

## **Minutes of Mongolia EITI MSWG Meeting (10 October 2014)**

The 36<sup>th</sup> meeting of Mongolia EITI MSWG began at 8:30am, October 10, 2012, in the Conference Hall of the Ministry of Mining.

Attending MSWG members: E. Sumiya (Cabinet Secretariat Senior Officer); B. Nergui (Mining Policy Division Head, MoM); T. Zuunnast (Mining Policy Division Officer, MoM); G. Zulai (Finance Ministry Accounting Policy Department Officer); Sarantsetseg (Ministry of Environment and Green Development Officer); B. Oyun (Finance Department Head, Petroleum Authority); G. Oyuntuya (MRAM officer); Ch. Batchimeg (GDT Senior Officer); D. Enkhbold (MNMA CEO); N. Bayarsaikhan (Steps Without Borders NGO Head); G. Urantsooj (Human Rights and Development Center Head); N. Dorjdari (NRGI Manager); B. Batbold (Civil Council for Environment member); O. Otgonsaikhan (My Mongolian Land Movement Head); G. Chagnaadorj (Ariun Suvraga Movement Head); B. Bayarmaa (Khuvsgul Dalain Ezed NGO Head); L. Dolgormaa (RMI Head); Kh. Lkhamaa (Stakeholder Engagement Advisor, OT LLC); S. Burentogtokh (Gold Association Coordinator); B. Gankhuleg (Boroo Gold LLC Tax Manager); P. Bolormaa (Boroo Gold LLC Senior Accountant); B. Oyunchimeg (Legal Department Director, Areva Mongol LLC); B. Altanbagana (Public Relations Department Director, South Gobi Sands LLC); D. Amartzul (Petro Matad LLC CEO); Sh. Tzolmon (EITIM Secretariat Coordinator). A total of 24 of the 33 MSWG Members (70%) attended.

Invited guests: B. Osorgarav and auditor team from the Ulaanbaatar Audit Corporation LLC; P. Oyunbileg (ASI Manager); B. Delgermaa (Communications Officer); A. Otgontungalag (Finance Officer); G. Ganbat (IT Consultant, MEITI Secretariat).

Meeting was chaired by B. Nergui, Mining Policy Department Head, Mining Ministry.

B. Nergui: Good morning. We have a quorum of 23 of the 33 members. Some other members have said they will be coming, but let's start our meeting.

After introduction of the meeting rules and agenda the meeting started.

### **I. TOPIC: Preliminary report of the Mongolia EITI Reconciliation Report 2013**

**B. Osorgarav:** The Ulaanbaatar Audit Corporation LLC and the Hart Nurse Ltd consortium undertook a reconciliation from July 23, 2014, up to date. The audit team comprised me and Hart Nurse Consultant Erdenetsog, a consultant of the domestic team, senior auditor Mendbayar, with Delgermaa, Byambaa, Tuguldur, Byambasuren, Enkhtuvsin and translator Ganchimeg. The government received an EITI 2013 report from 1817 companies, and 1691 companies disclosed payments. We reconciled 250 company payments with the material payments above 40 million MNT as defined in our ToR (presentation is attached.)

B. Nergui: Thank you for your detailed presentation. The mining sector is a key player in the Mongolian economy. We have just heard preliminary findings of the 8<sup>th</sup> EITI Report. Initial discrepancies declined significantly, which indicates that we had a good result. But we still have to consider about 10 companies, including Mongolbolgaria and Ugalzan Tsamhag.

B. Osorgarav: At the moment there is no legal compulsion for responsibility/sanction. The Secretariat communicates with companies as they can.

B. Nergui: That's why we are producing an EITI draft law and will very soon submit it to parliament. Some aimags have also been irresponsible and have submitted incomplete explanation materials. Are there any questions in this regard?

P. Bolormaa: On page 114 of the report, it says that the Boroo Gold company has not submitted an audit report. Our company has always pioneered implementation of EITI standards in Mongolia. This should be considered accordingly so as not to make such technical mistakes. I am also upset that on page 129, in the section on environmental rehabilitation, our company information has not been included even though we submitted a copy of our mining implementation report to the audit team. Our company has always been a model for other companies in regard to environmental rehabilitation. Also, page 87 shows our company discrepancy of 46 million MNT. This mostly relates to customs service fees and VAT. I think the total of these two payments could not possibly be as much as 46 million MNT and should be amended.

