

The minutes of 60th meeting of Mongolia EITI MSG/2022-11-08/

The 60th meeting of Mongolia EITI MSG was organized at 10 o'clock on November 8th, 2022 at the meeting hall of MMHI.

Mr.B.Byambadagva, state secretary of MMHI, head of Mongolia EITI MSG and secretary of National Council of Mongolia EITI, Mr.E.Batbold, director of Investment and Research department of MMHI, Mr.B. Delgerjargal, chief of Statistics and research unit of MMHI, Mr.B. Batbayar, officer of Ministry of Environment and Tourism, Mr.Ch.Battsengel, inspector of General Department of Taxation, Mr.S.Battulga, senior officer of MRPAM, Mr.Ya.Murun, chief of Development Policy department of Selenge aimag Governor's office, Ms.G.Erdenetuya, executive director, Mongolian National Mining Association, Mr.T.Munkhbat, senior manager of Oyutolgoi LLC, Ms.T.Munkhzul, tax accountant of Boroo Gold LLC, Mr.B.Davaasuren, manager of Rio Tinto Mongolia LLC, Ms.Ts.Bolormaa, senior accountant of Petro China Daqing Tamsag LLC, Ms.Ts.Tuyatsetseg, coordinator of TAN(PWYP) Coalition, Ms.D.Erdenechimeg, manager of Open Society forum, Ms.N.Narantsetseg, head of NGO Saving of Mongolia Mother Nature, Ms.D.Tserenpurev, head of NGO New Administrative Initiative, Ms. T.Tseren, executive director of secretariat of Mongolia Environment Civil Council, Mr.B. Batsaikhan, Member of Governing body of Mongolia Environment Civil Council and Mr.S.Tsolmon, coordinator of Mongolia EITI Secretariat, secretary of EITI MSG attended this meeting. 22 out of 33 members of MSG attended the meeting and turn-out was 66.7%.

Also, auditor team of SICA LLC, Mr.D. Nyamdorj, coordinator of ADB project, Mr.H. Batsuuri, foreign relations officer of TAN(PWYP) Coalition, Mr.V. Narmandakh, IT consultant of Mongolia EITI Secretariat, Ms.Z. Tselmeg, communication officer of Mongolia EITI Secretariat, and Ms.A. Otgontungalag, financial officer of Mongolia EITI Secretariat attended the meeting.

Mr.B. Byambadagva, state secretary of MMHI, head of Mongolia EITI MSG and secretary of National Council of Mongolia EITI opened the meeting and said a few words.

Mr.B. Byambadagva: Good afternoon, I am very pleased to attend the meeting of MSG for the first time. I will work to continue energetic activities of the MSG as usual and traditionally. Today, first time, after Covid, we are organizing normal meeting of MSG. It is not easy before, during Covid pandemic. Members of our National Council, MSG did great contribution to continue running the EITI activities without any interruption. I call all of you to continue in the same manner.

Today's meeting will cover draft of Mongolia EITI 2021 Report, implementation status of Mongolia EITI 2022 Work plan, and draft of Mongolia EITI 2023 Work Plan, which will be presented by SICA LLC and EITI Secretariat, there will be discussion of these materials, and relevant decisions will be deliberated. I am confident today's meeting will be in constructive, competent and productive manner.

I was planning to run the meeting myself, but forced to leave for the Cabinet meeting, so please excuse me, for some presentations. So, Mr. Batbold will chair this meeting. I wish all best and every success. Many thanks.

E. Batbold: Good afternoon. So, let's listen presentation of Reconciliation report as the agenda outlined.

Presentation one: Draft of Mongolia EITI 2021 Reconciliation Report

G. Erdene: A partnership of SICA LLC and Growth finance audit LLC are jointly working on production of Mongolia EITI 2021 Reconciliation Report. And today, we prepared a draft of this report to MSG.

My presentation will have 4 aspects about draft report, namely selection of companies, cooperation, reconciliation, results of adjustment, contextual information, recommendations and recommendations from previous Reports, implementation of them.

Our company has already presented some aspects during inception report. We have started the work on July 5th, and then made some presentations during inception seminar and made proposal on selection of companies and finalized the scoping.

