

Mongolia EITI Work Plan Implementation for the year of 2017

Slogan: “Strengthening EITI Sub-councils and ensuring legal environment for the disclosure of beneficial owners” in Mongolia

As date of December 31st, 2017

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OBJECTIVE	PLANNED ACTIVITIES	EXPECTED OUTCOME	IN CHARGE	TIMING (Quarter)	Budget		Implementation
					Amount (by thousand MNT)	Actual cost /by thousand MNT)	
Objective 1: Ensure better transparency of SOEs (Requirement 2.6, 4.5, 6.2)	1.1 Training for SOEs /40 people/	SOE’s awareness on EITI Reporting will be increased	MoF, Agency for State Property Policy and Regulation, Erdenes MGL	I Q	2,500	Completed 1,570	In Jan and May organized two trainings together with Erdenes MGL, IA for the year of 2015, 2016. Totally 45 senior officials, accountants have participated https://www.flickr.com/photos/123397335@N02/albums
	1.2 Clarify the practices and related regulations related to financial relations between Government and SOE’s such as retained earnings, reinvestment, financing third party etc.,	Scope on SOEs payment and transfer disclosure will be determined and related guidance will be prepared..			300	Completed 675.8	KPMG has organized several meetings with related stakeholders in May and in June MSWG meeting held for defining a scope of the work.. https://www.flickr.com/photos/123397335@N02/albums
	1.3 Determine materiality of SOE transfers to Government; clarify the distinctions between SOE’s direct subnational payments and subnational transfers.				300	Completed 251.4	In June 16, 2017, subworking was established for the defining a materiality threshold. https://www.flickr.com/photos/123397335@N02/albums
	1.4 Review the quasi-fiscal expenditures undertaken by SOEs based on 2016 report data and clarify specific determination.				300	Completed 300	During SOE training organized in May and through 2016 reconciliation process KPMG offered some definitions and guideline. Erdenet mining LLC shared their case on QFE during the May training. https://www.flickr.com/photos/123397335@N02/albums

	1.5 Organize joint consultation including MoF and SOEs which had limited audit conclusions on their financial statements, discuss possibilities and develop actions plans to make necessary improvements in financial control	IA recommendation given by EITI 2015 report will be followed up	MoF, Agency for State Property Policy and Regulation, Erdenes MGL	II Q	2,000	Completed 300	In January training, it is introduced to SOEs and discussed specific topics. In 2016 report some additional information has collected. https://www.flickr.com/photos/123397335@N02/albums
Objective 2: Ensure license transparency (Requirement 2.2, 2.3)	2.1 Disclose date of application, date of award, duration of mineral resources license in MRPAM cadastral system	License transparency will be ensured	MRPAM ⁱ , IAAC ⁱⁱ	II Q	300	Completed	2016 IA KPMG requested such information from MRPAM and possible information has been reported by MRPAM and disclosed through the report.
	2.2 Disclose date of application, date of award, duration and coordination of petroleum license in MRPAM cadastral system.				300	Completed	2016 IA KPMG requested such information from MRPAM. Coordination of petroleum license is disclosed.
	2.3 Document license transfers and non-trivial deviations from the regulation on license allocation and incorporate in to EITI 2016 report				MRPAM	300	Completed
	2.4 Make survey on possibilities of project and license level reporting and inform the result	Project level reporting possibilities will be conducted	MRPAM, GDT ⁱⁱⁱ		300	Postponed	Postponed to 2018.
Objective 3. Ensure comprehensiveness of environmental rehabilitation related information	3.1 Ensure that all extractive SOEs have in place comprehensive rehabilitation plan, fully costed, and that their future financial statements include rehabilitation costs in accordance with the relevant International Financial Reporting Standards	IA recommendation given by EITI 2015 report will be followed up	MoET ^{iv} , Erdenes MGL		300	Completed	By the Jan and May training, MoE and MoF provided a capacity building training and increased awareness. https://www.flickr.com/photos/123397335@N02/albums