B. Nergui: Thank you. Any more questions or comments?

S. Burentogtokh: Does the EITI Reconciliation cover companies which operate under rehabilitation contract?

B. Mendbayar: Usually when we get contract information from a company we find data inaccuracy, so it is more accurate to take the information from the local authority. Our report covers information from few local contracts. Bayankhongor and Govi-Altai aimag sent us contracts at the aimag level. Soum level contracts are not included.

B. Altanbagana: On page 38, there is a mistaken location of a road for which our company invested. Please correct this. On page 171, the auditor assessed some companies but left some blank. What does that mean? For example, our company received a blank rating, but our company is actively engaged in EITI implementation and is a member of the MSWG.

P. Bolormaa: Our company has also been disclosing its EITI report annually since 2006 and is actively engaging in EITI implementation. By such technical mistakes or inaccuracies by the auditors, our efforts and results are downplayed. For example: the accountant EITI reports are definitely a very important indicator and part of our work results. We have cooperated with the UB audit for three years. But they make such a lot of errors; for example, our company is foreign-invested, so we are compelled to have an annual audit. We sent in our audit report, but UB Audit wrongly says that we have not.

B. Mendbayar: We have not received your audit report.

P. Bolormaa: I went personally to the EITI Secretariat and handed in the audit report together with a copy of the mining implementation report.

B. Osorgarav: This is a draft report, so we can revise and adjust it.

N. Bayarsaikhan: UB Audit is once again a reconciler, after a one year gap. What was the company and government organizational attitude? Has there been progress? Has there been any follow-up action taken against previous recommendations? Also, you found difficulties in terms of contract disclosure. The report says that there are no major barriers to disclosure of product sharing agreements, but because those agreements are too heavy and government action, disclosure is in fact difficult. I would like ask Mr Sumiya: why does the government not allow disclosure?

B. Mendbayar: We stated in the report that there has been tangible progress. Companies that are consistently involved in the reconciliation process understand the importance of EITI, and many companies closely cooperate over discrepancies and provide the necessary documents and information. Previously, getting license information from MRAM was problematic; they have now upgraded their financial program, so this year has been quite easy in that respect. At the moment, we only have problems with three companies.

N. Erdenetsog: Eight petroleum companies have been reconciled. We sent an official letter to disclose PSA to those companies. The companies responded that because PSA is a heavy document it is difficult to disclose. But as we read a sample PSA from the PAM website, it coordinates not only product-sharing but also exploration and related activities, so the companies prefer to hide the contract. We don't know what articles are included in the main contract.

B. Osorgarav: Companies and government organizations are paying a lot of attention to the EITI Reconciliation process as a result of work by the EITI Secretariat and civil society organizations.

E. Sumiya: PAM has undertaken not to disclose PSA information to a third party. The sample PSA is open to the public. Only one article is problematic for disclosure – the ratio of product sharing. For example, the government agreed on different product sharing conditions (eg 40:60, 45:55 or 60:40). It differentiates fields with the same grades. Agreements from the 1990s were on a 40:60 basis, which then rose to 60:40. All articles except this one are the same as the sample agreement. There is no other reason for secrecy.

G. Chagnaadorj: Why does the Petrochina Dachin Tamsag company not send reports and other documents? It is not only Mongolia, but the whole world is looking at EITI implementation, so why does the Customs office lie down on the job? Every year we talk about such issues.

E. Sumiya: Currently I cannot answer, because the Customs is not our responsibility. But at the next National Council meeting, we should speak to the relevant minister and senior officials. I would like to say that there are a lot of literal errors in the UB Audit report, so you should review the report and consider your company response. Today we are going to submit the EITI draft law to parliament. The law working group consists of Bayarsaikhan, Dorjdari and Ganbat. If anyone else wishes to be involved, you can give me your name after this meeting.

S. Burentogtokh: There is a social responsibility agreement between each company and local authority. But, it is not clear to the local authority and company who explains the agreement. The Mining Ministry and association are hard at work on this matter. Mining is going on in

around 101 soums; if we accept this social responsibility agreement implementation report, it may contribute to our future outcome and results.

