply with participation of local area in accordance with the law on Local administration and unit of territory. Because, there was not talked about meeting of bag, and Citizens’ Representatives’ meeting in soum. In other words, there was used temporary mechanism in the operations of previous donors and projects. But, we should supply with citizens participation here. Citizens should enjoy their rights. I hope to implement methods and mechanism of Public Hearing Law of last period.

In order to supply possibility in the period of mining operation, we should cooperate with meeting of bag and Citizens’ Representatives’ Khural of soums.

Translation from Mongolian

Bayarsaikhan N: It is required to detail and certify the goal of the deputy council and the goal of EITI. To give information to citizens on mining industry gives chance to company to introduce its activity and operation. It would be good if you spend 40% of the budget to develop capacity of Deputy and Civil Society Organizations. Initially, European Reconstruction Bank did not ask about it, when they were drafting this project. We do not have financing; however we have demand and requirement, but do not have financing. The Company bears own responsibility. But the project should not finance to be supplied company responsibilities. How do you cooperate with Mining Association, The Chamber of Trade and Industry, Gold and Spar Unions? I want to conduct additional research and to detail participation, as well as, to get apparent project documents. For example: how much work will conduct and how much financing will spend for this operation, as well as what result we will wait from the project? If you try to transparent EITI so, you should apparent all project documents. So, we want to see it. Structure of Asian foundation works in Gurvan Tes but does not work in Zaamar, We do not know about their work result. The projects of Asian foundation will finish soon. It is required to supply multi-participation, to pay attention on conducted work of other parts, to establish connection to cooperate with the Ministry of Mining. Deputy council in Local area worked to strengthen Civil society organizations. Ministry of Mining works with good imitative in this field.

I have idea to postpone for certification of the project, because it is required to conduct additional research and to conduct public poll in Selenge, Tuv and Umnugobi aimags where more developed mining industry in order to supply demand of those aimags.

Batsaikhan G: The Responsible Mining NGO has been conducting its activity for more than 10 years already. Tendency in Delgerekh soum is good, because there is no information on Mining industry. Even Tendency is being slow where is slow information how ever there is conducting mining industry. For example: I had conflict with head of the mining and talked about it people. So, people got negative information from this gossip and tendency is getting worse usually. Therefore, take it in your consideration. Social responsibility and mining responsibility of the Company is almost different understanding. Some people talk about social responsibility, but they should talk about mining responsibility too. We have conducted research in this field. We hope to conduct speech for 2 hours to working group. Also, we conduct training in local area, and there are 5 participants in local area. We can reach good result if we unite our power, our goal and our understanding. We could not give optimal understanding about our conducted work. Thus, we hope to conduct introduction in future. And it is important to work team.

Erdenechimeg N: I worry about our cooperation in the course of project implementing. Because, Civil society Organization and companies had worked and could gain some practice in this field. I am little bit surprised how did not you get our view when you certified project demand and requirement. You have delivered the strategy on 13th. I am sorry; I have not time to read strategy fully. Because, work group is being responsible for many duties besides of this project. Thus, it is required to establish rule on period to deliver documents to work group. I come here without enough information however; I received documents from the meeting. Generally, optimal result of the strategy is not clear, when I skim though this strategy. It is required to determine result on

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short, middle and long period of the project. You noticed in the introduction to establish information centre and conduct meeting. Of course, it is possible to employ 5 staff and conduct some meeting, if you have financial possibility. Even there is not clear optimal result. It is not ready to certify this strategy. Because, there is much requirements focus digital and quality factors in strategy, such as: What is the project goal? It is interested optimal result of the project. How will be changed or getting better the responsibility of companies, which are influenced badly to tendency? Even, how will be changed the tendency?

Enkhbayar N. At first: I defend idea of Tur-Od. Usually, temporary structure was established by financing foreign project and program, but it was liquidated after finishing projects. The information centre is very important in local area. Deliver your idea about optimal variant of structure to communicate local citizens after implementing the project to The Cabinet Secretariat of Government and to the Management Academy. Lectors and researchers of the Management academy works on model of Administrative and Government structure in local area, specially they establish structure and work team after elections. We have few positions because of budget difficulties. Maybe, if economical situation getting better in 2020, we appoint and employ manager responsible for information at least in required soum, and in all soum, if we could find chance.