	3.2 To produce data on damaged and rehabilitated field due to mining activity by each company	Rehabilitation data will be produced	MoET		300	Completed	Through the update of EITI reporting template which endorsed by Finance Ministerial Order number 43, this type of information is being collected. Now 166 companies has reported.
	3.3 Report to NC the survey result on last 5 years environmental rehabilitation deposit's special accounts revenue and its re-allocation	NC 15 th meeting decision will be implemented	MoET		300	Pending	MoET was supposed to report such information with an aggregated data and to include in the 2016 report.
Objective 4: Draft and approve regulation of data creditability and assurance	4.1. Draft and approve regulation on assurance of Government report	Data creditability will be ensured.	MoF, NAO ^v	I Q	300	In progress	The regulation on assurance of EITI government report has been approved and incorporated to the National Audit Office annual work plan for the year of 2017.
	4.2 Draft and approve regulation on assurance of Company report		MoF, General Agency for Specilized Inspection, MoET		300	Completed	2016 IA KPMG offered the assurance draft rule and it is approved by the MSWG meeting held on June 16.
Objective 5: Prepare and incorporate into EITI report the comprehensive information on extractive industries revenue allocation according to EITI standard	4.1 Joint training for MRPAM and NDA /20 people/	Revenue allocation relation information will be disaggregated	NDA ^{vi} , MRPAM	II Q	1,000	Completed 346	Participated and gave the presentation to the conference organized by NDA on May.
	4.2 Training for Fiscal Policy and Regulation Department of MoF /20 people/		MoF		1,000	Postponed	Postponed to the 2018.
	4.3 Training for Taxation Departments /60 people/		MoF		4,000	Completed 1,504	Taxation departments of 6 districts were participated in the capacity building training held on Feb 24. https://www.flickr.com/photos/123397335@N02/albums
	4.4 Disaggregate mineral and crude oil export volumes and values by province or region		Customs Office		I-IV Q	300	Completed
Objective 5: Improve internal governance and increase State participation to the EITI process	5.1 Meetings with newly appointed Senior Government officials (member of EITI NC and MSWG) and incorporate EITI works with their 2017 work plan	Incorporated work plan	Senior Advisor to the PM	I Q	300	Completed 300	Organized a training for government organizations on December 2016 and met individually with some chair persons of government agencies /MRPAM, GDT, NDA, MNAO/

	5.2 Training for Senior Government Officials of EITI NC, MSWG member organizations /40 people/	Meeting attendance will be increased	Secretariat		2,500	Completed 300	Organized a training on Feb 24 and 32 persons from 25 organizations have participated. Attendance is increasing. https://www.flickr.com/photos/123397335@N02/albums
	5.3 Produce, discuss and endorse EITI Mid Term 2020 Strategy	Mid Term Strategical Priorities will be determined	MSWG		500	Postponed	Postponed to 2018
	5.4 Update ToR of NC, MSWG, Secretariatretariat, Subnational councils and include clear specification of obligations	Duties and Obligations will be clearly defined	MSWG		500	Completed	Decided by the MSWG meeting on November.
	5.5 Update Government Resolution #222	Legal framework and internal governance, subnational stakeholders responsibility and obligation will be clearly defined	NC		500	Completed	Draft resolution is approved by the MSWG meeting on June 16 and submitted to the Government. The new resolution is approved on September 20, 2017 by the Government.
	5.6 Include following tasks into IAAC and NAO 2017 work plan and their result contract - Inspect law enforcement related to donation and beneficial ownership disclosure in extractive sector	IAAC, NAO participation will be ensured within specific issues	MSWG		-	Completed	Included in the National Program for the Anticorruption 2017-2023 and negotiating with MNAO regarding assurance regulation for the government reports.
	5.7 Submit draft law on transparency in mineral resources sector to Parliament	Draft law will be deliberated by Parliament	MoMHI ^{vii}	I-IV Q	1,000	In progress	A separate subsection is included in the new mining draft law which prepared by the MoMHI and discussed by the multi-stakeholders..
Objective 6: Conduct an assessment of follow-up on EITI recommendations and impact of	6.1 Introduce MEITI 2015 report and Validation report to the Economic Standing Committee of Parliament	Parliament members awareness on EITI will be increased	Senior Advisor to the PM, MoMHI	I Q	300	Completed 200	Introduction was given to the Economic Standing Committee.