B. Bayarmaa: In section 3.1 of the new standard, it looks as if there should be a list of names. The section shows no list of names, which I think should be included. Is there a list of significant ownership?

Sh. Tsolmon: MSG agreed to name the “beneficial” ownership at the March meeting.

N. Erdenetsog: Company “beneficial owners” are those with more than 5% of stock. As you see from this list, there are registered and non-registered domestic and foreign companies. We include names when disclosed. It is difficult to get more information. Some companies are ready to disclose, some are not.

B. Oyun: The Petrochina Dachin Tamsag LLC has a 55.5 billion MNT discrepancy. This company sells crude oil to China and then transfers Mongolian government revenue according to a product share contract. So this sales income has not been included in the Mongolian branch company balance sheet. But under the updated Petroleum Law, any sales income must now be transferred through a bank and must be included in the company balance sheet for Mongolian operations. For the discrepancy in the 2013 EITI report, we will work with Petrochina Dachin Tamsag LLC to see if this amount can be decreased. From the next year, this type of discrepancy will not appear. To add to Mr Sumiya’s explanation, in terms of PSA disclosure, all agreements are in accordance with sample agreements, except for a few articles. Those sample agreements are available on our website. As these articles may directly influence a company bidding competitiveness, they prefer non-disclosure, though we are trying for disclosure. Under the contract, PAM should get the other party’s allowance when disclosing PSA information to a third party, which generates a troublesome situation. We hope for an appropriate decision next year.

B. Osorgarav: South Gobi Sands LLC, Boroo Gold LLC and Oyu Tolgoi LLC have identified technical errors. We will check and contact you again. Perhaps our staff have made a mistake, but it needs review. The Boroo Gold company says they have delivered their audit report to the Secretariat, while our staff says they haven’t received it, so that also needs to be clarified. I and our staff will be very careful on this matter and would like to apologize for any error and thank you for your comments.

N. Bayarsaikhan: There has been a survey of environmental rehabilitation on deposits. This was well done. But if possible, please separate the amount paid to the ministry and the amount paid to soums.

B. Mendbayar: There is only an amount paid to the ministry.

N. Bayarsaikhan: So it means that this amount is paid only by extraction companies. Please include this explanation. Secondly, you mentioned a national mining operator in the report. Is this a private company or a state-owned enterprise? I have a comment on report quality. We produce this report for the public, so a how-to-use guide and explanation of terminology should appear in the first part of the report. Contract disclosure is part of EITI standard; during international validation in 2015 it will be a requirement. Because the importance of disclosure is high for the general public, civil society organizations demand contract disclosure.

B. Batbold: There are two issues relating to the environment. We received reports of completed remediation from 80 of 190 companies. There were 62 companies without an environmental remediation plan. If a company holds a license, it must have an environmental remediation plan. What does this mean? Please double-check. If it is true that they have no remediation plan, then this is the concern of government agencies which allocate licenses.

B. Nergui: Okay, let's leave comments on the first topic. The EITI Reconciliation Report 2013 is the most important subject to be discussed today. Members have paid significant attention and made important comments. Let's jump to the next agenda topic.

Resolved: 1. Members agreed Mongolia EITI 2013 preliminary report was sufficient.

2. Assign Ulaanbaatar Audit LLC General Director B. Osorgarav to review unresolved discrepancies, make any necessary amendment and prepare the final report for the National Council meeting.

3. Assign the EITI Secretariat to call a National Council meeting for the end of November.

4. Authorize the EITI Secretariat to pay 80% of the contract to the Ulaanbaatar Audit corporation LLC and Hart Nurse Ltd consortium.

## **Topic. II. Monitoring implementation of recommendations from Mongolia EITI 7 reports.**

B. Nergui: For the next topic, Human Rights and Development Center Head Urantsooj will present.

G. Urantsooj: This assignment's client is the PWYP coalition, the executors are the Human Rights and Development Center and the Zorig foundation. We monitored six EITI Reconciliation Reports (presentation attached).

B. Nergui: Thank you Urantsooj. I understand that separate recommendations will be given from this monitoring report. You made very important recommendations, implementation of which is absolutely linked with progress of the EITI Law progress which Mr Sumiya recently told us about. If the Bill passes, related rules and resolutions must be developed. We should then discuss details of where and how to put the recommendations, who will be responsible for what, etc. and at that time I think the issues will be clearer. Any questions or comments?