We have worked until 15th of October, on collection of information and then worked on reconciling data for almost one month. In the past, the reconciliations are usually produced by big audit firms, so this year our 2 new companies are working on this Report.

The 2021 Report covers 47 companies, 50 state organizations, and in total 97 organizations are involved. There are 5 criteria for the selection was as follows:

1. Within the scope of flexible EITI report and its terms of references copper, coal and gold sector, 2. Share in revenue of the State Budget, 3. Share in payment of royalties for utilization of minerals and fee for mineral license, 4. Information of entities, participated in the previous years, 5. Consideration of comments and proposals given by the inception report.

As result of this selection, 2021 reconciliation covers 63 entities. The total revenue paid in 2021 was 3.2 trillion MNT reconciled, which is a bit lower than in 2016 whereas 3.6 trillion was reconciled, then some following year it decreased, but increased in 2021. The unexplained material discrepancies are 19.3 million MNT, which was 527 million MNT for the previous year.

At the initial reconciliation discrepancies were 1.6 billion MNT, and adjustment of deduction of 1592 billion MNT was done to the companies reports and adjustment of increase of 106 billion MNT was done for the Government reports, and final sum is 19.3 million MNT as unexplained discrepancies.

As for the biggest revenue, which was not registered in the Government Report was 23.9 billion MNT of payment of royalties for utilization of minerals from company Mongolrostsvetmet to General department of Taxation, 7,9 billion MNT of payment of VAT from company Boroo Gold LLC to General department of Taxation too. We had got explanations from 33 organizations, but could not receive anything from Ministry of Environment and Tourism.

We could have communicated all 63 companies including private ones, and get explanations. This year the private sector was quite responsive and delivered explanations in timely manner. We have calculated that TOP 10 companies have produced revenue, which equals to the 80% of revenue collected from all extractive

companies at the State Budget in 2021, and TOP 17 companies have produced 87% or 3.46 trillion MNT.

One of the judgements of 2021 Reconciliation Report is the fact that there is again discrepancy between revenue of the Government and payment of Companies, as previous years, which means to improve quality of information, and secondly, the E-reporting system should be improved, ensure collection of data as much as possible without errors and in full scale, and relevant settings should be made. That was another recommendation.

We have discovered many errors of separator character when we have reconciled reports, almost 90% of our time was devoted to corrections of such errors. Therefore, we recommend to improve data quality not to repeat again in next reconciliation.

Another discrepancy is created by the fact that some organizations have not loaded data into reporting system. Then we have communicated and they gave data later additionally, and recommend that all data should be loading during reporting. All details of recommendations can be picked from the Report. So, thank you for attention.

E. Batbold: So, thank you to company for this presentation.

B. Delgerjargal: You have mentioned some state organizations have not replied. Independent administrator writes to companies, and if they do not respond, MSG writes. Have you organized meeting with company, which has not responded, or state organization, which also has not responded, like Ministry of Environment and Tourism, if yes, with whom you've met?

G. Erdene: We had main communication in form of telephone, we have not met the MET, but visited and met some companies.

D.Tserenpurev: Can you work out recommendations per each organization, and what was wrong in each case? It was discovered that Oyutolgoi company has not paid tax for foreign labor, creating some debts, so is it okay to be paid the year after? The appendix show tax for 140 foreign workers has not been paid. There were some remains of resources in the report, so does it mean connected to currency exchange rate, please give explanation. There are in total 41 appendices, which are very sufficient, you have produced this product first time, so please check once again standard and write recommendations. Thanks.

G. Erdene: It is possible, to work out recommendations per each organization, but all of them made various mistakes. If it really needed, then we will do that. If there is mistake of technical character, that will be corrected, and if it is considered like real, we will make adjustment based on letter of management.

S. Battulga: Our organization has submitted plenty of materials. In the past, I was not familiar with the Report, and now it is too general, some wording must be corrected. I phoned organization, working on this report and questioned in this regard, but they replied that company did not know well and it was like template. Therefore, I propose to sit together, and improve wording of the Report, make some information clear. Usually there is a guideline to produce a report, then it is much easier to produce Report. It is also the same to organization, which produces this Report, so this would my suggestion.

