

**The meeting minutes of the Extractive Industries Transparency Initiative of Mongolia  
April 22, 2016**

The 40<sup>th</sup> meeting of the Working Group held in a meeting hall of the Ministry of Mining on April 22, 2016 at 11.00.

In the Working Group meeting, Senior advisor to the Prime Minister B.Batbayar, Head of Finance and Accounting Department of the Ministry of Mining M.Bayanmunkh, Economy, Finance and Investment Division of the Strategic Policy and Planning Department of the Ministry of Mining and International Governing Board Member of EITI N.Enkhbayar, Specialist of the Ministry of Finance G.Zulai, Head of Division of Mineral Oils Department B.Oyun, Head of Division of General Tax Authority D.Tsogzolmaa, Coalition coordinator TAN D.Erdenechimeg, Leader of Ariun suvarga movement G.Chagnaadorj, Leader of Wildlife safety fund Mongolia, NGO B.Narantsetseg, Leadr of HUVsgul dalai owners NGO B.Bayarmaa, Board member of MBOIS B.Batbold, Executive Director of Mongolian National Mining Associatio D.Enkhbold, Head of Department on International Affairs, Local and Public Communications P.Gerealtsansar, SPEaicialist of Areva Mongolia Company Ts.Enkhjargal, Secretary of the Working Group and Secretariat Coordinator Sh.Tsolmon, TAN coalition member D.Tserenpurev replacing Leader of Borderless Step NGO Bayarsaikhan were present. There were 16 members present out of 33 members and turn out was 48.5%.

Also financial officer A.Otgontungalag and Information Technology Advisor G.Ganbat were present.

The meeting was chaired by the Head of Finance and Accounting Department of the Ministry of Mining, N.Enkhbayar.

N.Enkhbayar: Good morning all! Let's start the 40<sup>th</sup> meeting of the Working Group of EITI Mongolia. According to procedure, agenda of the Working Group meeting and internal procedure would be introduced. Do you have any inquiries regarding to the issue to be discussed? If not, let us adopt the meeting agenda and according to the programme the Working Group Coordinator Sh.Tsolmon will make introduction on the first issue.

Before that I briefly make information on policies and implementing actions of the Government and the Ministry of Mining on mineral resources sector in 2016 as requested.

Mongolia has rich mineral reserves and there is full potential to develop economy. However, for the recent years, price and rate is falling down, financial challenges and hard tests are existed at all levels in connection to market demand and supply. In order to solve this difficult situation, the government has taken several policy measures to implement. First of all, the main importance and attention were given to the elaboration of legal environment of the sector and increase of competitiveness and many works have done. In 2014, the Parliament of Mongolia has adopted the government policy on mineral resources sector and long term policy of the sector became understandable and clear. Based on this policy document, some changes and additions, revisions of Law on Mineral Resources, and Laws on Oil were made and adopted. It was happened before that Mongolia changed and renews the laws suddenly. Mainly the sudden resolutions halt, fold and limit sector functions. The main error was that proposals of stakeholders are not fully reflected, resolutions are made without

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integrated understanding of discussion and also it was due to less effective results. But legal reformation which has done for the recent years was given much attention. There is common sense that comprehensive proposals of all stakeholders such as business entities, investors, civil society organizations, scholars, academicians and international organizations, and many discussions were made, therefore, today environment in mineral resources sector and competitiveness has increased, and there is possibility to enhance the sector activities.

