



VALIDATION OF THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE IN MONGOLIA©

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

coffey  **international development**
SPECIALISTS IN DEVELOPING COMMUNITIES

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ABBREVIATIONS AND ACRONYMS

AIMAG	State/Provincial Government body
CPA	Certified Public Accountant
EITIM	Extractive Industries Transparency Initiative in Mongolia
FY	Fiscal Year
GDTM	General Department of Taxation, Mongolia
GOM	Government of Mongolia
IAT	Indicator Assessment Tool
IPAN	International Petroleum Associates Norway
IFRS	International Financial Reporting Standards
JV	Joint Venture
MMRE	Ministry of Minerals Resources and Energy
MNMA	Mongolian National Mining Association
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MNT	Mongolia Tugrik
MSWG	Multi Stakeholder Working Group
NC	National Council
NGO	Non Government Organisation
PSA	Production Sharing Agreement
SOUM	Local government bodies underneath each AIMAG (a district council)
TOR	Terms of Reference

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SECTION 1: INTRODUCTION

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

SECTION 1: INTRODUCTION

1 FOREWORD

This is the report of the 2009 Validation of the Extractive Industry Transparency Initiative (EITI) in Mongolia. This EITI Validation was undertaken by a consortium led by Coffey International Development, in association with Dalaivan Audit LLC.

The report is structured as follows:

- This section introduces the report with a summary of the importance of the extractive industries in Mongolia, the EITI Validation process and of EITI implementation in Mongolia.
- Section 2 describes the Validation methodology and process.
- Section 3 presents the Validator's assessment of progress against EITI work plan.
- Section 4 presents the Validator's assessment of progress against the EITI Validation Grid.
- Section 5 describes the company implementation of EITI in Mongolia.
- Section 6 presents the Validator's overall assessment of EITI implementation.
- Section 7 provides recommendations for future implementation of EITI in Mongolia.
- Section 8 describes lessons learned from the Validation in Mongolia.

The report contains six annexes. Annex A provides a completed Validation Grid. Annex B provides a narrative report of the EITI Validation. Annex C contains the consolidated Company Self Assessment forms provided to the Validator. Annex D lists the stakeholders consulted in undertaking the Validation. Annex E lists the current members of the National Council and the Multi-Stakeholders Working Group. Annex F contains key documents and texts relevant to the EITI in Mongolia.

2 THE ROLE OF EXTRACTIVE INDUSTRIES IN MONGOLIA'S ECONOMY

Mongolia's reserves of coal, copper and gold constitute a critical source of national revenue. The mining industry accounts for 55 percent of industrial output and generates 33 percent of government revenues. In 2006 revenues from the mining sector accounted for roughly 14 percent of the country's GDP. Mongolia is a major exporter of copper and is growing in importance as a source for gold and molybdenum. Mongolia also has an estimated 100 billion tons of coal reserves. The country's annual coal production has significantly increased in the past two years as several state-owned mines were privatised and Chinese demand for coal has risen. With the Oyu Tolgoi mine underway and the recent cancellation of a windfall tax law passed in 2006, there is a provisional expectation of the country's copper and gold output breaking into global rankings. The number of extractive mining products has been steadily increasing and since the beginning of 2005, iron ore, zinc concentrate and molding copper have started to be exported. In addition, a number of large foreign companies are exploring Mongolia's potential for oil production.

3 THE EITI VALIDATION PROCESS

Validation is an essential element of the EITI process and is central to the initiative's status as an international standard. Its objective is to provide an independent assessment of the progress achieved in implementing the EITI and what measures are required to make better and faster progress. For Candidate Countries¹, Validation should measure progress in EITI implementation. For

¹ Candidate countries are those who have signed up to implement EITI and met all four indicators in the sign up stage of the Validation Grid: (1) committing to implement EITI; (2) committing to work with civil society and the private sector; (3) appointing an individual to lead implementation; and (4) producing a Work Plan that has been agreed with stakeholders.

countries that have fully implemented EITI (Compliant Countries²), Validation will serve to provide an assessment of their ongoing fulfilment of all the EITI Criteria.

At the third International EITI Board meeting held in Oslo on 27 September 2007, 15 countries including Mongolia obtained an EITI Candidate status. Based on the decision of the EITI International Board, Candidate countries wishing to become an EITI Compliant country should undergo the Validation process before March 2010.

4 THE EITI IN MONGOLIA

The Government of Mongolia (GoM) committed to implementing EITI in December 2005. The implementation of EITI was initially supported by the “Public What You Pay” (PWYP) civil society coalition, whose aim is to promote the transparency in the extractive industry. In December 2006 a National Multi-Stakeholder Working Group was established under the National Council, with equal representation from the government, civil society and extractive industry companies. In June 2007, the EITI Secretariat was established with assistance from the World Bank. The PWYP civil society coalition continues to support the EITI implementation process, as well as broader issues of extractive industry transparency, including contracting/licensing transparency, community engagement with mining companies and local governments, and mining policy formulation and monitoring.

Mongolia was officially recognised as an EITI candidate country in November 2007, and has until 9 March 2010 to complete the validation process. EITI implementation is now being supported by a grant from the EITI multi-donor trust fund administered by the World Bank. The Multi-Stakeholder Working Group has published an EITI work plan and agreed templates for reporting at all levels (i.e., national, provincial, and local) of all payments by mining companies to government and receipts by government from mining companies.

Mongolia issued its first EITI report in February 2008 covering company payments and government receipts from companies engaged in extractive industries in 2006. The first Mongolia EITI reconciliation report was made on basis of reports of 25 leading companies engaged in this sector. Discrepancies of over 25 billion tugrik were identified. An examination of causes for the mentioned discrepancies is being carried out. In addition, the reconciliation of reports produced by another 28 companies, which were not included into the First EITI report, has been made by a local audit team. The second Mongolia EITI report, covering 38 companies (those with revenues over 200 million MNT operating in this sector in 2007), has been completed and was reviewed and approved by the National Council in November 2009.