G. Erdene: Some part of EITI Standard was not clear. It was requiring information that some state organization does not collect even. Maybe, it is possible that we were less experience and asked too much as we have done this work for the first time. Our focus was that we were loading received information as much as possible, make it clearer and in open manner. But some part may not be done as we wished and planned, and recognize some complications we had faced. There were a lot of information we have collected, various type of information, and if all they are loaded then the Report may be very interesting.

B. Batsaikhan: I am in here first time; EITI Report is also the first time. Our focus is more related to natural environment. Unfortunately, MET had not some information. In accordance with the so-called law with long name, the total damage to nature is estimated 1468 trillion MNT, in most cases, at the river's mouths. The issue was submitted by permafrost study institute. In recent time, we are a bit pressurizing MET. We do not know how many companies did get how much gold, but it be can estimated how much water was contaminated. Therefore, we suggest to include except these financial data, also data on environment.

Ch. Battengel: So, first, congratulations to young team, which is doing this Report, previously it was done bigger audit firms. When we used to report quarterly it was quite okay to match data from both sides. I am always confident that data of state organizations are truly correct. As entities do sum all taxes up, which creates discrepancies, so this team has run after 1 billion MNT of discrepancies and finished it to 19 million MNT, which is very good and congratulations.

Ts. Tuyatsetseg: This year, we have a national company, which should be appreciated. We have to produce Reconciliation report, as EITI standard requires. So, companies do report, MMHI has a good role in here. What was paid by companies is collected at the big fund, it is not perfectly clear for which it had been disbursed.

In order to have reliable and clear report, reporting templates have to be comprehensive. Therefore, the reports should be developed into simple clear language publicly comprehensive, it should be clearly explained to companies, improve and update reporting software, and to ensure that no errors and mistakes are allowed in the system. We would like to have recommendations to improve this side. We cannot accept conversation that 90% of the work was spend to correct all errors and mistakes.

There are companies, which do report and which do not, which is sorted out like who is who. For this purpose, legal environment should be improved, maybe law on transparency should be enacted.

There is only data about beneficial owners, but whole the report in this regard should be produced.

In general, we have a lot of commitment to advocate the Report to public, for that report should be improved and comprehensive.

B. Delgerjargal: The production of reconciliation report was done before by experienced companies like Grant Thornton. Consulting company is selected by evaluation committee, and we just cannot influence on it. Therefore, new coming company has to learn previous experience, identify what they can do newly in this regard,

what innovation they can suggest. Today, we understand a draft Report. The final one should be submitted to the National council and approved.

D.Erdenechimeg: I am happy that this year we will have the reconciliation report much earlier. Before, it was written in English and then was translated into Mongolian. Therefore, the content was too technical and was not comprehensive, even we not mentioning ordinary public could understand hardly, this year it was done directly in Mongolian, seems quite comprehensive, my congratulations to audit firm.

We are content with recommendations from the Report, should accept the and consider to accept correct information. On top to these recommendations, we would like to get some recommendations connected improving governance and policy. There are some parts about transparency law.

There are some extra requirements usually set for state owned enterprises. As we heard last year SOEs did much more quasi-fiscal expenditure, have you studied it? The Standard sets some additional requirement for SOEs, including the budget spending. In 2021 Open Society forum had analyzed financial information for all decisions to nullify loans granted against pensions, discrepancy in information provided by MOF and Mongolbank, and reports of companies. This shows some discrepancies in information, some activities beyond laws connected to non-budgetary disbursement. The budget revenues are hold, but spending is conducted out of the budget lines. We would like to ask you to consider this issue and include some guide into recommendations.

Because of Covid-19 pandemic, we do practice a flexible EITI Report for 2020 and 2021. But before them, we were reconciling reports of about 200 companies, and now we practice a flexible report, and less information is covered. Now the Covid situation seems normalizing, therefore, we should consider to give up flexible one starting from next year, which can be specified in the recommendations, further-on, the National Council should discuss and decide the issue.

Our organization is still administering Open Contract website, which has collected many contracts including big state contracts. Is it acceptable to be administered further by NGO, in terms of reliability and safety? Uploading of Contracts is time consuming task, because it is done manually. Last year we talked to hand over to MMHI, and MMHI had enacted a Ministerial order in this regard. But it has not still become as an official, as Ministry of Justice has not registered it, and not included to current legal documentations, so suggestion will be to update status of this order.