The next action is the importance of intensifying and widening up foreign economic cooperation. Our main buyer is China and main supplier is the Russian Federation. High level meetings were held several times with these countries and as a result big solutions were made. A long term memorandum on purchasing and selling coal for a longer period was made with the Republic of China, negotiations on importing oil from Russia, which was not regulated as it is based on market principles before, were made and the content was revised, and solution on purchase which oil basic price is based on net exchange market price, was agreed. Besides neighbouring countries, mutual cooperation was developed with other partner countries, such as the first time in history economic cooperation negotiation with Japan was made. The agreement involves not only trade issue, also comprehensive issues such as including investment. The negotiation on promoting investment and mutual protection was made with Canada. Besides that, during the bilateral government meeting which was held in October, 2015 the Mongolian side proposed to implement a joint project and a decision to implement the project was made. A five-year project with the Government of Australia on development of mineral resources governance, total two mega projects are planned to be implemented with Australia. The representatives of “Export finance” of UK visited our country and proposed a cooperation. This is a similar organization like Development Bank and proposed a more favourable condition for a development funding than other countries propose. Not only credit, funding can be in forms such as investment and securities, basic loan condition, interest rate of loan is the same as bond interest fee of the UK Government, when countries provide development funding they usually require to purchase 70-80% of goods and services from that country when it is to purchase with funding money, but this organization proposes that it can be 50%. In the framework of this funding several business entities are making contracts and negotiations and soon we will establish a memorandum with this organization. The traditional cooperation with Germany is on process and a joint project on establishing mineral resources market is implementing.

After the new year, as a continuity of agreement with China, it is agreed to reflect numbers of cooperation and calculation on export of mineral resources of Mongolia in 13<sup>th</sup> five-year plan. We developed a long term cooperation plan and met with the Reform Committee on National Development, the Ministry of Trade and the Ministry of Land and Natural Resources and agreed on the issue. The commission of sub-working group met and these works are confirmed and the intergovernmental commission will meet on May of this year. In the framework of cooperation on mineral resources sector with the Russian Federation, many studies by geological institutions of the Russian Federation between 1960 and 1990 in the territory of Mongolia have completed. The report materials of the study have not submitted at that time and returned back. However, it was discussed for many years to transfer them to Mongolian side, and the meeting of intergovernmental commission was held in Chiton in last December and agreed to transfer those reports to Mongolian side. The sub-working group meeting was held in March of 2016 in Moscow and St Peterburg, and it agreed to transfer total 1023 materials in comprehensive ways, including confidential materials on Mongolia without any fee. The receipt of these materials will bring another step of development period to geological science sector of Mongolia and we see that it would be a big favourable

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condition to attract investment in geological sector by introducing basic research information to the public.

Legal reform issues are going on. The policy measures to achieve more effectiveness are implementing. In terms of policy measures, a flexible policy on taxation was implemented. For example, 10% royalty in gold sector reduced to 5%. Thus, size of gold extraction for the last years has increased by 2 times comparing to previous year, 4-5 times comparing to previous two years. At least there were 2-3 tons gold extraction per a year, but it increased to 10 tons. Trade tax on importing devices and machines of mineral resources sector made zero until 2018. The regulation to centralize 50 percent of special licences and 30 percent of royalty from income of mineral resources sector in soums and provinces where mining activities are taking place was made. The list of mega deposits at national level was announced. The legal condition is set that the incomes of Erdenet, Oyutolgoi and Tavantolgoi shall be collected in integrated budget and incomes of other projects shall directly distributed into local efficiency.

Let us move to the basic issue of the meeting. The first introduction will be made by the Working Group Coordinator, Tsolmon.

D.Erdenechimeg: Is there any question regarding to the introduction of Enkhbayar?

Sh.Tsolmon: Yes. Please make it short.