N. Bayarsaikhan: The report says the Mining Ministry and Mining National Association have not responded to the monitoring survey. Why is that?

D. Enkbold: We haven't received any official letter asking for such information.

G. Urantsooj: In the monitoring report this explanation was included as it was. The MNMA said they hadn't received any letter, the Mining Ministry said they had replied and enclosed the

letter. Because I joined this assignment halfway through, I have no information about previous processes.

N. Dorjdari: I would like to ask Tsolmon a question. Several times I recommended an explanation of what decisions had been made at previous meetings and their implementation and progress. Why do you find it difficult to satisfy this request? You know that an international board meeting follows the same rule, for example with a report if any decision has not been implemented. But this issue is from 10 meetings ago and yet must be introduced to the MSWG again. What is the barrier?

Sh. Tsolmon: Thank you. The Secretariat is actively engaged in monitoring and cooperates as much as possible in providing all relevant information, documents and explanations. We have realized several weaknesses, so this document will be an important guide to improve our action. To answer Dorj's question, after each MSWG meeting we follow up decisions and contact responsible organizations to ask whether it is possible to explain the status of action at the next meeting. The organizations don't say no, they agree; but in reality, when the meeting rolls around they don't attend or don't explain as asked. The Secretariat has no power to enforce responsibility or apply a sanction or pressure. I think if we carried out meeting decisions properly, today's introduced recommendation implementation would rank much better.

N. Dorjdari: But you have not answered my question.

B. Batbold: What do you think, is it possible to explain the status of decisions and recommendations of previous meetings?

Sh. Tsolmon: As I said before, it really depends on a stakeholder's engagement. The Secretariat communicates in both formal and informal way. But implementation is zero. That's it.

N. Dorjdari: I have proposed two or three times. I thought that it had already been decided. The meeting chair should also consider this issue. It is completely possible to explain a previous decision's follow-up status. If something is done, say it is done, if not, say no. That's it. The important thing is that the MSWG needs to know if a decision has been implemented. Is it possible to revise and update MSWG's ToR?

Sh. Tsolmon: Okay.

B. Nergui: There is no barrier to acceptance of Dorjdari's proposal. If a decision has been carried out, say so; if not, explain why not. Then our MSG meetings will be better and the results of us sitting here will be improved. Tsolmon said okay, so I think that from our next meeting, things will be run that way.

N. Bayarsaikhan: It was not easy to monitor the 7 EITI National Report Recommendation, so we would like to introduce it at a National Council meeting.

B. Batbold: I should say that before sending a report to the National Council, should not MSWG find ways to implement recommendations? Otherwise, not trying to implement reasonable recommendations but sending them to the National Council will have a low impact.

N. Bayarsaikhan: We have been considering only the civil society and company comments on this issue. What do government organizations think?

G. Oyuntuya: I have only recently taken this job, so I have no information about what recommendations have been given and what problems resolved. At present I have no opinion. In general, I think action related to MRAM and its implementation are making good progress.

B. Nergui: Okay Oyuntuya, quickly get up-to-dated about your new job. If the Bill passes we will need to produce related rules and regulations, and there are lots of topics to be discussed at National Council meetings. Mr Alгаа has been appointed MNMA president and Enkhbold has been appointed as MNMA CEO.

Ch. Batchimeg: I have not yet received this presentation's handout. The presenter said that upgrading the reporting template had been recommended many times, without follow-up action. GDT has revised and upgraded the EITI template 4 and 5 annually. This has been done. I agree with Batbold's comments. Obviously this monitoring has taken some time and effort. Our side needs to provide more explanation on some topics. Because GDT involves EITI implementation actively during the reconciliation process, we want to see a detailed report of monitoring and know what recommendations are unfulfilled, what fulfilled partly, and so on. Maybe some action has achieved some progress. I propose to include in this report action with some progress.

G. Urantsooj: Shortness of time means I have not been able to include every detail. But in the report, we have included action with progress.

G. Zulai: We received a formal letter and replied with certain explanations. I also didn't receive this presentation handout, so I don't know which action has been unfulfilled. After looking over the full monitoring report, we will send you explanations.

Sarantsetseg: I have same comment. I don't know which action has not been carried out, but I would like to see a formal explanation.