² Compliant countries have fully implemented EITI. They have met all the indicators in the Validation grid, including the publication and distribution of an EITI Report.

SECTION 2: VALIDATION METHODOLOGY AND PROCESS

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

SECTION 2: VALIDATION METHODOLOGY AND PROCESS

The Validation team was composed of Jeremy Weate (consultant, Coffey International Development), Harrison Mitchell (consultant, Coffey International Development), and Ts Jigden (Dalaivan Audit LLC). Tim Ruffer and Danielle Tappitake provided oversight and management support to the process. The team closely followed the EITI Validation Guide methodology.

In October 2009, the team began preparations for the Validation. This included:

- A review of relevant documentation on the EITI process in Mongolia.
- Several planning discussions with the Mongolian EITI Secretariat.
- Discussions with the international EITI Secretariat about the Validation approach.
- Sending written requests to extractive industry companies in Mongolia for them to complete the Validation Company Self Assessment Forms (see Annex C).
- Preparation of a meeting timetable, arranged by the Mongolian EITI Secretariat.
- Discussions amongst the team about the Validation methodology.

The Validation team visited Ulaanbaatar from 15 to 21 November 2009. Over the week, the team held the following meetings:

- **Stakeholder meetings** – a combination of group and individual discussions were held with members of the National Council, the MSWG and a more general group of stakeholders outside the MSWG. A full list of stakeholders interviewed is available in Annex D.
- **Debriefing Meeting** – a final meeting with the MSWG was held to present the Validator's initial findings on a confidential basis.

Following the visit to Mongolia, the team prepared a first draft of this report. It was circulated to stakeholders in Mongolia and to the International EITI Secretariat for comment before being finalised.

SECTION 3: PROGRESS AGAINST THE WORKPLAN

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

SECTION 3: PROGRESS AGAINST THE WORK PLAN

This section of the report presents a summary of the main items listed in the EITIM 2008 Work Plan (the full work plan is found in Annex F). Next to each of the items listed is the Validator's summary assessment of the progress made against the item. This is followed by a brief overall assessment of the progress made against the EITIM work plan as required by the EITI Validation Guide.

WORK PLAN ITEM	VALIDATOR'S JUDGEMENT
GoM to issue public statement on EITI	Completed
Establish National Council and MSWG	Completed
Establish EITI Secretariat	Completed
Workshops (govt, NGOs, companies) on EITI implementation	Completed
Translation of EITI brochures/manuals into Mongolian	Completed
Publication of laws and regulations/resolutions to stakeholders	Completed
Select auditor for FY2006 and FY2007 audits	Completed
Prepare for validation	Completed

The EITIM work plan is a comprehensive document, covering 30 objectives and 90 activities. The table above shows the Validator's judgment that EITIM has made good progress against the work plan and completed all core activities. Additional comments on the work plan are included in the Validator's assessment of progress made against the Validation criteria.

SECTION 4: PROGRESS AGAINST VALIDATION GRID INDICATORS

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

SECTION 4: PROGRESS AGAINST VALIDATION INDICATORS

This section presents a narrative of the Validator's assessment of progress against the Validation Grid indicators. For each indicator, it describes our interpretation of the criteria (where this is required), progress against the indicator, stakeholder views, and our overall judgement. A summary Validation Grid is provided in Annex A.

SIGN-UP

1. Has the government issued an unequivocal public statement of its intention to implement EITI?

Progress

In October 2005, a joint session of standing committees of the State Great Hural (the Mongolian Parliament) on the budget and economy supported Mongolia in signing up to the Extractive Industries Transparency Initiative (EITI), and instructed the Government of Mongolia (GoM) to join the initiative. The GoM approved Mongolia signing up to the EITI at a Cabinet meeting on January 4th 2006 and issued a resolution in which the GoM officially committed to implement the EITI and set out the basic institutional framework to do so. Resolution No.1 (2006) stipulates that a National Council for EITI should be established as the oversight body for the EITI and indicates its composition. The former Prime Minister, Mr. Sanjaagiin Bayar, also mentioned the EITI in various speeches and interviews, and Resolution No.1 has been published in various newspapers.

Stakeholder views

The stakeholders consulted agree that the government has issued an unequivocal public statement of its intention to implement EITI.

Validator's judgement

This indicator has been met.

2. Has the government committed to work with civil society and companies on EITI implementation?

Progress

Resolution No. 1 from the Prime Minister's office indicated that civil society should be represented on the EITIM National Council. The Terms of Reference of the National Council states that there should be "equal representation of Government, extractive industries and civil society". Furthermore, the Memorandum of Understanding (MoU) between the GoM, companies and civil society firmly establishes the government's commitment to cooperation, listing nine shared obligations and four obligations specific to each stakeholder group (government, civil society and companies). Since the inception of the National Council and the Multi-Stakeholder Working Group (MSWG), the former has met four times and the latter has met nine times (as of December 1st 2009).

Stakeholder views

The stakeholders consulted agree that the government has committed to work with civil society and companies on EITI implementation.

Validator's judgement

This indicator has been met.

3. Has the government appointed a senior individual to lead on EITI implementation?

Progress

The Terms of Reference of the National Council states (article 4) that the Chairman of the National Council shall be the Prime Minister of Mongolia. The Senior Advisor of the Prime Minister, Mr. B. Erdenesuren, was appointed as the Secretary of the National Council.

Article 10 of the MoU also establishes an independent secretariat to support EITI implementation and the MSWG. The Secretariat was established in 2007 and currently has two full-time staff and one part-time communications consultant.

Stakeholder views

The stakeholders consulted agree that the government has appointed a senior individual to lead on EITI implementation.