D.Erdenechimeg: There is a change to a long name law. Accordingly, a special licence of business entities of which special licence was cancelled temporarily within the law is restored. In connection to this, three party agreement, the Ministry of Mining, the Ministry of Environment, Green Development and Tourism and local administration is expected to establish. It is said that the agreement sample is developed. How the process is going on, at which level is going? Secondly, at the end of last year several projects were introduced to make changes to the mineral resources bill. What is the developing process of this bill? Is there any possibility for CSOs to participate in it? Also you mentioned about projects to be implemented by the international organizations. What was the project of Canada in value of USD 8,4 million? Thirdly, high level meetings and discussions are taken place at international level to increase efficiency of assistance, and responsibilities and accountabilities of recipient countries and donor countries which provide official development loan and assistance are determined. During the meeting which was held in Akra of Ghana, policy document on determination of responsibilities and accountabilities of donors and Governments on supporting development of NGOs and increasing efficiency of official development assistances in donors and the Governments was adopted. The importance of neutral oversight of civil society on increasing efficiency of loan and assistance, giving attention to capacity building and ensuring SCOs participation in providing development policy loan and assistance are determined. In other words, if the Ministry of Mining is implementing the project in cooperation with the Government of Canada, how do we ensure the participation of civil society who bring the external control to the implementation process of the project? It means that we need to solve the question of capacity building of civil society during our talks on loans and development assistance agreements. It can be understood that it is an official duty. Let us introduce the work of civil society control and its participation for the planned projects.

For the last periods, many policy-driven documents are adopted by the Ministry of Mining. There is lack of civil society participation. For example, the Gold-2025 project was adopted. According to law on environment impact study, environment impact strategy study should be taken in order to implement the project and program which impact environment. In strategy study, there is a procedure to ensure the participation of local and civil society. This procedure is not followed. The Working Group of EITI and National Council should include enough participation of CSOs in decision-making of EITI within this structure and use this established collective decision-making mechanism in the sector policy making. Because EITI moved from reporting into a change. Therefore, we need to give attention to policy change. I have a proposal that we need to focus on CSOs participation.

N.Enkhbayar: The question and comment are taken into consideration. Let us discuss the meeting agenda first and give feedback later.

The EITI Working Group Chair and Senior advisor of the Prime Minister B.Batbayar joined the meeting.

Sh.Tsolmon: Let me introduce you the working group members who are present at the meeting.

I. DISCUSSED that: The report on participation in international conference of EITI and about revised standard

Sh.Tsolmon: The highest organ of EITI is the EITI Global Conference. The 7<sup>th</sup> Conference took place in Lima, Peru. The delegation consisting of 7 people, headed by the Cabinet Member, Minister of Mining and Deputy Head of the National Council R.Jigjid participated in the Conference. The Conference brought over 1200 delegates from 100 countries around the world and the conference theme was “Reports to Results”. Mongolia was awarded by a EITI Chairman’s Cup for more strengthening EITI information access and supply than the other countries. During the Conference, our delegation met with the official delegation including the Parliamentary Secretary of the Ministry of Economy and Energy of the Federal Republic of Germany, the Minister and Vice Ministers of Mining and Energy of Peru, Vice Minister of Mining and Energy of Columbia, the President of Natural Resources Governance Institute, and discussed about bilateral relations and future cooperation. Also our delegation met with the high ranking people of EITI in Kazakhstan, Kyrgyzstan and Ukraine and agreed to exchange information on regular basis. The Global Conference adopted the new EITI governing committee which work for 2016-2019 and Mr Fredrik Reinfeldt was appointed as a chair of the committee. Also EITI-2013 standard was revised and changed to EITI-2016 standard. The decisions such as the permanent working group of coordinators of EITI implementing countries shall be established and working procedure on constant feedback shall be implemented took place.

The Conference adopted EITI 2016 standard. EITI shall need to implement necessary measures to make EITI experienced and capable to implement EITI standards according to 2016 plan and related training plan, member countries make transparent of beneficiaries till January 1, 2020, EITI Governing Committee develop open information policy and work to set standards, and this work shall be assisted by the IMF.

The new standard implementation will effect from February 23, 2016. EITI implementing countries shall implement and transfer the following work in a short time as possible. It includes the reflection of all recommendation on EITI reporting in work plan, countries

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which are going to verification in 2017 shall meet these criteria, how this requirement is met should be included in annual progress reporting or included in work plan, if it is not reflected then the explanation shall be made. Mongolia will go under verification in April 1, 2016. (the introduction is enclosed)

N.Enkhbayar: Thank you. Is there any member who is going to ask question?