implementation based on consultations with a broad range of stakeholders.	6.2 Communication MEITI 2015 Report and its Recommendations through social media	Public awareness will be increased	Secretariat	I-IV Q	1,000	Completed	The report has been advocating through the all kind of communications events, press release was held, the number of social media account followers is increased by 23 percent.
	6.3 Review Recommendations given by MEITI 2013-2015 Reports and edit them into integrated recommendation	Follow ups on recommendation rate will be increased	NC	II Q		In progress	Preliminary analysis has been conducted and going to be introduced to the December meeting.
	6.4 Advocate Corporate Social Responsibility ISO MNS:26000 standard	Companies' knowledge about standard will be increased	MNMA ^{viii} , MEF ^{ix} , Agency for Standardization and Measurement	I-IV Q	5,000	Completed 3,043	In April, there were two capacity building trainings subjected "The standards of transparent and responsible mining. Trainees was Academia of ISO, Corporate Governance National Council Erdenes MGL. 64 participants were trained. https://www.flickr.com/photos/123397335@N02/albums
Objective 7. Receive EITI e-Reporting system from developer according to its requirements	7.1 Receive EITI e-Reporting system from developer according to recommendation given by EITI 2015 Report	IA recommendation given by 2015 report will be implemented	Secretariat	I Q	-	Completed 274.9	Received a certificate according to IA recommendation 7.2.6 /3/ of the 2015 EITI Report.
Subtotal					26,000	9,065.5	

Objective two: Produce and endorse Mongolia EITI 2016 Reconciliation Report

OBJECTIVE	PLANNED ACTIVITIES	EXPECTED OUTCOME	IN CHARGE	TIMING (Quarter)	Budget		Implementation status
					Amount (by thousand MNT)	Amount (by thousand MNT)	
Objective 8: Produce and endorse Reconciliation Report	8.1 Organize bidding and select Independent Administrator for 2016 report, endorse the report by National Council meeting	Reconciliation Report will be endorsed	NC, WG, Secretariat, Evaluation Committee, IA	I-IV	255,000	Completed 190,000	Selection process of IA for the 2016 report was organized on Feb to March and contracted with KPMG on April. The consultation contract amount was totally 190 million tugrik, 30 percent was paid after MSWG meeting dated June 16, 70 percent was paid in December.
	8.2 Trainings and workshops for EITI reporting entities	Reporting entities capacity will be strengthened	Secretariat	I-II Q	10,800	Completed	Training for reporting entities was organized in Feb 2017, totally 50 company representatives, 25 government organizations were participated.

							https://www.flickr.com/photos/123397335@N02/albums Announcement of reporting was advertised frequently through SMS, email, website, daily newspaper. General Inspection Office defined the deadline as of 15 th of June and unreported companies were sanctioned by penalty. 1167 companies have submitted their report by the June 30, 2017.
	8.3 To conduct Scoping study for EITI 2016 Reconciliation report	MEITI 2015 report, recommendation #9 will be implemented	Secretariat	II Q	-	Completed	213 companies lists were defined by the MSWG meeting dated on June 16, 2017.
	8.4 Agree on clear distinction between mandatory and voluntary social expenditures	Recommendation given by Validation will be implemented	MoF	I Q	-	In progress	IA provided a explanation on this issue and agreed to get MoF comments by the official letter to Finance Minister during Inception meeting dated June 16, 2017..
Subtotal					265,800	190,000	

Objective three: Ensure EITI implementation at subnational level and strengthen subcouncils capacity							
OBJECTIVE	PLANNED ACTIVITIES	EXPECTED OUTCOME	IN CHARGE	TIMING (Quarter)	Budget		Implementation status
					Amount (by thousand MNT)	Amount (by thousand MNT)	
Objective 9: Implement communications pilot project in 5 soums funded by EBRD	9.1 Select 5 soums	EITI implementation will be activated in 5 soums	MSWG	I Q	435,200 ¹	Completed	ASI project manager, coordinator and secretariat developed a soum selection criteria and introduced to the MSWG meeting in February and 5 soums was selected.
	9.2 Develop and approve pilot project work plan		ASI	I Q		Completed	In March, ASI, Secretariat, ICG, some members of MSWG were worked in the 5 soums and conducted a needs assessment. https://www.flickr.com/photos/123397335@N02/albums
	9.3 Implement and evaluate pilot project		ASI	II-IV Q		Completed 13,069	ASI and ICG developed a communications strategy on April to June and the strategy is approved by the MSWG meeting dated June 16, 2017. From July to December first field trips were organized successfully

¹ Адам Смит байгууллагаас зарцуулалтын биелэлтийг ирүүлээгүй учир хасч тооцов.