Validator's judgement

The National Council is chaired by the Prime Minister, which is the highest authority possible to head EITI in Mongolia. This indicator has been met.

4. Has a fully costed workplan been published and made widely available, containing measurable targets, a timetable for implementation and an assessment of capacity constraints (gov., private sector and civil society)?

Progress

A costed work plan with measurable targets and a timetable for implementation was submitted and approved at the National Council meeting on January 30th 2008. The work plan was placed on the websites of six organisations, including ministries, agencies and NGOs. The work plan was also delivered to stakeholders in a brochure format and is accessible at the website www.eiti.mongolia.mn.

Stakeholder views

The stakeholders consulted agree that a workplan been published and made widely available, containing measurable targets, a timetable for implementation and an assessment of capacity constraints.

Validator's judgement

The work plan is a comprehensive document, covering 30 objectives and 90 activities. However, each deliverable should have been fully costed and an assessment of capacity constraints (and corresponding risk analysis/mitigation) should have been included, as per the Validation guidelines. The Validation team also believes that the focus of the work plan should be more deliverable-oriented rather than action-oriented. These criticisms do not amount to rejection as the essence of the requirement for a work plan is strongly in evidence. This indicator has therefore been met.

IMPLEMENTATION

5. Has the government established a multi-stakeholder group to oversee EITI implementation?

Progress

The National Council oversees EITI implementation in Mongolia and is the highest-level multi-stakeholder group. As of November 1st 2009, membership of the National Council comprised of four government representatives, four representatives of the parliament and its subsidiaries, five company

representatives and five representatives of civil society, providing an adequate representation of different interests, including senior government officials and independent civil society groups. The Terms of Reference of the National Council¹ (approved on May 12th 2006) gives any member the right to propose a discussion topic and express their opinion (point 14). The National Council is supported by the MSWG (via point 12 of the Terms of Reference for the National Council). Following Resolution No. 3, the Mongolia MSWG was established in January 2006 and has met nine times. As of November 1st 2009, the MSWG, has 25 members: the Head of the MSWG (a senior adviser to the Prime Minister); eight government representatives, seven extractive industry representatives (including two the directors of the mining and coal associations); and nine civil society representatives. The President of the Institute for Qualified Accountants is also a member of the MSWG as a civil society representative.

Stakeholder views

The stakeholders consulted agree that the government has established a multi-stakeholder group to oversee EITI implementation.

Validator's judgement

The Validation team expressed concerns that the National Council has only met four times since inception, and had not meet in the past 18 months prior to the Validation visit. It was explained to the team that this has been due to the failing health of the former Prime Minister. A fourth National Council meeting took place on the November 27th 2009, the week after the Validation visit. The Validators also note that access to information on the MSWG and National Council meetings is currently restricted. The minutes to both meetings, for instance, are not circulated or posted on the EITIM website. These points notwithstanding, the indicator has been met.

6. Is civil society engaged in the process?

Progress

The EITI in Mongolia is truly a multi-stakeholder process and many civil society stakeholders stressed to the Validators the satisfaction they had with the structure and involvement of civil society in the MSWG. Both the National Council and the MSWG include a number of representatives from transparency, social development and environmental NGOs².

In terms of civil society involvement in EITI Mongolia process, there are "Publish What You Pay and Receive" (PWYPR) Mongolian civil society coalition members (representing more than 20 independent NGOs) along with other non-governmental organizations (NGOs) included in EITI National Council and Working Group, representing more than 30 independent NGOs. In summary:

- Membership of NGOs at National Council - five representatives (four from PWYPR).
- Membership of NGOs at MSWG - nine representatives (four from PWYPR).
- Four suggestions and comments from civil society were addressed at the National Council and MSWG.
- NGO coalition renders full support in implementation of the EITI in Mongolia, and conducts independent activities.

The following is further evidence that the Government of Mongolia and the EITI Working Group have actively sought the participation of civil society in EITIM:

¹ See Annex F.

² See Annex E for full list of representatives.

- Tripartite Memorandum of Understanding on effective implementation of EITI, April 2007³:
 - Participating parties included government, companies and nine members of civil society.
- TOR of the National Council³:
 - Item 6: “The National Council shall consist of an equal tri-partied representation of the Government institutions such as Heads of the Parliament, Minister, Ministry, and agencies; mining companies; and civil society and NGOs.”
- Active participation by civil society in the National Council and Multi-stakeholder Working Group:
 - Civil society representatives are five out of 13 members of the National Council and nine out of 25 members of the Working Group (as of November 2009).
 - Minutes of meetings of the National Council and the Working Group made available to the validators clearly show participation by civil society members.
- Civil Society Assessment of Mongolia’s First National Report produced within the Framework of the EITI:
 - A detailed assessment of civil society views on the first reconciliation report was provided by civil society.
- Outreach by the EITIM Secretariat including participation of civil society:
 - Two 2-day conferences in May and September 2009 held in rural provinces (Uvurhangai and Selenge aimags) to discuss EITI and to hear views from government, companies and civil society.
 - Delegates from Ministry of Finance, General Taxation department and Minerals authorities, Mongolian Mining association, Ministry of Nature, civil society including Transparency Foundation, Open Society Forum, Steps Without Borders, and the Centre for Human Rights and Development attended these conferences.
 - The Secretariat also “rendered assistance in organizing several provincial conferences to civil society, like TAN coalition, three in 2007 in South Gobi, Sukhbaatar and Eastern aimags, two in 2008 in Uvurhangai aimag and four in 2009 in Middle Gobi, Hentii, Eastern and Khubsugul aimags.”

It is worthwhile noting another civil society initiative within the extractive sector in Mongolia, the Responsible Mining Initiative, which has also promoted a multi-stakeholder dialogue between civil society, business and government since 2006 on a number of issues including transparency, environmental responsibility and community sensitivity. The Responsible Mining Initiative and EITI represent a strong voice for civil society in Mongolia and one which is taken seriously by companies and government.