D.Erdenechimeg: How we can understand the map of information transparency of beneficiaries? The roadmap is understood as orientation and plan for implementing actions.

Sh.Tsolmon: Right, I will make clarify this for my next introduction. We need to confirm with the interpretations as well.

B.Batbold: Erdenechimeg attended the Global Conference, representing our EITI. Why and what reason she missed the all members' session?

D.Erdenechimeg: The Mongolian tan coalition is a member of international network organization, Publish Paid. There were the member organizations from over 90 countries. The Conference adopted a new consistence of EITI Governing Board. The Governing Board shall have five members of civil society. There is a procedure that this representation is nominated by SCOs themselves. According to certain procedure five candidates are nominated, but there was sixth candidate. This sixth candidate was illegal and nominated himself and international secretariat accepted the nomination. It was SCO called "Civil Society of Extracting Enterprise Owners". It was not clear, in other words, is it real SCO or union of mining companies like association. This violates hugely the principle to ensure equal participation of three parties within governance. It was considered as a governance crisis within the international structure. Therefore, we made a decision not to participate in the session unless the sixth candidate is withdrawn. As a result, the sixth candidate was withdrawn. But the procedure of acceptance was illegal and required the International Secretariat to accept its mistake. It might happen again. If there is a governance crisis at international level, it would be a d reputation at national level. Therefore, the requirement was set to the Secretariat. The new chair of the Board accepted that this issue would be the first priority issue to be discussed by the Committee. The Board member Enkhbayar will inform the further solutions and results. At the moment we do not have any new information.

N.Enkhbayar: Let us move to the next issue.

DISCUSSED: Establishing Sub-working group on transparency of beneficiaries in the EITI International Renewed Standards

SH.Tsolmon: Thank you. This is a bit challenging and complex issue. Why we should make transparent the definition of beneficiaries? Let me make a brief introduction about transparency of beneficiaries and EITI, about making roadmap to make transparent of beneficiaries, and measures to be taken.

A beneficiary is an individual who directly or indirectly owns or controls a business entity. Transparency of beneficiary has importance of improving investment environment, protecting against risk of degrading country reputation, preventing from corruption and illegal financial actions, perfecting legal governance, enhancing accountability by increasing

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trust, and increasing income source. EITI standards require to make the registration of beneficiaries transparent. For Mongolia, this information was taken from 215 companies in 2013 EITI report and 26 companies in 2014 EITI report and published. 2013 data was processed as visual information and placed in the Secretariat webpage. The implementing countries shall have responsibility to make transparent of legal stakeholders and their percentage of ownership by EITI reports.

In the framework of making roadmap on transparency of beneficiaries, it needs to solve that the issue of making beneficiaries transparent shall be connected to main directions of reform policy, to determine organization system to make beneficiaries transparent, to create the definition, to gather related data, to create database, to make technical and financial support calculations, to determine time period, responsibility and responsible persons of implementing activities which are taken place in the roadmap. I have a proposal to establish a sub-working group of the National Working Group to implement the abovementioned work. This sub-working group shall develop action plan for 2017-2019 as a roadmap including needs and interests of each participatory and submit it to the Working Group. Please propose your suggestions to this issue.