Also, some oil contracts are published without core indicators, but now it is no more confidential, so they should be published with all core indicators, please this into recommendations, moreover please give recommendations to partly publish uranium contract, sales contract of SOEs as required by EITI Standard.

T.Munkhbar: First, my appreciation to company for this audit reconciliation. Our company had tax discrepancy of about 1 billion MNT, I think it is settled by mutual agreement. So, please clarify did you get sufficient explanation, as the discrepancy is registered at various accounts. When we say small company, it is not meaning small size company, which has big deposit, because of errors in separation, it seems small. Because of such mistake, sufficient part of tax is not paid, goes through private accounts. This should be considered by company, which conducts this type of audit, included into recommendations. There are many companies operating in the mining sector, at least

1000 companies, 500-600 of them underpays tax, because of reporting. For example, company Erdenes Tavan Tolgoi, reports from one side, and from other side underreports, or does not report, therefore plenty of taxes is not paid, so for this there should be additional explanation, and this should be included into recommendations. Your team has worked for 5 months, and result is this report, as professionals, please provide some more specific recommendations and counseling, thanks.

G. Erdene: There should be no perception that because of discrepancies in the reconciliation report the taxes were underpaid. We have reconciled paid taxes in 2022 and integrated to the Report. Once again, please note we reconciling paid taxes, but payment of taxes was affected not after reconciliation by us.

B. Byambaa: Our 2 companies had not done audit of financial reports, reconciled data of EITI reports of Government and extractive companies. We have reviewed EITI reports of the Government and companies, determined which was correct, which was not correct, were focused what was reason for discrepancies. In doing so, we have reviewed Oyutolgoi's report, which was disaggregated by type of taxes, but it was corrected when company after tax act loaded into the report, which created error. So, we had communicated with both parties in this regard and made relevant adjustments. So, this is the main methodology of the reconciliation.

As for reports of SOEs, their financial report should be verified by audit and reconciled with the budget data. The data of other company's financial report is verified by themselves. So, we think some recommendations should be made into the Report on this aspect. As the company holds license, its financial report should be comprehensive, correct and complies to international standard. Here, we ask MMHI to pay attention, because here, except main report, some significant explanations of discrepancies should have been prepared, it was required to prepare also explanations of material expenses. We would like to continue insuring such explanations if any such.

T. Munkhzul: You said unexplained discrepancies are 19.3 million MNT. If we look at data on discrepancies related to companies, it is quite high, and what was your materiality for the discrepancies? Why did you make these discrepancies without asking from companies. Please explain in this regard. Thanks.

B. Batbayar: Thanks to company which has done this reconciliation. You have mentioned that there was no delivery of information from MET. Can you clarify with who you have communicated, I assume the person in charge is no more working, and I would like to say we have still some times to clarify whom you have contacted. Thanks.

B. Byambaa: We have made adjustments of material discrepancies of entities. There are 63 companies, all discrepancies connected to these companies had been adjusted based on documents they have submitted. Naturally, we have to verify all material discrepancies of companies. Initially, the discrepancies were 1 billion MNT, we have adjusted and net discrepancies remained 19 million MNT.

T.Munkhzul: By net sum, 19.3 million MNT is not adjusted, because they were cleaned by plus and minus. If we see deep then there is still big number of discrepancies, on which I am asking to clarify. So, check whether it belongs to Government body or company side.

G. Erdene: When we contacted with officer at MET, who said MET was not in position to provide this kind of information. Then we asked to give answer in written form, so far, we have not got any answer.

B. Delgerjargal: I will ask to give your suggestion and comment in writing. We are working with German project BGR to improve E-Reporting system. Let's check suggestions of Ms. Erdenechimeg for disclosing contracts of oil and uranium, sales of SOEs. We will work as first step to make transparent some contracts.

Presentation two: Implementation of Mongolia EITI 2022 Work plan, and draft of Mongolia EITI 2023 Work plan.

Sh. Tsolmon: Hello, everyone, we are very happy to see you indoor after 2 years and 10 months. The last face-to-face meeting was organized in January 2022, and after the Covid-19 pandemic occurred, but another gratitude is that we could continue implementation. Meanwhile, the validation was organized and we have got scoring of 70 points, which is quite okay for this kind of situation. This means also your involvement and participation in EITI was quite significant and critical, we value it highly and express our gratitude.