We could not solve all questions in same time because, the duration and financing is very limited in this project. I stand together target group noticed in the introduction. This project is not directed to eliminate the reason, but to create understanding. Unclear issue is who will answer about reason. For example: the operation to issue a new license, which disseminates people, is not related to this project. Some authorities such as; The Ministry of Mining and Heavy Industry and Natural Resource department should answer this question. Also, other difficult issue is accident in mining industry. Because, companies are usually being un-responsible for caused accident.

I think you should focus in the strategy responsibility of authorities and accident responsibilities of companies.

Tserenjav D: I regard, we should find different way to solve problem via government organization not only via project and program. We hope to see clear result of the project to deliver information in local area, to establish information structure, to get participate mutual people and organization in the meeting. Last resolution to certify or not this strategy will be solved by poll.

Enkhbayar N: We heard ideas of members. Send your ideas to working service If you have more ideas having introduced and read fully. We will inform about it to Adam Smith Organization and Interconsulting LLC. Then they maybe answer us which idea is possible to implement and which is not for the project. Maybe, there will be ideas which is not included their work range or ideas which is not possible to agree. Send us your idea after a week. After how many days could answer us?

Enkhjargal N., It is possible to answer after a week.

Enkhbayar N. Let start the second issue. Nomindari, a manager of KPMJ Company will introduce on united statement in 2016 of EITI.

Discussed: Introduction on first balance of united statement in 2016 of EITI in Mongolia

Nomindari Sh: Good morning all. Our company is working to draft united statement in 2016. Our consultant Alexis has met parts, drafted ideas and conducted first seminar. We have established 2 levels of the documents which included in united statement. The unification will be conducted by following: to unite companies which delivered more than 250 million in state budget through the state and to unite companies which delivered more than 50 million and less than 250 million in state budget through the state, as well as to unite companies which delivered more than 100 million in local budget, and companies which delivered more than 30 million and less than 100 million in local budget. It is possible that we do not include in list of some company which is risky, if you inform us it. We hope to hear your idea on monetary and non-monetary income, barter contract. It is not clear for us the report method on investment and expenditure civil society. We understand, those are must significant factors. We have idea to use nomenclature “social investment” because there were long nomenclature “Civil society investment and expenditure” and we decided to get shorter it. We regard it is not important to understand Material base as the most reportable investment. But, it is required to establish material base for humanity social investment, but it is not required to impose. It will be good if we will report the investment valued at more than 1 million turgugs from the State owned companies with shared capital more than 5 million tugrugs. The delivered payment to State owned companies from the companies which conducts exploring of Petro oil, natural gas, and natural resource, and material payment delivered between state owned companies and other state organizations will be regarded as a transaction of state owned companies. Payment similarly designed to budget property, public society investment agreed by state owned companies, as well as social service, public macro structure, petrol subsidy, and government credit payment will be regarded as a cost out of state budget. We ask you to deliver as latest financial and audit report of State owned companies. Donation valued at more than 40 million tugrugs will be regarded as a material donation. Tavan Tolgoi Company received loan with government guarantee and paid back it by coal distribution. By this introduction we deliver you special ideas to establish here material base and issue resolution on classification of social service, to classify spent payment to macro structure; such as to auto road and bridge, Heating plant and other properties, as well as to establish level of material base for report to determine subsidy, to classify them by payment purpose, then to establish material base. Also, we need to get clear some issues to determine payment and transaction to local area, and to establish material base. We regard that it would be good to apparent the transaction more than 5 million.

KPMJ Company has conducted the research based on certifications observed in companies, government organizations, meeting with National Audit Authority and Ministry of Finance, as well as the united statement of last year. In accordance with the requirement 4.9, companies and

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government organization should report following information to independent controller and inspectors in order to supply certified situation of information; Companies should be certified truthful and fully of completed report and annexed information which was delivered to EITI by independent auditor, to be signed by independent auditor in the director's letter. We have idea to receive audit financial report from private companies. (Annexed introduction)

Enkhbayar N: Open Society Forum has opened website Contract Transparency in order to get apparent some information included in idea of TAN Union and introduction of KPMJ Company. Work group says that it is possible to get some information from the site, but there are some difficulties to find some contracts.

Erdenechimeg D: It is difficult to find not depending time of contract to share product.

Enkhbayar N: It says that the contracts of some companies could not be found by special reason, but some contract got apparent here. Is it impossible to answer from Anti-corruption Authority to get apparent beneficiaries?