Objective 10: Capacity building of aimag level subcouncils	10.1 Establish an adequate communications platform among subcouncil members to enable experience sharing	Increased corresponding	Secretariat	I Q	500	Completed538	Facebook group a communications platform created. In December 2016, a capacity building training for subnational councils organized. MSWG members also participated in Uvs meeting.
	10.2 Organize distance training for aimag subcouncil members "How to use EITI Data portal"	Members knowledge and understanding will be increased	Secretariat	II Q	100	Postponed	Postponed to 2018.
	10.3 Central regional conference, Ulaanbaatar, 8 aimags, 200 people	Peer to peer learning in aimag level	Civil Society Coalition, Secretariat	II Q	30,000	Completed2,036.8	Organized on December 13 in UB. Also consultation meeting was held in Ulziit soum of Dundgovi aimag.
	10.4 Eastern Conference, Dornod aimag /3 aimags, 150 people/	Peer to peer learning in aimag level	Civil Society Coalition, Secretariat	III Q	10,000	Postponed	Postponed to 2018..
	10.5 To provide technical assistance to organize aimag level EITI subcouncil meeting in 4 aimags and communicate to the general public	Subcouncils capacity will be increased	Civil Society Coalition, MNMA, Secretariat	II Q	15,000	Pending	Postponed to 2018.
	10.6 Training for local civil society organizations and journalist /40 people/	Subcouncils capacity will be increased	Civil Society Coalition, Secretariat	II Q	10,000	Completed4,417.5	Trained 40 local journalists from 21 provinces together with Mongolian mining journal in October.
	10.7 To study possibilities to mobilize some funding from Environmental Ministry's Budget for subcouncils' operational costs and send official request related organizations	Funding possibilities will be conducted	Secretariat	I Q	-	Completed	According to Government resolution number 263 of 2017, subnational council are going to be funded from the state budget from 2019..
	Subtotal					65,600	20,061.3

Objective four: Implement planned activities belong to 2017 of the Roadmap for Beneficial Owners Disclosure

OBJECTIVE	PLANNED ACTIVITIES	EXPECTED OUTCOME	IN CHARGE	TIMING (Quarter)	Budget		Implementation status
					Amount (by thousand MNT)	Amount (by thousand MNT)	
Objective 11: To link BO disclosure with National Reform Priorities	11.1 Organize meeting with Open Government Partnership	Joint activities will be determined	Senior Advisor to the Prime minister, sub-working group	I Q	300	Completed 50	In June, Introduction was given to the OGP National Council and discussed mutual comments.
	11.2 Introduce and consult the MEITI 2015 Report to related Standing Committees of the Parliament	Parliament members will be aware of BO issues			500	Completed	Introduction was provided to the Economic Standing Committee.
	11.3 Organize Press Release together with OGP and EITI National Council to jointly express their position on BO disclosure issues into public	Interested stakeholders will come in common understanding		II Q	100	Pending	
Objective 12: To identify institutional framework for BO disclosure	12.1 Organize consultation seminar within government organizations which registers BO information and reach common understanding, find out recommendations /60 people, 1 time/	Which government organization will register and maintain BO information, what legal documents will need to amend will be determined.	Secretariat of Prime Minister, EITI Mongolia Secretariat	I Q	4,000	Completed 232.9	Organized on June 13 together with MoMHI. 17 government officials from 10 agencies which obliged to register BO information were participated. https://www.flickr.com/photos/123397335@N02/albums