Under EITI in 2022, we have planned to implement 75 activities, and about 50 of them under implementation and implemented, the progress level is about 65%. The draft law on transparency in mineral resources sector is handed to Ministry of Justice and Internal affairs, which renewed legal working group responsible for this draft and concept of law.

Another significant activity was organization of reporting by state organizations and companies, as result of this activity, 1592 companies have reported and 6 ministry and agencies, 15 aimags and 3 districts have submitted report.

The reconciliation report is produced by SICA LLC, in accordance with comments of the today's meeting they will improve the report and submit to National Council for final endorsement.

Another update of EITI Reporting templates was conducted in 2022. We have just started the upgrading of Mongolia EITI E-reporting, under the funds of World Bank grant. Our expectation is that after the upgrading of the system the visibility of data for public will be improved and outdated operating technology from 2013-2014 will be upgraded. Also, under this improvement, there will be some development like of web site of Contract disclosure and reporting of Beneficial owners' data.

We have organized EITI regional conference of Gobi aimag combined with mining conference of Umnugobi aimag, as we planned organized 3 trainings of companies to assist in producing EITI report and published data about companies which have reported for EITI.

We had provided counseling to state organizations of EITI Reporting, renewed password for uploading reports into the system.

As planned, we have produced a footage of Mongolia EITI 2020 Report and placed at the Secretariat's web site and Facebook account, and made it publicly available.

We had organized in cooperation with Sukhbaatar aimag EITI Subnational council an online training for governor of all soum of Sukhbaatar aimag.

In consultation with EITI International Secretariat, we had organized pre-Validation preparations and post Validation activities as result of Mongolia passed the Validation with 70 points achieving moderate status of EITI Standard implementation, received 33 recommendations to implement and meet the requirement by January 1st 2025.

The Secretariat made evaluation of EITI reports of extractive companies, made assessment of most transparent company and submitted findings to MMHI for further appreciation, also data on companies which have produced EITI report without interruption and produced footage on this data, showed it publicly during "Mining week".

Newsletter with data on license holders operating in Dalanjargalan soum of Dornogobi and Sukhbaatar had been published in cooperation with some NGOs and Subnational councils and disseminated during various training and EITI conferences.

The secretariat has promoted establishment of joint project on disclosure of beneficial ownership with EITI International Secretariat and Open Ownership to implement at MMHI an international program on Opening Extractive ongoing in 14 EITI implementing countries, which is funded by BHP foundation, assisted in selection of the consultant for this activity. Together under this program, Asia Pacific BO regional on line conference and hybrid type of public launch had been successfully organized.

Before the New year, we have still some time to do, we will organize at least discussion of the draft law, a regular meeting of EITI National Council, have submitted and get endorsed Mongolia EITI 2021 or 16th Report, an online EITI Western regional conference, Mission of EITI International EITI Secretariat and Open Ownership, roundtable, post-Validation seminar, and capacity build-up training of EITI Subnational Councils.

As for 2023 EITI work plan, it is drafted and circulated for you, please give your suggestions, comments, upon your feedback we will update that draft and will submit to the National Council meeting for endorsement. Main directions for 2023 are as follows;

To implement recommendations of Validation, organize 2022 EITI Report as in usual format, which the State budget has allocated 90 million MNT, current flexible Report is contracted at the Rate of 42.2 million MNT, certainly will advance draft law.

So, that is a brief of Work Plan, ask you to check from your side, give your feedback, hope there will good suggestion for reasonable new activities.

As for report, some proposals cannot be loaded into terms of references, therefore it is not possible to be implemented. /Presentation is attached/

N. Narantsetseg: If Western regional conference is organized in online format, then the bigger companies will not take part. So, better to have it next year to engage all companies.

Ts. Tuyatsetseg: What situation of funds of the Secretariat, there is some information that no funds for salary in 2023, losing staff. We should have strong good secretariat; we will be able to implement these activities. So does PWYP or TAN coalition,

which has neither a secretariat nor funds. TAN Coalition is the most important stakeholder, which has good rural connections. So, this is issue. For example, Civil Council of Mongolian Environment has office, which is provided by MET. We see that MMHI has opportunity to do so. So, kindly ask MMHI to consider this issue.