Terbish L: Is it impossible to get apparent all beneficiaries? Also, it is required to establish legal environment of XOM administrator, because it possible for heads of XOM to introduce it. Also, it is impossible secret of individuals and companies.

Tur-Od L: I am working as a head of the council of Public communication of Anti-Corruption Department. We are working to get more detail XOM and will conduct hearing in July. Specially, we received idea to deliver to ACD information of beneficiary when civil servants report investment statement.

Tsolmon Sh: For our company, we will report beneficiaries and determine their political position. The classification in political influential body will be determined by the article 20.2 of the law. And then determine his/her report to XOM.

Enkhbayar N: It is required to unify difference of similar understanding and receive their idea having delivered it to the Ministry of Finance. Professional staffs are drafting united statement in the Ministry of Finance and they should unify the nomenclatures.

Bayarsaikhan N: Minister of Finance and National Statistic Authority will certify when we drafted amendment to statement forum. It does not take much time if we include our idea.

Nomindari Sh: It will be used to get additional information and certification only.

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Enkhbayar N: Is it cost that cost characterized for budget?

Nomindari Sh: Yes, but it is not included for certification and it will be used for unification only.

Bayarsaikhan N: So, it will be good to detail cost characterized for budget when you conduct training.

Nomindari Sh: Yes.

Erdenechime D: It will be good if you solve this question before conducting training. But, you will be asked in this question in unification of statement in every year. Tan Union issued idea to unify understanding and certification having appointed work team. Representatives of State organizations are being in this work team. Therefore, it is good to establish work team.

Enkhbayar N: Do you have any other question or ideas?

Terbish B: I have question on product sharing contract. Our organization is going to conduct inspection in the Mineral Resources and Petroleum Department. Nomindari Sh. The product sharing contract shall be apparent by law, as well as the income from this contract will become apparent.

Discussed: Introduction on material criteria of payment income

Ganbat G: In accordance with the standard, it is required to get apparent following 7 incomes: 1) Non-monetary income and material criteria, 2) macro structure investment and barter exchange, its material criteria, 3) what is transport income, and its material criteria, 4) Direct payment of local area, 5) local transaction, 6) social characterized expenditure and its criteria, and 7) budget characterized expenditure. Because, some those income is not understanding in our country. For example; non-monetary income is not calculate by report in 2014, macro structure and barter exchange is calculated in certification report in 2016, and this factor does not depend in our country now. The transport income was calculated in the first seminar in 2014, but there was not material income, information on direct payment of local area was included in previous report, donation government organization, donation to citizens from NGO in accordance with form certified by the Ministry of Finance social characterized expenditure was regarded as a social characterized expenditure. The budget characterized expenditure of State owned companies in 2014: Shivee Ovoo Company delivered their report, but did not deliver answer in 2015. There was observed some mistake because of certification un-accuracy. Therefore, a new work group shall work in this issue, conduct research and introduce it again.

Erdenechimeg D: The idea of our TAN Union is not only to establish criteria but to establish material criteria having unified understanding and nomenclature.

Enkhbayar N: Do you have any other view and issue related to the report?

Bayarsaikhan N: KPMG Company send us new nomenclature and explanation issued related to new standard by formal letter. Now, we will certify general statement having introduced general budget. For example: information of independent members, in order to get detail information on independent members, it is required to show his/her position and work place.

Nomindari Sh: It is required us to get formal information from companies having certified form of additional information by work plan and included it in website. . We understand it was certified officially. It is possible to include your idea in form if you deliver us.

Bayarsaikhan N: It is required to include name of investor in article 4 of general information, in 8 will include deposit name. We should include amount of money, re-received money in the information of mortgage property for natural rehabilitation and natural environment rehabilitation included in appendix 1-3, as well as should get apparent amount of mortgage property. There is different information that 34 trillion tugrugs by information of companies but there is 10 trillion tugrugs by the Ministry of Natural Environment. Also, we should include in sales information about balance information sold, exported and last amount of the products in appendix 1-4. Which link was included to the contract information concluded with Local administration organization? We should follow General administration law. To conduct hearing operation is duty of Local administration organization.

Nomindari Sh: How about mining operation?

Oyuntuya G: There is observed difference between our statement and statement of company. We draft statement based of issued information. Do companies include different information to transparent statement?

Nomindari Sh: This information is not included in standard.

Oyuntuya G: We may not receive information from companies. Our statement will last criteria.