	12.2 Establish working group on legal amendments and linkages	Legal environment will be created	MoMHI, MoJIA ^x	III Q	10,000 ²	Completed	New project is launched funded by EBRD. EITI International Secretariat will provide technical assistance. Subcouncil is established.
	12.3 Reflect to EITI draft law	Legal environment will be created	NC	I-III Q	2,000	In progress	Separate subsection Уул уурхайн хуулийн төсөлд бүлэг болон тусгагдсан, хэлэлцэгдэж буй.
Objective 13: To identify "Beneficial ownership" terminology, definition, disclosure threshold, level of detail through broader consultation with stakeholders	13.1. Organize consultation seminar on "Terminology" /40 persons, 1 time/	Comments will be wrapped up	OSF ^{xi} , Secretariat	I Q	2,500	Completed 600	Organized on December 20, 2016 and participated MSWG and Sub working group members.. https://www.flickr.com/photos/123397335@N02/albums
	13.2 Create data base on other countries experience on BO disclosure	Comments will be wrapped up	Secretariat	I-IV Q	300	Completed 300	Going to be created by December 2017.
	13.3 Consultation workshop within company representatives /60 people/	Comments will be wrapped up	MNMA, Secretariat	I Q	4,000	Completed 1,100	A training organized In Feb for company accountants /50 people/, in Apr for company executives and financial directors /24 people/ and collected the comments. https://www.flickr.com/photos/123397335@N02/albums
	13.4 Consultation workshop within government organizations /40 people/	Stakeholders will come in consensus	MoMHI, Secretariat		2,500	Completed 1,771	A consultation meeting organized in feb and June for related government officials and collected the comments. /52 people/ https://www.flickr.com/photos/123397335@N02/albums
	13.5 Consultation workshop within civil society organizations /60 people/	Stakeholders consensus will be guaranteed and documented officially	PWYP Coalition, Secretariat		4,000	Completed	December 20, 2016 workshop have consulted with civil society organizations. Also on November 13, 2017 a separate consultation workshop organized for civil society together with OSF.
	13.6 Joint consultation within stakeholders /150 people/	Comments will be wrapped up	MSWG		6,100	Postponed	Postponed to 2018
	13.7 Discuss and agree on "terminology, definition, threshold, level of detail of BO disclosure" by EITI MSWG, NC meeting	Comments will be wrapped up	Secretariat	II Q	500	Completed	Approved by MSWG meeting held on November 15 and submitted to the Cabinet Secretariat of Government of Mongolia.

² Хийх ажлын дарааллыг тохиролцох, 2018 онд шилжүүлэхээр тооцов.

Objective 14: If Political Exposed Person is beneficial owner of extractive industry, then ensure complete disclosure of his/her information.	4.1 Precisely identify "Politically Exposed Beneficial Owner" definition	PEBOs will be reported completely	IAAC, MSWG	I Q	500	Completed	Completed with above meeting.
	4.2 Amend related laws and update reporting template	Reporting mechanism shall be ensured		II-IV Q	500	Pending	Postponed to 2018.
Objective 15: Organize promotional activities for companies to disclose BOs by themselves through increasing public awareness	15.1 Training and consultation workshop for executives and senior legal officers of companies /25 people, 4 series/	Acceptance of the requirement and mutual understanding will be increased	MNMA, Secretariat	II Q	8,000	Completed 200	In May a training for company legal officers and executive directors have organized /14 people/ and collected their comments. https://www.flickr.com/photos/123397335@N02/albums
	15.2 Training for trainers comprises from civil society and NGOs /20 people, 3 series/	Public debate will be activated by trained trainers	Civil Society Coalition	II-III Q	5,400	Postponed	Postponed. Will be implemented by the EBRD funded project.
	15.3 Establish investigative journalists network and train them /10 journalists, 4 series/	Targeted TV programmes, articles, interviews will be broadcasted	Civil Society Coalition	II-IV Q	10,000 ³	Postponed	Postponed. Will be implemented by the EBRD funded project.
	15.4 Conduct survey on company incentives mechanism for those disclosed BO information on their own	Possible incentives' mechanisms will be conducted	BO Subworking group	I Q	10,000	Pending	Pending. Comments are being noted from the all consultation meetings and workshops.
	15.5 TV live discussion /2 times/	Public awareness and engagement will be increased	NC	II-III Q	20,000	Completed	On December 27, TV live discussion have broadcasted. IAAC, OSF, MNMA, MoF, CGNC, Secretariat were invited.
	15.6 Organize an event for youth who study mining and governance subjects to engage them	Engage youth participation	MSWG	II-III Q	500	Pending	Postponed to 2018
Objective 16: Collect the BO information and assure the accuracy of data	16.1 Synchronize the registration system of government agencies which register and maintain BO information and improve information	Information collecting and sharing system will be synchronized	IAAC, MSWG, Corporate Governance National Council	I-II Q		Postponed	Postponed. Will be implemented by the EBRD funded project.