B. Nergui: GDT, MRAM, PAM, the Finance Ministry, the Mining Ministry, and the Ministry of the Environment attended today's MSWG meeting. The Customs office did not attend. The Finance Ministry will look into this. In the future, we will attend with two agencies, one of which left this meeting early, one is new to the issue. Government representatives, let's implement our tasks. Today, civil society organizations, companies and associations have monitored and demand fulfilment. We will assess fulfilment and in return we will demand fulfilment from other stakeholders. Every action should be consistent. So thank you, government representatives who came today, and please stay until the end of the meeting.

G. Urantsooj: I agree with Batbold. The MSWG will work on implementation of recommendations. Today we heard the EITI 2013 preliminary report, but the auditors haven't yet given recommendations. It is better to start work with this year's recommendations. The MSWG will filter all recommendations to see which comments are repeated, which need to be précised, which can be implemented and which not; then we will define the recommendations to send to the National Council. Secondly, the monitoring report has about 10 annexes, which explain every detail. We will send them to the Secretariat and hope the Secretariat will

distribute them to MSWG members. Finally I would like to thank the Secretariat for their active and close cooperation during the monitoring process. Thank you.

N. Erdenetsog; Urantsooj said that we haven't given precise recommendations. We did include recommendations in the preliminary report but due to the shortness of time we couldn't explain them.

B. Nergui: Erdenetsog and Osorgarav, we gave you enough time, but you spent a lot of time on other issues and not on the recommendations. For your next presentation, be more punctual and schedule your time appropriately.

L. Dolgormaa: Every year we discuss the EITI report. It is important as important, significant as significant. There is one reason that the recommendations are repeated again and again, with no progress or result. The problem is communication. For instance, today's monitoring work: this might have been carried out with lots of difficulty. Like the saying "begging is disgraceful, to be begging is marvelous." Of course there must be actively engaged organizations, let's thank them. But the auditor said the Customs office was bureaucratic and did not respond. Because of the irresponsibility of two staffs, a nationwide range of work stops. This relates to that organization's prestige. MSWG members should actively advertise both bad and good cases. Humans defend their dignity, so if we run PR actively, it will help work results.

B. Nergui: It is important to inform the public about our meetings. We should have invited journalists. You must also inform the media about the meeting. About the second decision, Urantsooj, please write it up with the Secretariat and release it. It is important because this topic will be introduced at the National Council meeting.

**RESOLVED to:** 1. Ask all stakeholders in the monitoring process to carefully read the full monitoring report on EITI 6 National report recommendation implementation, and respond to HRDC Head G. Urantsooj by October 24, 2015 as to whether they agree with the monitoring result, offer supplementary explanations if needed, and prepare to explain unfulfilled recommendations to the National Council meeting.

2. Assign HRDC Head G. Urantsooj to finalize the monitoring report including MSWG comments and supplementary explanations from related organizations, and prepare it for the National Council meeting.

3. Assign to MSWG head (deputy head) to establish a small working team to update related regulations and ToRs and to prepare proposals to implement recommendations from EITI Reconciliation Reports.

4. Agree that a small working team will be responsible to prepare proposals to implement recommendations from the current EITI Reconciliation Report, draft follow-up of unfulfilled recommendations from previous reports, and send to the MSWG and National Council meeting.

5. Assign Secretariat (Sh. Tsolmon) to explain the implementation status of decisions from the previous meeting to each meeting.



6. Agree that the Finance Ministry and Mining Ministry will be represented at each meeting, together with their agencies.

**TOPIC III. Implementation of recommendation of multi-stakeholders consultation meeting “Implementing EITI at a sub-national level and defining ways to increase community participation”**

N. Bayarsaikhan: Made presentation (attached).

B. Nergui: I propose to establish a small working group. I accept these recommendations. PWYP coalition, please draft your decision and send it to the Coordinator. Any questions or comments?

