

Recommendations of Mongolia EITI Central Regional 4th Conference

May 28th, 2021,

City of Ulaanbaatar

The Mongolia EITI Central Regional 4th Conference was organized online between May 27-28, 2021 and representatives from ministries such as MMHI, MOF, MET, agencies such as MRPAM, GDT, Governor's office of aimags such as Arkhangai, Uvurkhangai, Khuvsgul, Selenge, Tuv, Bulgan, Darkhan-Uul, Orkhon, business circles such as MNMA, Coal Association, Rio Tinto, You Tolgoi, Boroo Gold, and Civil Society Organizations such as Publish What You Pay, Umbrella Union of Artisanal miners, and donors such as IFC, Merit Project, and also members of EITI National Council, MSG, Secretariat and Subnational Councils of the mentioned aimags participated in this Conference.

The participants to the Conference were focused on activation of EITI in rural area, capacity build-up EITI Subnational Councils, expressed willingness to cooperate and implement proposals during the Conference and agreed to issue these recommendations, as follows:

1. To MMHI:

- 1.1. To focus and speed up enacting draft law presented to this Conference, especially a draft law on transparency in mineral resource sector.
- 1.2. To keep the right of local authorities to grant license for common minerals and put a relevant provision into new formulated law on minerals.
- 1.3. To deliver official request to projects, which are implemented in mineral resources sector to improve capacity of Rural area where the Project is ongoing and render technical assistance.
- 1.4. Oversight and assess implementation of Cooperation agreement between MMHI and Governors of Aimags at the end of the year, ensure Agreement duties in relation to chair Subnational Council and lead functioning.
- 1.5. To finalize the issue of financing of Subnational Councils through integrating to law on transparency in mineral resources sector.
- 1.6. To study possibility to fund financing of Subnational councils, initiate and smoothing activities of Subnational councils as projects, which are implemented in mineral resources sector have common objectives to improve a governance in this sector.
- 1.7. To study and resolve aspect of delivering of information about mining benefits with clear fact and comprehensiveness.
- 1.8. Inform from MMHI what can be done in respect to support Subnational Councils, make some provisions of procedure official.
- 1.9. MMHI should have a branch in rural area and take relevant actions.
- 1.10. Create use of EITI historical data in formulation of the State policy.

2. To Ministry of Finance:

- 2.1. To endorse sources for financing activities of Subnational Councils, ensure implementation of duties assigned to MOF under the Government Resolution No.236 and endorse sources.
- 2.2. To allocate 1% from revenue of extractive sector collected at the state budget for financing of EITI activities, also 1% from revenue collected at the local budget should be source for sustainable financing of activities of EITI Subnational councils of aimags.
- 2.3. To produce a procedure to report about received donations by the budget organizations from extractive companies under Glass account law, make clear reporting procedure, also produce, and implement procedure to report received taxes and disbursement of the local budgets

- 2.4. To exchange information on funds of local development and focus on improving coordination.
- 2.5. To study and resolve methodologies to disseminate comprehensively data of local development fund, created of extractive revenues.
- 2.6. To issue some guidelines from MOF on financing of activities of EITI Subnational Councils with certain portion from local development fund and deliver official letter to aimags.

3. To Ministry of Environment and Tourism:

- 3.1. To conduct study work on justification of size of deposit for environmental rehabilitation and make it at reasonable rate.
- 3.2. In accordance with procedure to review and report of management plan of natural environment enacted by the order of Minister of Environment and Tourism dated on October 29th, 2019, the Governors of aimags have no participation, so it should be amended in such way that there should procedure to obtain suggestion from local authorities.
- 3.3. To inform about what support can be rendered from the Ministry for activities of EITI Subnational Councils, make some provisions of procedure official.
- 3.4. To renew current procedure to run artisanal mining and halt behaviors to excess powers.
- 3.5. To assess current data of artisanal miners and publicly announce responsible artisanal miners and create a relevant database.

4. To Mineral Resources and Petroleum Authorities of Mongolia:

- 4.1. In granting license, to receive comments from local authorities even it is late and make conclusions, after it, a license should be granted.
- 4.2. To create integrated database of license of common minerals granted at local level.
- 4.3. To take active contribution in next coming EITI conferences and events.

5. To Governors of aimags of Central Region:

- 5.1. To exchange quarterly data on granted license of common minerals by Aimag Governor with Cadaster system of MRPAM and update.
- 5.2. To Cooperate to train members of EITI Subnational Councils.
- 5.3. To include representatives of Aimag and local media to EITI Aimag and Soum Subnational Councils and increase availability of data.
- 5.4. Relevant organizations should have coordination regarding resources of local development fund, exchange data and improve current situation.
- 5.5. To collect suggestions from soum authorities and citizens before granting license of common minerals.
- 5.6. EITI Subnational councils should have representatives of artisanal mining regardless of the size of mining, and as result of this cooperation there will be contribution to halt irresponsible artisanal mining.
- 5.7. To use well available EITI data, improve bench soum practice, exchange expertise, learn from each other and prepare trainers of trainers and let them perform better work.
- 5.8. To make clear how to measure tax transparency and disclose disbursement of taxes collected at local level.
- 5.9. Aimag Investment and development policy department is to deliberate budget for EITI Subnational Council and to have active role in this direction.
- 5.10. It is considered that financing source of EITI Subnational councils is relatively available, and form should be clarified.

- 5.11. To increase level of knowledge of members of hural of Aimag and Soum citizens representatives and organize training and introduction.
 - 5.12. To upgrade powers and status of the EITI Subnational Councils, cooperate with committees of hural of Citizens representatives.
 - 5.13. To transfer some functions of Aimag Governor's Mineral Council to EITI Subnational Council or integrate activities of both Councils, avoid existence of many councils at local level and study possibility to integrate them.
 - 5.14. To draft annual work plan of EITI Subnational councils based on common understanding on aspect of to transfer some state functions to Council.
 - 5.15. To invite EITI Subnational Council to discussions of performance of annual local development fund, get feedback and have cooperation.
 - 5.16. To exchange data between Aimag, soum and EITI Subnational councils.
 - 5.17. Parties should work to ensure independence of the financing of EITI Subnational Councils.
 - 5.18. To assign every member of EITI Subnational Councils with some duty and work, therefore to increase business likeness of the Council.
6. To Companies and artisanal miners:
- 6.1. To report publicly Company's environmental management plan, information about program environmental monitoring and survey, cost to be paid by company, research study of coordination with EITI Subnational Council.
 - 6.2. Artisanal miners should disclose activities.
7. To project and programs:
- 7.1. Some Projects like Merit has expressed willingness finance activities of Project aimag EITI Subnational council, so those aimags should draft the budget and obtain official request from MMHI in this regard.
 - 7.2. Data of 4 aimags created by Merit Project should be consolidated with EITI data, clarify who will be in charge for future.
 - 7.3. It is requested from D2D Project from IFC, AMEP, Merit and other project and programs, which are engaged in extractive sector to mobilize spare funds to resolve issues of improving capacity of EITI Subnational Council.
8. To EITI National Secretariat:
- 8.1. To create all possibilities to implement planned activities for this year.
 - 8.2. To focus on fast review suggestions and proposals from EITI Subnational Councils and on implementing them.
9. To all participants and organizers:
- 9.1. All participants should learn to work in online conditions regardless of whether centrally or locally positioned.
 - 9.2. To deliver recommendations to amend exact provision of law and procedure.
 - 9.3. To improve room- break sessions, share recordings of these sessions.
 - 9.4. Aspects of all mining issues can not be possible to be included into recommendations.

Participants of the EITI Central Regional 4th Conference