³ Хийх ажлын дарааллыг тохиролцох, 2018 онд шилжүүлэхээр тооцов.

	sharing within those GOs				50,000 ⁴		
	16.2 Organize training for GO's related with BO registration process	Capacity of GO's will be strengthened		III-IV Q			Organized on June 13, 2017 together with MoMHI. Related 8 government organizations, 20 official have participated.
	16.3 EITI MSG stakeholders agree on data assuring methodology	Assuring methodology will be identified	Secretariat	IV Q	500	Postponed	Postponed. Will be implemented by the EBRD funded project.
Subtotal					70,200	4,253.9	

Objective five. Ensure contract transparency

OBJECTIVE	PLANNED ACTIVITIES	EXPECTED OUTCOME	IN CHARGE	TIMING (Quarter)	BUDGET		Implementation status
					Amount (by thousand MNT)	Actual cost (by thousand MNT)	
Objective 17: Launch a contract disclosure website	17.1 Collect contracts and create a database	Database will be created	MoMHI, Secretariat	I Q	1,000	Completed	Contract database has created by the OSF funding, MoMHI, OSF, Secretariat established a MOU for the sustainability of such database. At the moment, 35 contracts are publicly disclosed by this database. https://www.flickr.com/photos/123397335@N02/albums
	17.2 Launch a website	Website will be launched	OSF	I Q	1,500	Completed 456.5	
	17.3 Develop manual and methodology for contract disclosure	Manual will be produced	Contract disclosure sub WG	II Q	1,000	Postponed	Pending
	17.4 Organize a training for civil society organizations on the subject of contract monitoring	Contract monitoring capacity will be built	NRGI ^{xii} , Secretariat	II Q	4,000	Completed	NRGI, OSF, PWYP coalition organized a training in 2017 and monitored ten local cooperation contracts.

⁴ Хийх ажлын дарааллыг тохиролцох, 2018 онд шилжүүлэхээр тооцов.

	17.5 Disclose Product Sharing Agreements	PSAs will be disclosed	MoMHI	II Q	1,000	Pending	MRPAM sent a official letter that noting PSAs will be disclosed by the June 30. Also under the 2016 report, PSAs will be also asked to disclose.
	17.6 Disclose contract negotiation process	Citizens participation will be ensured in contract negotiation process in specific aimag and soum level	MNMA	I Q	10,000	In progress	Collaborating with PWYP coalition. For instance, contract negotiating process is being disclosed in Gurvantes soum of Umnugovi aimag case. Public hearing will be also organized according to General Administration law.
	17.7 Evaluate an implementation of contracts	Specifict aimag's and soum's contracts will be evaluated and publicly communicated	Civil Society Coalition	II Q	4,000	Postponed	Next year from Jan to Mar, a training will be organized together with civil society organizations.
Subtotal					22,500	456.5	
Total estimated budget and actual cost					452,100	223,837.2	
Implementation status							75-49 65 percent

Mongolia EITI /IGEP Secretariat

ⁱ Mineral Resources and Petroleum Authority

ⁱⁱ Independent Agency Against Corruption

ⁱⁱⁱ General Taxation Department

^{iv} Ministry of Environment and Tourism

^v National Audit Office

^{vi} National Development Agency

^{vii} Ministry of Mining and Heavy Industry

^{viii} Mongolian National Mining Association

^{ix} Mongolian Employees Federation

^x Ministry of Justice and Internal Affairs

^{xi} Open Society Forum

^{xii} Natural Resource Governance Institute