Batbold B: The Ministry of Natural Environment issues license for next year having introduced the work plan. Companies deliver statement that they have done much thing. But, it is very questionable that in optimality.

Oyuntuya G: The Ministry of Natural Environment and Tourism receives plan and statement every year and issues licence. It was possible that that place may not be abandoned of left behind if they have worked well. Companies say that they delivered their money, but this money was not paid back yet. The ministry of Natural Environment is conducted natural rehabilitation by their responsible organizations.

Bayarsaikhan N: Now, we should solve issues to get apparent information on natural environment rehabilitation. There was appointed about it in the Law of corruption, Law of right to receive information, and Law on Natural environment. That information should get apparent to public. Oyun, the former minister of the Ministry of Natural environment and Social Welfare said that the state fund of the Ministry of Natural Environment will get apparent information on amount of delivered and spent money at the end of the year and deliver open information.

Enkhbold D: Even, there was asked general work plan of mountain work.

Oyuntuya G: The plan of mountain work means a statement. There was asked that is it possible to get information from the Natural Resource Authority not from companies. It is impossible to report statement because inspection of the statements is not conducted fully as of today. So, we could not report the statement in legal period if you do not postpone the report period.

Erdenechimeg D: It is required to include following in questioner “Does beneficiary depends from politics” in the form of information on beneficiary; does depend from politics, or the body with general interest of bodies depends from politics. Of course politicians do not get apparent by their-selves. For example: maybe, relation of politician.

Batsaikhan G: Is it not enough to include name of beneficiary? The question may give misunderstanding.

Nomindari Sh: Let me amend in this form, if not, it may be cause mistake again.

Enkhbayar N: Do we will finish second issue? You can deliver your idea by written form if you have any other idea and question.

Discussed: about amendment to the Government resolution 222

Tsolmon Sh: There was changed name of some agency and ministries, project name. It is required to make amendment to the Government resolution 222 is required because of EITI standard. I have idea to make some little amendment to the old resolution, because it will take much time to get certify a new resolution. There was red notice on amendment idea. It will be good exchange our idea having issued brief introduction.

Batsaikhan G: Is it possible do not include name of the minister in the resolution?

Tsolmon Sh: We are drafting it with the name in order do not change main form of old resolution.

Batsaikhan G: Is the resolution which was issued when Chojijilsuren was a minister, implemented if the minister will be changed as Dorj?

Enkhbayar N: The resolution will be valid even the minister will be changed. Because, all issue law and resolution is getting followed even the government is changed.

Batsaikhan G: The next minister does not follow it, because it was addressed to Choijilsuren.

Batbold B: The resolution of the meeting issued by previous head is followed by next head. It is not required to change it.

Bayarsaikhan N: Is the resolution number changed?

Tsolmon Sh: I understand that the resolution number will be changed.

Bayarsaikhan N: We must focus ideas issued from the forum of EITI. For example: here was noticed to establish deputy council in aimags and to establish in soums if it is required. But, it would be good if we point to establish deputy council in aimags and in soums. Also, we hope to change the nomenclature “donation in mining industry” change as “social investment”. the article 11.1 of the resolution may be included in operation plan but not required to include in resolution, also, to notice as a standard not as a standard in 2016. Because, there may be issued a new standard again for next 4 years, to change words “ developed and created in work group” as “electro-statement” in 9.2 of the resolution. In the frame work of to strengthen deputy council, to certify work rule of deputy council, to conduct more optimal operation if we establish work group.

Enkhbayar N: The operation to strengthen deputy council was included in the plan of our work. Let include in resolution to establish work group.

Damba D: The 222nd Government resolution is issued in 2012 and fulfilled its duties. Because there was noticed about some measurement to implement transparency. Some measures were implemented and imitative reached in advanced level. For example: The name of work service changed as Work service to develop the **Governance of Mining Industry**. Strategically, It shows as article of rule. For example: openly inform to local citizens about information on spend property, conduct works, its result to protect and rehabilitate natural environment. It is improper article to include in resolution. This is bigger resolution which includes 18 articles. In my opinion, it is required to issue rule on National committee, and certify the structure of deputy council in local area. These changes conducted depending from changes of structure and requires.

Batbold B: We should focus it clearly. Maybe, the ministers do not know about those changes of the resolution.

Tsolmon Sh: The changes was required because when visit the ministry of Mining, and they say that it is difficult to receive your issue because there did not notice name of Dashdorj. Also, they say that this resolution is dated.