B.Batbayar: NGO is a public organization. What would be the criteria for civil organization to ensure a participation of these three parties? Who is in, and who is out? Now there are 27,000 civil society organizations in Mongolia. Out of this, there are over 600 organizations for protecting only rivers and mountains. Who is participating in this working group? Bright ones? Secondly, SCO should have own interest. There are there not being to do nothing. Why there are so many organizations? There is average 1 to 2 people in each SCO. Thirdly, why they are involved in it? There should be criteria. Nigeria has the largest SCOs, 150,000. There are 50 or 100 beneficiaries benefiting from one company. Nigeria is well-studied and the richest country in terms of oil extraction. Next, what are the rights and responsibilities of SCOs? Is it a place where is taking shooting with guns and knives? We do not have such criteria. I understand that this is cooperation between state, company and civil society. It is clear for a state and company. But third one is representing whom? What criteria they have to be here? They represent only one or two people? It was the most active and racketeering organization and it would be in the future. We do not have a foreign direct investment. I see the villain is SCO. There is a network of not transparency. Many companies are involved in a long named law. When they go for mining and there is nothing to find, then loss would be paid by the state. The loss can be calculated by 7.4 trillion tugrik. We do not have such amount of money to pay. Nothing has left for racketeering since a state has no money.

I do not want to argue with you. I just admit that it is a cooperation for the country. If there are no criteria and no intent, it cannot be a cooperation. Thank you. I would not attend from the next month as I would be no longer advisor. Please understand correctly, it is a cooperation. For example, why did you establish NGO? I only love my country is not an explanation. I would not like to disagree with you.

N.Narantsetseg: We have a certain objective. It is established with purpose. It is not the place for someone wants to attack as he may wish.

B.Bayarmaa: You have been insulting us for many years.

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B.Batbold: It is a true face of your governance. You have a such adviser. Senior adviser of the Prime Minister, I warn you.

G.Chagnaadorj: You should talk in such manner.

B.Batbold: You cannot bring your public figures.

B.Batbayar: I just would like to help ASEM. My intention is not be involved in this.

B.Batbold: Then you have an interest.

B.Bayarmaa: Citizens' participation is very important for what we are talking. You were insulting us when you became rich of mining money.

M.Bayanmunkh: I am a head of Finance and Accounting Department of the Ministry of Mining. I am sorry for being late to this meeting. Because I had a plenty of job at the railroad. I had to chair this meeting. According to the procedure of agenda, the issues are introduced. If you have questions, please do ask. Then we will make decisions.

B.Batbold: According to 2.5 of the standard, information of beneficiaries would be transparent by 2020 through reporting. Is there any possibility that we can make it transparent before deadline?

Sh.Tsolmon: We can do it as a matter of principle. But I do not know about techniques. Therefore, sub-working group needs to be established to work on studies. In one hand, larger studies will be made in open society forum, on the other hand Bayarmaa did bigger studies. We will determine what we have and what we need to do in cooperation with three parties and make decision. It is not necessary to wait for 2020. I see that we need to make a plenty of work in terms of legislation.

B.Bayarmaa: The pilot project to make beneficiaries transparent was implemented in 11 countries. Is there any possibility that we can explore the lessons and information of these countries? How is matching our legislation at this level?

Sh.Tsolmon: The bill on transparency of mineral resources was scheduled to be discussed by the parliamentary session for this week but it was postponed and hope it would be discussed by the next week session. The bill has no inclusion of this issue. It is drafted as a legal body and company. It is necessary to discuss it separately.

G.Chagnaadorj: You mean that it is an individual for determining a beneficiary. In my opinion, in a company, there are members of the Board and investors. Do you say an individual is an investor to the company? Who is a control person? I do not understand these terms.

Sh.Tsolmon: It states that a beneficiary owner is an individual who owns or controls the business entity, directly or indirectly. A share is clear. A shareholder means a company before. It is understood as high ranking official or high ranking political figure. Now we will understand like this, and the working group will work on it and then it would be clear.

D.Erdenechimeg: When you see the definition in the standard, it seems to be simple but it is very complicated. EITI information was limited to special licence owners, but beneficiary owner information requires an individual who owns company that participated in exploration sector tender bids, made investment and runs activities related to exploration sector, directly or indirectly, participates indirectly in management and control, besides owns special licence, and among them, highlight a body who has influence in politics. First of all, we need to make definition for a beneficiary owner, and negotiate on what information we need to make transparent, and agree how we can make transparent of those information and how would be correlation with the government.