Stakeholder views

The government expressed satisfaction with the input of civil society in the process and cited the Open Society Forum as “a pioneering organisation, key engine and principal source of information” for the EITI. The government noted that the National Council had sent letters of support for events organised by civil society in rural communities and supported by the EITI Secretariat.

Extractive industry companies and industry bodies acknowledged civil society’s role in promoting the EITI and other issues in the extractive sector to open debate in Mongolia. Although companies sometimes felt at odds with civil society views, they nevertheless recognised their importance in the ongoing debate surrounding the extractive sector in the country.

³ See Annex F.

Civil society groups interviewed by the Validators had different focuses but can be broadly defined as having either an emphasis on revenue transparency or on environmental issues. Civil society groups with an emphasis on revenue transparency expressed general satisfaction with the process, highlighting the fact that the EITI has created an unprecedented level of transparency in both government and company activities, where previously there was none. Transparency NGOs stressed that follow-up was still required and this would be a crucial test of EITIM. From the environmental perspective, while one NGO expressed disappointment that more emphasis was not placed on environmental issues, other environmental NGOs acknowledged that the EITI's emphasis was on revenue transparency rather than environment.

Validator's judgement

This indicator has been met.

7. Are companies engaged in the process?

Progress

Representatives from the extractive industry companies in Mongolia signed the multi-stakeholder MOU in April 2007, which established the TOR for the EITI in Mongolia. These included the Mongolian National Mining Association (MNMA), the Coal Association, as well as members from the largest companies in the country – Erdenet, Ivanhoe Mines and Boroo Gold. A number of companies and industry bodies, such as the MNMA, remain actively engaged in EITIM as members of both the MSWG and the National Council. The minutes of the meetings of the MSWG confirm that companies are active and engaged in the EITI process.

In 2006, a total of 60 companies reported payments to the government to meet EITI requirements. For the 2007 audit, this number increased to 103 and in 2008 to 113 companies. This demonstrates an increasing awareness on the side of companies of the EITI process in Mongolia.

The following is evidence that GoM and EITIM have sought to actively engage companies in the process:

- Tripartite Memorandum of Understanding on effective implementation of EITI⁴, April 2007:
 - Participating parties included government, civil society and eight company representatives.
- TOR of the National Council⁴:
 - Item 6: "The National Council shall consist of an equal tri-partied representation of the Government institutions such as Heads of the Parliament, Minister, Ministry, and agencies; mining companies; and civil society and NGOs."
- Active participation by companies in the National Council and Multi-stakeholder Working Group:
 - Company representatives make up five out of 13 members of the National Council and seven out of 25 members of the Working Group (as of November 2009)⁵.
 - Minutes of meetings of the National Council and the Working Group made available to the Validators clearly show participation by company representatives.
- The Mongolian Mining Association participated in the outreach program organised by the EITIM Secretariat in May and September 2009.

⁴ See Annex F.

⁵ See Annex E.

- EITIM Secretariat presented EITI at the Discover Mongolia 7th International Mining Investors Forum in November 2009. The Secretariat shared a booth with the Responsible Mining Initiative and explained EITI to potential investors and interested companies over the duration of the forum. <http://www.discovermongoliaforum.com/>
- The EITIM Secretariat held two training sessions with companies on how to report taxes paid to EITI (WG Meeting June 5th 2009).

Stakeholder views

Several companies (Ivanhoe, Boroo Gold, Mak, Erdenet) interviewed were satisfied with the progress of the EITIM and were supportive of the efforts to make their payments to the government transparent.

One company suggested that the MSWG meetings could be public forums to help further engage the public, as well as promote the EITI in Mongolia. This company also suggested that the minutes of the meeting should be published online.

Civil society was generally satisfied with company participation in EITIM, particularly in the MSWG. However, they suggested that further public support of EITIM by companies would be helpful to the initiative. They also suggested that companies should support the expansion of key EITI principals such as transparency and public reporting and accountability to other key areas of operations currently not covered by the EITIM. In particular, civil society pointed to both contracting and environmental reporting as being two key areas which were currently largely opaque and should be governed by the principals of the EITI.

The GoM was generally satisfied with the involvement of companies. However, the Secretariat expressed dissatisfaction with the fact that many companies submitted their company reports very late, resulting in a significant delay to the auditing process. In addition, some companies did not respond to the auditor's enquiries in a timely manner, again delaying the final submission and reconciliation of the report. The auditor suggested that company association bodies as well as government agencies could put more effort into ensuring that companies return their reports and subsequent responses in a timely manner.

Validator's judgement

This indicator has been met.

However, it should be noted that there are over 200 mining companies in operation in Mongolia, and the MSWG or National Council does not appear to have much representation from small to medium sized companies, which represent the bulk of companies operating in Mongolia (by number rather than value or size of operation). Going forward, EITIM might consider involving these companies in a more robust manner.

8. Did the government remove any obstacles to EITI implementation?

Interpretation of criteria

For this indicator the Validator has a significant degree of discretion to consider a wide range of potential legal regulatory or other obstacles to EITI implementation.

Progress

Background: Legal, Regulatory and Institutional Framework

There are a number of resolutions which establish the EITI within the legal and regulatory process in Mongolia. The key documents are as follows:

- The Tripartite Memorandum of Understanding (MoU) on effective implementation of Extractive Industries Transparency Initiative and partnership between Government of Mongolia, companies and the NGO coalition, April 2007.

- Resolution no. 80 of the Government of Mongolia dated March 28th 2007, on the functions of governmental bodies participating in implementation of the Extractive Industries Transparency Initiative.
- Articles 48.9 and 48.10 of the Minerals Law of Mongolia (official translation 30/10/2006).