S. Burentogtokh: The presenter said that civil society organizations worked at the local level. The Secretariat also held an EITI open day and meeting in Zaamar, Buregkhangai, Galuut, Norovlin and Bayandun soums. The Minerals Law says that mining companies shall poll local citizen opinions and comments on a social responsibility contract and environmental impact analysis. I assume that CSOs also worked on this in local regions where Oyu Tolgoi, Tavan Tolgoi and Boroo gold companies operate. In some places, local authorities face challenges and difficulties in regard to civil society. For instance, with the support of international organizations, many multi-stakeholder councils have been set up for environmental protection. They work to make companies with legal licenses keep the land as it was. As a result of PR and the constant activities of the Asia Foundation and the Swiss Development Agency, local authorities tend to promote artisanal mining as environmentally protective, and block and cut off mining company legal operations. Unfortunately this phenomenon has spread. One big example is Bayankhongor aimag: mining companies are finding that Bayankhongor aimag is closing the door on their operations. In Sukhbaatar and Uvs aimag the situation is the same and everyone talks about this problem in the social media. They are instigating local community and authority action against mining companies. I have requested our CSOs to pay attention to this issue and communicate with other NGOs using your internal network. Secondly, in terms of recommendations, associations will closely work with those companies that are not reporting and are irresponsible. Thirdly, when we run outreach activities, we need to promote not only transparency but also mining sector laws and regulations. We need to give all necessary information to local citizens and authorities and bring about a common understanding of the law. With a lack of this sort of action by of government agencies, the mining sector has tended to become informal and loses the capacity to operate formally. Government agencies – I except the Mining Ministry and GDT - have not participated in any outreach activity organized by the EITI Secretariat. I would like consideration of this issue and ask who is responsible for coordination of all government agencies such as the Cabinet Secretariat. I would also request active work at the local level to advocate related laws by MSWG government members.

B. Nergui: Thank you for those important comments. You propose lowering the barriers which impede mining sector operations. I assume these challenges are well-known to CSOs and ask for comment from professional associations and cooperation in change. The mining sector has an important role in the Mongolian economy, especially gold production, which is significant in increasing the foreign currency fund, so helping to maintain low consumer prices and the US dollar rate, with much benefit to our livelihoods. So I hope CSOs will cooperate. The Civil Council for the Environment has 700 members.

Sh. Tsolmon: Burentogtokh made a very important comment on the participation of government organizations. We worked in Zaamar, Buregkhangai, Galuut, Norovlin and Bayandun soums. We are planning to work in Dornogovi, Dundgovi, Darkhan-uul, Orkhon and Tuv aimag. The Secretariat prepares for local outreach activities and sends out the related schedule, agenda and ToR to government organizations. The GDT participates constantly. Let me note that other organizations still do not participate enough. I especially request ministries to be actively involved in local meetings, because people often ask about sector policy, legal environment and regulations. Secondly, just for your information, Buregkhangai and Zaamar soums have established EITI subcouncils, Galuut soum has committed to establishing one in October, and Norovlin and Bayandun soums are committed to establishing by the end of this year.

G. Oyuntuya: I would like to respond to Burentogtokh's comments. In Bayankhongor, Govi-Altai aimag, small-scale mining is highly developed and has become an obstacle to companies which are operating legally. Because we stopped to make field conclusions, small-scale miners entered licensed fields to dig mines.

B. Nergui: This has become a nationwide problem. Should MRAM issue press releases in cooperation with NGOs and professional associations to explain the legal background and real situation and educate the general public? Oyuntuya seems to be experienced in the small-scale mining issue. You should deal with such problems, take action and report on progress at the next meeting.

S. Burentogtokh: Small-scale miners have also equipped Ninjas (artisanal miners), bringing the mining sector down to the local level. Unfortunately, the general public thinks that problems have arisen because of extraction by licensed companies, but in fact the main problem is created by small-scale miners and Ninjas who work under environmental remediation contracts with local authorities. These people act as if they would like to make the formal sector informal. Please, Mining Ministry and related government organizations, pay attention to this issue.

G. Chagnaadorj: Certainly this issue must be addressed by companies. For example, Director Myanganbayar's Mongol Gazar LLC extracts resources illegally in this way, collecting from equipped Ninjas. Of course you and the MNMA should protect a company's interest, but in fact, companies themselves organize such equipped Ninjas to mine resources, I don't know why. I am not talking only about him, I have been talking about several for years. The problem exists everywhere; it's the same in Zaamar, Uvurkhangai, Arkhangai and Bayankhongor.

B. Nergui: Chagnaadorj speaks the truth. But today we are discussing transparency of what is paid and received. So let us not digress. Buregtogtokh complained about small-scale mining, and the MRAM has agreed to run action. Bayarsaikhan and Oyuntuya please prepare a decision draft and send it to us. Now let's move on to the next topic.