Also, there is need to build capacity of the Secretariat staff, who know how and what to do, make salaries available. So, either from World bank or the State budget salaries have to be funded.

Sh. Tsolmon: We have delivered budget proposal, which includes salaries for staff of the Secretariat. Hope that proposal will be approved later. As for funds from World Bank financing it will fund only activities of the Work Plan, salaries are impossible to be funded by them. Training activities can be funded by various donor resources, other aspect can be complicated. This can be considered at MMHI, at the beginning of year, of course, through consultations.

T.Tseren: Now, MET is no more providing with free Civil Council of Mongolian Environment with office. Until 2019, the Minister Tserenbat, it was like this, since then no more free office, we rent and pay rent fee, which raised by our activities. Please understand correctly, this is no more like this, this is some misunderstanding.

Ts. Tuyatsetseg: Okay, so lately it becomes like this, but it was provided for many years. There should be settlement somehow, in terms of providing office for NGOs from the Government. We are planning to organize several training activities, to establish new or improve existing Subnational councils, so we will provide some suggestions in writing.

Ts. Davaasuren: Thanks to those who organizing and attending this meeting. We are interested to have co-fund objectives under No.4,8,11 of the 2023 EITI Work plan.

D: Erdenechimeg: Activities on enacting law on transparency in mineral resources sector is specified in Action plan of Open Government partnership as No.4 objective. The organization in charge is MMHI, this provision should be included into the justifications.

NGOs usually involved in implementation of Work Plan; therefore, they can be responsible party of many activities specified. Namely, we are well experienced in building capacity of Subnational Council up, for example, Sukhbaatar aimag Subnational council is performing quite well due to active involvement of Member of PWYP TAN coalition. Here is again activities to develop strategy for capacity build-up of Subnational councils, how time we will develop the strategy, there was strategy, which was developed under ADB funds, but on that strategy there was a lot speculation or disputes, therefore, instead of it I suggest updating the existing one. When we develop new strategy, it will begin from allocating funds, then tender selection, which usually takes time, and in the most case, those selected is not well in sectoral experience, what they develop is rejected often. That's why, I suggest to develop plan, which is reviewed by both Working Group and National Council, TAN coalition, its NGO implements capacity build-up of subnational councils.

Here is plan of actions that the Secretariat will build up capacity of local NGOs. But this can be implemented by NGOs, which have already capacity at national level. Like this, we ourselves improve our capacity if there are opportunity perform various activities. So, there should be specific funds allocated then small portion will be office rent, which is small amount, it will big support for NGOs.

We have the plan to prepare information designated for citizens from rural soums out of the Report data, which will be done by our NGOs. PWYP TAN Coalition has experience of working over the Report, and you will certainly recall that we did a book under the title of Digging data, which indicates that we have the capacity to analyze data.

B. Batsaikhan: It says that cadaster mapping has discrepancies. This issue is existing in the life. We propose to have several certain joint activities like change, lawfulness in cadaster data.

Today, the license covering 1400 hectares is given in Uyanga soum of Uvurkhangai aimag, where there are 18 water springs and 2 rivers, overlapped but they had not been included into cadaster data, and this error is now at the court. So, therefore data about location of river, water spring and permafrost must be included into the cadaster data. We are not rejecting mining. In accordance with 2009 law it was very probable that about 1700 licenses might have been cancelled because of this issue, however, we do not any data how many licenses have been cancelled in 2015. So, we should cooperate to resolve this issue, therefore, we suggest to cooperate.

V.Narmandakh: Our EITI-E reporting system does upload data and mapping of license cadaster data from MRPAM. The German project is cooperating with MRPAM, and developing mapping system, which means source of information belongs to the MRPAM. The present mapping is located at the MRPAM, not our system, and shows their data.

B. Delgerjargal: There was some effort from all parties like establishing working group represented by MRPAM, Cadaster office, Geodesy and mapping authorities, with purpose to develop better public service and create integrated system. Our MET has own cadaster system, but it is not integrated. Our MMHI has own digital development unit and is planning to be integrated through this system. MET has own separate system, MRPAM has own separate system, all these are creating some inconsistencies, these system must be integrated with system of Geodesy and mapping authorities. If we do this integration then there will be no more inconsistencies in data. So, we are working to resolve this issue.