The MOU

The MoU establishes the terms of reference for a multi-stakeholder group engaged in the EITI process in Mongolia. As such, it has moral rather than formal legal authority but nevertheless is the guiding document for the recommendations made by the MSWG to the National Council. Key points within the document are: decision making on a consensus basis; an acceptance of the EITI standards; and guiding principles and a commitment to develop the necessary legal and institutional framework to ensure that EITI is effective within the country.

Resolution No. 80 (2007)

Resolution No. 80 relates specifically to the reporting requirements of government departments within the EITI process in Mongolia. It is a directive which requires government departments to promote the EITI among relevant stakeholders and, on a more practical level, compile and submit the reports to the EITI National Council and the MSWG as part of the annual audit.

The Minerals Law of Mongolia

Article 48.9 of the Amended Minerals Law requires licence holders to submit a report on royalties to the tax office, both quarterly and in an annual report. Article 48.10 requires that a licence holder shall report to the public the amount of its product sales for the year and the amount of taxes and payments paid to the state and local budget during the first quarter of the following year.

However, it is important to note that the EITI Secretariat does not use this law to obtain information from companies, as it was found that these reports were insufficient for the requirements of the EITI. Instead, the Secretariat asks companies to fill out the templates on a purely voluntary basis, and the companies are under no legal obligation to do so.

The Institutional Framework

In addition to the legal and regulatory framework, there are several institutional bodies involved in the EITI. The key EITIM bodies are the following:

- The EITI Secretariat – which acts as the administrative body of the EITI.
- The EITI MSWG – chaired by B. Erdenesuren which acts as the policy development body of the EITIM.
- The EITI National Council (multi-stakeholder) – chaired by the Prime Minister of Mongolia which acts as the executive body of the EITI.

After these three core groups, a number of ministries and government departments are party to the EITI process in Mongolia, as directed by Resolution No. 80, including:

- The Prime Minister's Office
- The Ministry of Finance
- The Ministry of Mineral Resources and Energy
- The Department of Accounting Policy
- The National Auditing Office
- The Department of Taxation
- The Mineral Resources Authority
- The Environment Authority
- The Foreign Citizen Authority

- Local government bodies at the Aimag, Soum and Duureg level

Stakeholder views

Most companies were of the view that the MSWG is working effectively. However, some outside of the process suggested that MSWG meetings might be open to the public so that interested parties who were not members could observe the process.

Companies voiced additional concerns about the context and scope of the EITI. Companies were concerned that the regulatory environment was often enforced arbitrarily, creating an unstable business environment. In particular companies felt compelled to pay taxes imposed at both national and sub-national levels which were sometimes contradictory. Companies also told the Validators that while they were happy to make public and transparent further dealings with the government (such as contracting), they had been asked by the government not to disclose this information. They suggested that EITI principals be expanded to this area.

Government stakeholders were open with the Validators about the challenges that EITIM will face in the future. They highlighted the following key issues:

- The sustainability of the EITI in Mongolia, given that it is operationally dependent on donor funds and there is an ownership deficit over the process within the government departments.
- The lack of strategic direction of the MSWG. This is evidenced by a work plan which is activity rather than deliverable focused and the absence of a remediation plan on the back of the first two audits.
- Insufficient cooperation between government departments obstructing the collection of data for the reconciliation audits.
- Cooperation and communication between the central state government bodies and regional bodies was cited as a major concern by central government bodies, particularly given the discrepancies found at the Aimag and Soum levels.

Civil society were generally satisfied with the progress made by EITIM thus far, and the multi-stakeholder composition and consensus based approach of the MSWG. However, representatives raised a number of concerns regarding the legal structure and institutional framework:

- Of primary concern to civil society was the fact that the National Council had not met for over 18 months. This was considered an obstacle to the executive power of the EITI in Mongolia. In particular, this fact had impeded a decision on follow-up on discrepancies identified in the 2006 reconciliation report, which civil society still considered required resolving.
- Civil society suggested that government departments tend to operate on a 'silo' model, with little communication between the departments which resulted in a significant delay in the submission of the consolidated report (template 4) required to complete the audit.
- Civil society cited the 'ownership deficit' as a key problem in identifying the causes of discrepancies in the reconciliation report and following up with penalties if necessary.
- Civil society suggested that EITIM could be extended both at a sub-national level and into contract transparency, two areas identified as being susceptible to corruption in Mongolia and more generally requiring public scrutiny, particularly with the significant increase in revenue that the extractive sector will generate in the near future.

Validator's judgement

The Validators are of the opinion that the current legal, regulatory and institutional framework does present some obstacles to the effective implementation of the EITI in Mongolia. However progress since 2006 has been significant and two audits have already been conducted.

The Validators believe the following issues constitute obstacles to EITI implementation in Mongolia:

Legal and regulatory framework

1 EITI law

There is no specific law in Mongolia governing the EITI. Rather, there is a directive to government departments (Resolution No. 80), as well as a brief section within the Amended Minerals Law which requires companies to report some information, but which is insufficient for the requirements of the EITI templates. Thus, the company templates are currently completed on a purely voluntary basis with no legal requirement for companies to do so. This was thought to be a weakness of the EITIM from all parties: government, civil society and companies, as well as by the auditors conducting the reconciliation report

Progress to date: In December 2009, the EITIM Secretariat drafted a strategy for 2010-12 and are currently waiting for feedback from members of MSWG. The draft strategy includes a draft EITI specific law, which would oblige all companies including exploration companies, oil companies, uranium companies, to report their payments, and specific penalties if the companies fail to report or report falsely. The law will also require transparency in licensing, production, sales, export, investment and natural reclamation payments and expenses.