Batbold B: I hope to include words “Audit report of natural environment” to words “valuation of the influences situation to Natural environment” which was charged to Oyunkhorol D., minister of Natural Environment and Tourism.

Tur-Od L: I hope to add my idea to the idea of Bayarsaikhan that we need to conduct special operation to solve budget and financing of the operation of deputy council. For example: to focus finance from state budget or from budget of local area having charged specially to the ministry of Finance. Also, it is required to include not only soum but also duureg in the article 12.5 of the resolution. But, we do not touch article 11.1 but include development plan until 2020 in accordance with the road map plan.

Batsaikhan G: There was notice valuation of the influence situation to Natural environment in the article 10.1, and these words were changed as influence valuation because the law was changed. Therefore, it will be good if you change it. The word “company” repeated 4 times in the first article. It will influence to stylistic of the version. Thus, you need to correct it. The words “дараах” is written without “ь”. If you write name Choijilsuren, the minister of Finance in closing mark, so the resolution will be valid during next minister. The content of article 7 and 8 is too similar.

Damba D: How does these documents satisfy to the law on Legislation?

Tsolmon Sh: In any, we will include our idea. We will draft if the Cabinet secretariat of Government requires it.

Enkhbayar N: We will deliver your ideas of the members to the Cabinet Secretariat having focused in the resolution. Our meeting is going to finish now. Thank you for your active participation in the meeting. The next meeting will be conducted in September.

Bayarsaikhan N: The half year of 2015 has passed already. Now, we should discuss about our work in past 6 month and work plan of next 6 months. There, i ask you to send conducted work report by online. The national strategy drafted by Interconsulting Company is not implemented still because of financial issues. We hope to toward to donor organizations having valued this problem.

The meeting closed at 14:10

The meeting minute introduced by:

Enkhbayar N., a Senior Consultant of the Prime Minister and Head of the Working Group
(Signed)

Otgontungalag A., Financial Officer of Working Group
(Signed)

In the Minute of the meeting of the working group “Extractive industries transparency initiative” (June 16, 2017)

The 44th meeting of the working group was held in the meeting hall in the 2nd floor of the office building of the Puma Imperial Hotel at 10.00 AM on June 16, 2017.

The meeting was chaired by the Enkhbayar N., Senior Consultant of the Prime Minister; Secretary of the National Committee of EITI and Head of the Working group introduced the discussing issues.

Discussed issued and related resolutions:

1. Introduction strategy which will be implemented in example 5 soums at the framework of experimental project for local relation financed by the European Reconstruction Bank – the project implementer – Michailova A., manager of Adam Smith International Organization and Enkhjargal N., Deputy Director of Interconsulting LLC. Issued resolution:
 - 1.1. to the unify in the strategy the ideas issued from member in the meeting, members who want to add ideas should deliver their idea to working group within June 23, and certify the received ideas having drafted within a week and include in strategy. We will inform you especially about additional meeting by related issues.
2. The first balance of unified statement in 2016 of EITI Mongolia – Nomundari Sh., manager of consulting service of the Contract organization KPMJ Company, issued introduction, and issued resolution:
 - 2.1. Principally certified having unified and drafted ideas issued from members in the meeting
 - 2.2. Verified to deliver ideas related to first balance within 3 work days.
3. Introduction on amendments to resolution 222 of Government – introduced by Tsolmon Sh., coordinator of work service, and issued resolution;
 - 3.1. Charged to working service to introduce to the Cabinet Secretariat of Government having unified and drafted ideas issued from members in the meeting.
 - 3.2. charged to working service to establish deputy part in accordance with 11th purpose “To strengthen deputy council of Aimag” in the work plan in 2017 of EITI, Mongolia, to conduct framework and financing of deputy council and to deliver and verified to deliver name of the staff from participations in deputy part within June 30.
 - 3.3. To draft report on implementation of work plan in half year of 2017 and deliver it members
4. Introduction on material criteria – introduced by Ganbat G., consultant of Information technology of working service and issued resolution;
 - 4.1. to establish deputy working service to re-draft of material criteria.
 - 4.2. to deliver to working service 2 names from each participant within June 30.

The resolution introduced by:

Enkhbayar N., Secretary of the National Committee and Head of the Working Service
(signed)

The resolution drafted by:

Tsolmon Sh., Secretary)
(signed)