B.Bayarmaa: It says that participatory parties should be involved in a negotiation. I understand that it agreed by 5% according to law on securities during the study period, but according to new requirement, it needs to negotiate on ownership percentage of indirect control package after establishing working group to discuss what means beneficiary owner by parties including professionals. Would the working group work on it?

Sh.Tsolmon: Yes, the sub-working group shall determine the ways of solving the said 12 different issues and submit to the Working Group.

N.Enkhbayar: What would the sub-working group submit to the Working Group by June 15?

Sh.Tsolmon: I understand that work plan, expenditure, direction of activities shall be determined. Work and study shall be both taken at the same time.

D.Erdenechimeg: We need to make transparent of beneficiary owners' information by 2020. Then we might need to make an action plan till 2018. The Open Society Forum announced the project study competition on determining ways of making transparent of beneficiary owner's information and has received three proposals today. The next week the nominations would take place. The study would propose how we may identify beneficiary owner in Mongolia, what kind of information can be transparent to be included, what legal environment would require to make it transparent, which organization, at what extent, and how to work and cooperate. The result of study would be submitted to the Working Group and the National Council. It is expected to be a basis for our further work. We consider that we will receive the study report within the first week of July as it is planned.

G.Chagnaadorj: The Natural Reserves Governance Institute. Is it Dorjdari's organization?

Sh.Tsolmon. Yes, it is. Dorjdari supports a lot.

D.Erdenechimeg: It requires to ensure multiple participation to establish a sub-working group. According to the related laws, the Central bank determines the final owner and registers information. The beneficiary owner's information is registered at many different places such as influential stakeholder is on financial regulatory committee, founding members and company owners are at legal body registration authority. Some of them are under high level of confidentiality and some are not. In order to make transparent by 2020, it is important to cooperate with these organizations. Therefore, we need to include representatives of committee on securities and bank, we might go to a decision when we



establish a working group to ensure participation of these organizations, know where and what information is registered and how to compile of that information.

M.Bayanmunkh: We are talking about beneficiary and beneficiary owner. It is very complex issue related to confidentiality of individual and company. It is important that we need to study very carefully. It is important we have to consider in our further work. We are talking about transparency today, however we have no right to interfere individual's rights and confidentiality. Only it is possible when they agree.

B.Bayarmaa: Now they are giving in some extent.

Sh.Tsolmon: It is as a legal and as an individual.

D.Erdenechimeg: It needs to go to the existing registration and control reporting system for the country rather than making a long list reflecting in EITI report. If the stock exchange has a list of shareholders, we do not need to make it separately.

N.Enkhbayar: We have a study which is taking place domestically. Also there are lessons of 11 foreign countries. If we are talking about beneficiary, there would be many issues on international cooperation. It is clear that studies are on many different directions. The work direction is clear. Can we determine the consistence of the working group?

Sh.Tsolmon: I would like to propose Enkhbayar, an international board member to chair the work. He would work on this in the future. I see that the Ministry of Mining would be the main representative in this issue. I proposed this upon the consultation of my boss. There would be a proposal of consistence from companies and civil societies.

M.Bayanmunkh: It is better for us to determine how many members would be in the working group. Then we can send our proposals by email to Enkhbayar for further decisions.

B.Batbold: Why there is no representation of state organization. Look at the initiative secretary. We need to make the meeting fruitful and beneficial. It is valueless when there is more SCOs and less state organizations. It needs to take measures to make it effective. Or civil society can prepare letter and submit it to the Prime Minister. They go for a bigger meeting, not smaller meeting. When they go abroad, they all talk about gold and coal.

Sh.Tsolmon: It is your right.