2 Penalties

Likewise, there is no direct legal penalty for false declaration on the EITI templates, nor is there a legal requirement that companies must complete the template according to international auditing standards and report figures consistent with those reported in their audited company accounts. Rather there is a statement on the templates: "we state that we will bear all responsibility for correctness of this report in accordance with reporting regulations except in below mentioned cases". It is unclear whether this is a legally binding statement, or what consequences there might be for false declaration.

Progress to date: In December 2009, the MSWG established a small group tasked with the review and renewal of existing templates. This task is ongoing and is slated to be completed this by February 2010. As above, the MSWG is currently discussing an EITI specific law which would include penalties for false or non reporting of payments.

Institutional framework

1 EITI Structure

The tripartite structure of the EITI in Mongolia consists of the Secretariat, a National Council and the MSWG. Although the MSWG develops most of the policy of the EITI, executive authority lies with the National Council. However, the council has only met four times since being established. As the National Council is the executive body, this has resulted in a serious stall in the progress of EITI in Mongolia, and one which is of concern to local civil society. This issue should be resolved as soon as possible.

Progress to date: The National Council met on November 27th 2009 and is scheduled to meet in early 2010 to review the new work plan approved by the MSWG on December 10th.

2 Responsibility

Within the current structure, it is unclear where the responsibilities to carry out some aspects of the EITI lie between the various government departments. Currently, the General Department of Taxation (GDTM) is directed to compile the government reports for the audit. However, the authority has no dedicated EITIM staff and thus no capacity to ensure that these reports are accurate or timely. Members of the GDTM also expressed concern that their job required obtaining documents from ministries which were deemed 'higher', which create protocol difficulties around the requests.

Responsibility for follow-up of discrepancies is unclear. Although the National Council directed the National Auditors Office to investigate discrepancies discovered in the 2006 audit, the office subsequently did not do so, citing lack of responsibility. The Validators suggest that charging a single government department with the responsibility for this task is crucial for the credible investigation of discrepancies.

Progress to date: The EITIM Secretariat informed the Validators that the Ministry of Finance is working on the discrepancies identified in the 2007 reconciliation report and will prepare plan of remediation for next National Council meeting.

3 Inter-departmental cooperation

Over the course of a number of interviews, government departments expressed satisfaction that the EITIM had helped them to cooperate with other departments in a meaningful way, often for the first time. This cooperation is an ongoing process and still has significant obstacles to overcome. The Validators suggest that a process audit of the responsible departments would be worthwhile to highlight inefficiencies between and within departments.

Progress to date: The validators were informed by the EITIM Secretariat that the Ministry of Finance is reviewing these discrepancies in donations as part of its review into all discrepancies. This will also inform part of the review of the EITI law.

4 State to regional cooperation and discrepancies

One of the major discrepancies found in the audits was in flows reported by companies to local government bodies. Companies reported 'donations', gifts in kind and payments to special funds, whereas the local bodies simply did not report this revenue. This is one of the most likely sources of corruption in the extractive sector in Mongolia. These payments have a significant impact on the health of the sector, as regional government bodies issue local licences for operations and also approve the environmental impact assessments. The Validators recommend that the EITIM investigate these discrepancies and develop a strategy to remedy them.

Progress to date: The Validators were informed by the EITIM Secretariat that the Ministry of Finance is reviewing these discrepancies in donations as part of its review into all discrepancies. This will also inform part of the review of the EITI law.

Other progress

The new draft workplan also includes actions to mobilize funds from the State budget for payment of reconciliation reports 2009, one by consortium of international and domestic auditors, and the other by local audit company or institute, Funds are also suggested for partial payment of secretariat activities especially related to communications and publications. About 247 million MNT (USD 170,000) is planned for these activities.

Conclusion

The EITI is both an ongoing and discretionary process and due to the fact that there is no one way of implementing EITI, the government could not be reasonably expected to have had full visibility over all future obstacles to implementation from the initiative's inception in Mongolia. The Validators recommend that EITIM stakeholders review the potential obstacles as described both here and in the narrative report and create a strategy to remove the remaining obstacles. This may include changes to the legal or regulatory framework or to the institutional structure of EITIM. Notwithstanding this suggestion, it is the opinion of the Validators that significant progress has been made by the government toward in implementing EITI in Mongolia and removing identified obstacles and that this indicator has therefore been met.

9. Have reporting templates been agreed?

Progress

Reporting templates were first reviewed and agreed by the MSWG and the National Council in December 2006. After the 2006 reconciliation report, a decision to renew the templates was taken on March 19th 2008, and new templates were developed and revised by the MSWG in consultation with all members.

There are now four templates used in Mongolia, which have been extensively revised from the first set of templates following recommendations from the first audit report for 2006:

- Template 1: For companies to complete. This includes quantity of sold production as well as all taxes and payments to government bodies.
- Template 2: For state and local government bodies to report revenues received from companies.
- Template 3: A consolidated report to be completed by the GDTM which details all payments made by a company to all relevant government departments.
- Template 4: A material audit of volumes and values of production and sale of minerals for the Ministry of Mineral Resources and Energy to complete

However, a review of the minutes of meetings of the National Council and MSWG show that there has been no specific, in depth discussion on what constitutes materiality and thus, what material revenues should be included in the templates and reviewed in the reconciliation process.

The authors of the 2006 reconciliation report raised serious questions regarding Value Added Tax payments reported to EITI in 2006, stating that there was “no consistency between companies, and between companies and the tax office, on their treatment”. As a result, EITIM decided to remove VAT from the templates, as well as other payments including social insurance premiums and individual income tax. This decision was accepted by the MSWG (MSWG minutes, June 5th 2009). The MSWG has since established a small working group to review and re-write the templates based on recommendations from the reconciliation report and MSWG members. This process is expected to be finished by February 2010.⁶

Stakeholder views

Civil society suggested that the templates needed to be more extensive and include items for winning contracts, social security payments, VAT, and some customs payments for storage.