**RESOLVED to:** 1. Assign MRAM officer G. Oyuntuya to run a public event on small-scale mining in cooperation with professional and civil society organizations and to give an update on progress to the next MSWG meeting.

2. Recommend that the Secretariat (Sh. Tsolmon) produce and pass on to the National Council a draft introduction of the Mongolia EITI 2012 and 2013 reports to the Standing Committee on Budget and Economy as mentioned in government resolution 222.

3. Agree to set up a small joint working team (see 2.3) tasked to prepare a proposal to implement recommendations from a multi-stakeholders meeting and a monitoring survey by civil society organizations and an independent international research institute.

**TOPIC IV: To approve the composition of a delegation for a study tour, organized under EBRD project.**

Sh. Tsolmon: We received a letter from the Civil Council for the Environment regarding composition of a study tour delegation (he read the letter; copy attached).

He then explained that a study tour will be held in Peru according to an Adam Smith International proposal. He read the study tour purpose and benefit and announced the Secretariat's proposal for composition of the delegation (introduction attached).

B. Batbold: Civil society is represented by two institutions (PWYP and Civil Council for the Environment). I represent the Civil Council in both the MSWG and the NC. The letter is from the Civil Council. Chagnaadorjah is the PWYP representative, so I must refuse the Secretariat's nomination of me for the study tour on behalf of the Civil Council.

N. Bayarsaikhan: The PWYP will reconsider who will represent us and will nominate another delegate.

B. Bayarmaa: The PWYP coalition decided who will go at our consultation meeting. Bayarsaikhan must accept the decision.

L. Dolgormaa: An NGO is a non-profit organization; a company makes profit. Their goals are different, so the rich Boroo Gold company must pay their own travel expenses.

Kh. Lkhamaa: Stakeholders participate equally in EITI implementation. It is unfair that the company must pay their own travel expenses just because they make a profit. We spend the same amount of time and effort to implement EITI. We have often covered our expenses on previous study tours and events.

N. Dorjdari: Boroo Gold LLC can afford to pay the expense of US\$5000.

P. Bolormaa: The company is a business-oriented institution, but this study tour's main goal is to explore international best practice in EITI implementation and social activity. We must understand these different aspects. It is not possible for our company to cover this expense, as we have no budget.

B. Nergui: I hope it is possible to increase delegation number to seven. Is that correct?

P. Oyunbileg: The EBRD will finance only 6 delegates - two from the government, two from the companies, two from civil society. We can't mobilize additional funds.

G. Chagnaadorj: I have worked for many years on behalf of civil society and experienced lots of things. Batbold lectures in Cabinet, but I have to struggle hard with companies on mine sites on behalf of the general public. Batbold has often traveled to foreign countries. He must give the chance for others. It's like ageism, I don't understand.

D. Enkhbold: The MNMA agrees on those two delegates, Boroo Gold LLC Tax Accountant P. Bolormaa and Gold Association Coordinator S. Burentogtokh.

Ch. Batchimeg: The Finance Ministry and GDT has been working hard in the EITI process for 7 years and have spent a big effort to prepare the government EITI report. So it is good to include us in such study tours.

B. Nergui: Personally I don't mind my name being included, but I represent the Mining Ministry, so I can't make that decision alone. I will put the proposal to my director, Mr Otgochuluu. Let's agree that the team should have equal stakeholder inclusion. For the PWYP coalition, let's frame a decision draft, and PWYP will give one delegate name afterwards. Today's meeting is over.

**RESOLVED to:** 1. Have equal stakeholder participation of delegates on a study tour organized by Adam Smith International and financed by EBRD.

2. Give full support of company representatives in the study tour delegation.

3. Agree that the civil society PWYP coalition will give the name of one delegate on the study tour to the Secretariat by 3pm, October 15.

4. Agree to finalize the names of study tour government delegates to Strategic Policy Department Director Ch. Otgochuluu, Mining Ministry, by October 13.

MSWG meeting ended at 17:30.

Meeting minutes reviewed by:

B. Nergui, Mining Policy Division Head, SPPD, Ministry of Mining

Minutes taken by:

B. Delgermaa  
Communications officer, EITI Secretariat