D.Erdenechimeg: The International Governing Committee has not agreed yet on the integrated procedure of verification. Therefore, verification has postponed. But it is clear that it would not exceed June or July. When we see the pilot project results of verification, we have a problem to pass the verification. We met half of the requirements on many issues, and got mark on insufficient. Therefore, pilot project verification summary and recommendation shall be officially introduced to the Working Group and the National Council members. The International Secretariat proposed us to make action plan in terms of preparing to actual verification. We need to focus on it. Senior adviser of the Prime Minister is constantly changed. Each adviser has different characters and different understanding about civil society. Before coming to the meeting, it is better to be well introduced by the initiative and participation of civil societies. Previously, we have talked with advisor Delgermaa, but she

went when it was a time to understand each other closely. Now we try to understand this person. They do not understand the question.

Sh.Tsolmon: The pilot project verification is fully in translation. At that time, the International Secretariat told us not to make a full translation. We do not have budget for translation, but the German International Cooperation Agency supported and 80 pages documents are under translation. When it is ready we will distribute them. In terms of Baabar, I could not find him and he does not respond to his phone. But I met him and tried to conceive him. Today he is different. If we have a funding, it is possible we can work in full capacity. It needs to propose names to include in the sub-working group. We will propose representatives of tax office and mineral resources department. We do hope that we will have a general view from May 1, 2016 to June 15, 2016. Please respond to Erdenechimeg's question.

N.Enkhbayar: There was a question about long name bill. There are two different types of contract modules to work with local government. One is agreement on verification of business entities in order to solve difficulties which created before and another is leasing contract by locally stated in 42 of the law on mineral resources. There is a joint working group with the Ministry of Nature and Environment. The number of business entities that did accountability contract is changing everyday. Let us make sure about final figures before sending. In general principle, a long named law took three regions under the protection. Firstly, source of flow shall be protected by 100 percent, ordinary and special licence places shall be under protection and the agreement is guaranteed the responsibilities while the deposit is placed. For forest industry, one cutting wood shall be replaced by 10 according to the laws. In terms of cooperating with local government, the model contract was adopted by April 4, 2016 and yesterday the Government Office made it as official document and distributed to the related organizations and placed on the Ministry's website.

In terms of additional change to the law on mineral resources, it is considered that a basic change is made by the change of July 1, 2014. Now difficulties during the implementation process are reflected on direction at slightly small level. With the issue to provide a special licence, a working group to cooperate with local government is working.

The first legal draft was discussed by Mineral Resources Policy Council in the last week. The Mineral Resources Policy Council is a council which provides equal participation of three parties as it is stated in laws on mineral resources and policy on mineral resources sector. Any reform and change in the sector which would be implemented by loans and projects and program shall be regulated by laws on credit management. The Ministry of Finance renewed the procedure and it is along the ways. In the procedure, the providing party and receiving party shall propose the basic terms. The implementing organization and beneficiary shall participate and adopted by the plan governing committee. The Board adopts the plan and control the implementation process and put the final control. The main direction of the implementing job has taken place and you can introduce.

D.Erdenechimeg: Is there any working group on mineral resources law? Shall I introduce myself to the project, is it possible to propose my proposal? Which sector is responsible for it?

N.Enkhbayar: Baatartsogt is responsible.

B.Batbold: Is it still difficult for the Working Group in terms of budget and funding? Shall we submit our proposal on working condition of secretariat from participatory parties to the Prime Minister and fund and budget questions.

**DECIDED:** This issue may be done by June 15. The sub-working group to develop work plan shall be headed by N.Enkhbayar, head of department of the Ministry of Mining.

**The meeting ended by 12.45.**

The minutes were introduced by:

M.Bayanmunkh, Head of Finance and Accounting Department of the Ministry of Mining

N.Enkhbayar, Head of ESZHO, member of EIT International Board

Sh.Tsolmon, Secretary of the Working Group

The minutes of the meeting was conducted by A.Otgontulgalag, financial reform that Secretariat.

A.Otgontunglaag, financial officer of Working Secretariat