The government is content with the reporting templates.

Companies are content with the reporting templates. However they suggest that the instructions for filling out the templates could be made far clearer. In the past, the confusion over which tax to enter has led to significant discrepancies.

Validator’s judgement

The removal of certain payments and the revision of the template were agreed by the MSWG. However, it is the Validator’s opinion that VAT and social security payments are payments to the government and should be subject to the same scrutiny as other payments. Their re-insertion should therefore be considered. In addition, the MSWG should have a discussion on what constitutes ‘materiality’ and material payments to the government. The MSWG should adopt the recommendations made in the 2007 reconciliation report which suggests that further details on donations should be disclosed, that disclosure should include both monetary and ‘in kind’ payments, that training should be undertaken to ensure proper reporting and that the government should work to ensure that departments are properly disclosing information to the auditor. Finally, EITIM should ensure that information provided by companies in Template 1 is the same as information reported in the audited financial statements of the company, and make any digression from this punishable by law.

In the future, EITIM may wish to consider providing for a physical audit, an audit on pricing and value-for-money audit. The templates as they currently exist are detailed and have resulted in the identification of a number of discrepancies and issues. In addition, EITIM are currently reviewing the templates further to ensure compliance with the recommendations made by the 2007 reconciliation report.

⁶ Communicated from EITI Secretariat to Validation team.

Notwithstanding the fact that a discussion on materiality is necessary to ensure consistency with the issues raised in Indicators 14 and 15, we consider that sufficient progress has been made to suggest that this indicator has been met.

10. Is the multi stakeholder committee content with the organisation appointed to reconcile figures?

Progress

There have been two reconciliation reports of EITIM carried out by two separate auditing firms. In 2007-8 an Australian company Crane and White produced the reconciliation report for the fiscal year of 2006, and in 2009 the Mongolian and international firm Ernst & Young produced the reconciliation report for the fiscal year of 2007.

For the reconciliation report for the fiscal year of 2008, the MSWG has revised the protocol for tender of the reconciliation project. The MSWG assigned the revision of the tender documents to the EITI Secretariat on September 11th 2009 based on discussions conducted during a meeting of the MSWG on that date. The Secretariat was also ordered to submit the documents to the World Bank for approval and to organise the tender process.

A subsequent MSWG meeting on October 20th 2009 established an Evaluation Committee consisting of government, company and civil society representatives to select the winning consortium of the tender.

Stakeholder views

The minutes of the MSWG meetings show that there were some serious reservations about the output of the first audit report from all stakeholders. Civil society suggested a more coherent effort on improving the next auditing report based on lessons learnt in the first report. In the first reconciliation report, the government had not been able to provide segregated tax, fee, payment and donations, such as minerals exploration and mining license fee, land rent, fees for water use, fees for recruiting foreign experts and workers and donations received from the selected 25 top extractive companies. Along with the other MSWG members, Publish What You Pay (PWYP) representatives also suggested including all companies which produced financial reports but which were not in the selected 25 largest companies.

All stakeholders consulted told the Validators that they considered the first report to be a learning process. All expressed satisfaction that there has been a clear improvement between the reconciliation reports of 2006 and 2007. However, civil society remained concerned that follow up on the discrepancies (25 billion MNT) identified in the 2006 report remains outstanding.

Validator's judgement

There is a clear improvement between the 2006 and 2007 reports and the templates which instruct the auditors have been strengthened and revised, resulting in a better performance from the auditors. This indicator has been met.

11. Has the government ensured all companies will report?

Progress

There are 360 extractive industry companies registered with the tax office in Mongolia, many of whom are small operators. The issue of how many companies in Mongolia should report to avoid placing too great a burden on the auditors has been discussed during MSWG meetings. In this regard, the Chair of the MSWG in the meeting on April 9th, 2009 said,

"We should not repeat the mistake of trying to hunt so many animals that we kill none. We need to do what we are mandated to do. This activity has a very limited budget, but we have a lot of things to pay for".

Following MSWG discussions and consultation with the World Bank, the MSWG established a threshold for EITI reporting of 200 million MNT in tax contributions. This threshold was applied to EITI reporting for 2006 onwards. Of companies which had 200 million MNT or more in tax contributions in 2007, seven companies did not produce EITI reports.

The Amended Minerals Law of Mongolia provides the legal foundation for ensuring that extractive industry companies report taxes and payments to the government. Clauses 48.9 and 48.10 of the Amended Minerals Law (of 2006) state that a licence holder “shall submit a report on royalties...to the tax office” and “shall report to the public the amount of its product sales for the year and the amount of taxes and payment paid to the State and local budget during the first (1st) quarter of the following year”.

However, the EITI Secretariat does not use the Amended Minerals Law to obtain information from companies, as it was found that these reports were insufficient for the requirements of the EITI. Instead, companies complete separate EITI reporting templates on a voluntary basis.

Stakeholder views

The MSWG confirmed to the Validators that revenue materiality was discussed and that the threshold for EITI reporting had been agreed upon by members in consultation with the World Bank.

The minutes of MSWG meetings show that the lack of an enforcement mechanism for company compliance in EITI reporting (both company templates and resolving discrepancies) has been raised several times by representatives of civil society, government and industry bodies. In response to questions on ensuring that companies report, the Secretariat stated that it has no “legal leverage to push [companies that have not submitted reports]. Instead, the Working Group could discuss this issue and hear opinions and gateways.” Members of the MSWG raised suggestions for additional legislation, regulatory activities and government resolution to ensure that companies complete EITI reports, but no consensus has been reached during MSWG meetings.