B. Batsaikhan: Under the law with long name enacted in 2009, protection zones have been established, but in 2015 there was amendment to this law. This means there was some inconsistency, also some lobbying from mining companies. Can it be corrected? I mean the case of Uyanga soum. Үүнд зөрчил гарсан, зарим уул уурхайн компаниудын лобби явагдаад тойрч гарсан тохиолдол байдаг үүнийг засах боломжтой юу? Some issue that there are no protection zones.

B. Delgerjargal: Before granting license, local authorities are requested to provide approval on whether there is any overlapping. Hope that respective authorities have made relevant decisions.

B. Batsaikhan: It failed on provision 2.15 of Water law, under which some permission is required.

Ts. Tuyatsetseg: I believe the issue will be resolved through the Government resolution. EITI National Council was under jurisdiction of Prime Minister, if the jurisdiction reinstated then it will be much easier to resolve various issues that we are talking. It will be not like MMHI is saying that there are inconsistencies in data, it will be resolved.

B. Delgerjargal: Yes, in the past, we were under the Prime Minister. Now both Working Group and National Council are under Minister of Mining and Heavy Industry. But some ministries do not participate, for example, Ministry of Finance is participating in any of activities. They consider this is matter of line ministry, therefore they do not want to participate or ignoring somehow. It looks like matter of MMHI, but if everybody takes part then it will be more effective. When we were under jurisdiction of Prime Minister, we were stronger. This is my private judgement; I am consent with you.

B. Batsaikhan: Yes, it is.

Ts. Tuyatsetseg: Those objectives under 13,14,15 and their activities are all connected with operation of Subnational Councils. Our suggestion is to that TAN coalition is ready to work implementation of these activities. There are other activities connected with recommendations. So, all together will be combined.

B. Delgerjargal: Recommendations will all integrated, which will be handled by State organizations, which will be by NGOs and companies, all will be disaggregated, and please give proposals in writing.

G. Erdenetuya: It is critical to advertise companies for development of responsible mining. It is necessary to promote legislation, standard, their explanations and comprehension for responsibility.

Another issue connected with natural environment is very critical, and there are always some complications in relation to Ministry of Finance and Ministry of Natural Environment. Particularly, at the Ministry of Natural Environment the deposits are stocked, many years we are talking about how to make it transparent.

It gets necessary to conduct assessment of natural environment and advertisement activities. It is needed to convince companies in benefits of transparency, promote companies which implement standard of transparency, and at the end there will be more positive reality that more transparent companies. We will deliver our comments in writing.

D.Erdenechimeg: Many issues discussed today in here can be resolved by the law on transparency in mineral resources sector. The draft law is handed to MJIA and Working group is established, which has the representatives from MMHI, so I will propose representatives from Civil Council of Mongolia Natural Environment. The first legal working group was established at MMHI. It seems quite strong for enacting this draft law when it is in hands of MJIA, but it may lose initial scoping, mixed with other natural wealth. Therefore, we need your voice for support. We have proposed some peoples to this working group, please convey this to the Ministry.

B. Delgerjargal: It is possible to convey names for working group to MJIA in writing. It seems the initial scope of the law may lose initial scope with addition of forest wealth and etc. and therefore, it can lose a major purpose.

Ts. Tuyatsetseg: Please contact Ms. Amgalan from MJIA and deliver the request to her.

B. Delgerjargal: If there is no comments, then today meeting will end here. Many thanks for your participation and active discussions. Wish all the best. Thank you.

The meeting was ended at 12.20 am.

The minutes are approved by:

State Secretary of Ministry of Mining and Heavy Industry,
Secretary of EITI National Council,

B. Byambadagva

The meeting chaired and the minutes are reviewed by:

Chief of Statistics and Research unit of Research and Investment department of
Ministry of Mining and Heavy industry:

B. Delgerjargal

Coordinator of EITI Secretariat

Sh. Tsolmon

The minutes are taken by:

Finance officer of EITI Secretariat

A.Отгонтungalag