Validator’s judgement

While the Amended Minerals Law provides strong evidence that a legal framework is in place for EITI auditing in Mongolia, the company reporting process falls short of EITI requirements. Company EITI reporting is currently conducted on a separate, voluntary basis and at present there appears to be no formal process in Mongolia by which companies not in compliance are forced to comply. As a result, seven companies failed to produce EITI reports in 2007, and auditors faced substantial difficulties from companies in resolving discrepancies identified in the 2006 and 2007 reconciliation reports. In MSWG meetings, stakeholders have raised this issue and emphasised the importance of having a regulatory framework to ensure that all companies report.

The Validator notes that after the Validation visit, the National Council met on November 27th 2009. Action item number 6 from the meeting minutes is as follows: “Deliberate law amendment on liabilities in relation to managerial staff of both companies and Governmental organs for not being producing report, or false reporting”.

However, the Validator has not received sufficient evidence to demonstrate that the government is taking generally recognised steps agreed by other stakeholders to ensure that companies not in compliance report by an agreed date, as per EITI criteria.

We therefore conclude that this indicator has not been met.

12. Has the government ensured that company reports are based on audited accounts to international standards?

Interpretation of criteria

Our interpretation of the wording in Indicator 12 (in accordance with the Indicator Assessment Tool 12) for this Validation has been to require that data submitted to the auditor is consistent with the companies’ audited accounts and that these accounts have been audited to international standards.

Progress

There is legal provision for company audits in Mongolia via the Audit Act, the Accounting Act and the Company Act, which require that every Mongolian business entity audits its financial statements. The legislations state that companies (entities) whose total assets are more than 50 million MNT are obligated to have their financial reports audited, while companies with less than 50 million MNT assets have their financial reports audited on voluntary basis. In addition, the company template (EITI template 1) states (at the end) that “Quantitative indicators on the reports should be identical to indicators from the balance sheet of the company, which was verified by auditors”.

In 2008, EITIM commissioned its own audit, led by the President of the Mongolian Certified Accountants Institute. This was in line with several MSWG members expressing a preference for appointing local auditors with local knowledge over international firms.

Stakeholder views

Some stakeholders have expressed concerns about the quality of information captured by the EITI templates and therefore the quality of the audits themselves. This issue was more present in the review of the first audit than during the 2007 audit. During the MSWG meeting of January 15th 2008, a representative of the company appointed to conduct the first audit said, “As regards primary accounting documents, it is doubtful that companies would allow us to check them.” Concerns about the first audit were also raised in the MSWG meeting on May 30th 2008. There is no explicit mention of discussion on the importance of ensuring auditing is to international standards in the MSWG minutes.

Validator’s judgement

By law, all companies in Mongolia are required to produce financial statements audited to international standards, and the EITI reporting template states that the figures reported shall be taken from companies’ audited financial statements.

However, in reality, many companies’ financial statements are not in accordance with the International Financial Reporting Standards (IFRS). The IFRS guidelines were last translated into Mongolian in 2003, and changes and modifications in the IFRS made thereafter have not been translated and implemented. While many (although not all) of the large mining companies are audited by companies that are international in standard, the requirement for financial statements audited to international standards is not enforced⁷. A statement from the Ministry of Finance in this regard concludes: “The above mentioned indicates that taxpaying companies did not produce financial reports properly in accordance with Mongolian law and international standards”. When drafting the EITIM workplan, the MSWG discussed the issue of improving company accounting standards in consultation with the World Bank but concluded that it was outside the scope of the EITI.

The Validators have not seen sufficient evidence to date that the MSWG has discussed and agreed upon a way of addressing the quality of data reported through the EITI company reports. Going forward, EITIM may wish to consider both collaborative and legal enforcement methods to improve the accounting standards of company financial statements and EITI company reports.

We therefore conclude that this indicator has not been met.

13. Has the government ensured that government reports are based on audited accounts to international standards?

Interpretation of criteria

The Validators assume the term “government reports” refers to the reports prepared by government agencies and filed with the reconciliation body.

⁷ See company self assessment forms in Annex C.

Progress

The National Auditing Office of Mongolia developed guidelines for auditing public agencies and state-owned entities' financial reports in compliance with the international auditing standards in 2006. Public sector accounting standards were introduced to Mongolian public agencies in 2008. In addition, the Government of Mongolia generally pursues the policy of recruiting individuals with a Certified Public Accountant degree for the Chief Accountant positions in public agencies and state owned entities. Therefore, it can be considered that in law the financial reports of the public agencies and state owned entities generally do comply with the international auditing standards.

However, as the introduction of public sector accounting standards is quite recent, there remains considerable scope for improvement in order to ensure that government reports are based on public agencies and state-owned entities' financial reports audited to international standards.

The critical reporting issue that has not been fully resolved and impacts the quality of government reports is the reporting of donations at the state and local level. It is generally recognised that local authorities do not report completely on received donations, thus making the government financial statements incomplete according to international audit standards.

Stakeholder views

While the stakeholders consulted agree that the government has ensured that government reports are based on audited accounts to international standards, they also identified underreporting at the local level as a significant issue.

Validator's judgement

Mongolia State Audit Law requires that the financial statements of all government agencies shall be audited to international standards and the State Secretary of the Ministry of Finance verifies that EITI government reports are consistent with audited financial statements.

However, government reports are not currently based on accounts audited to international standards due to the omission or underreporting of donations at the local level. Local government (the Aimag and the Soum) have a disincentive to report all donations and other payments in full, which occurs for fear of receiving reduced allocation payments from the central government. While the donation and aid issue has been raised several times during MSWG meetings, a consensus has not been reached on ways to address it.

Additionally, as section 5.2 of the second audit suggests, there is considerable scope for improvement to the government's records management of the extractive sector, for instance in the GDTM and the MMRE. At the level of local government, it was observed that there is very little capacity to complete the government templates effectively.

The Validator notes Action Item number 2 from the meeting minutes of the National Council meeting on November 27th 2009:

"Deliberate a procedure on receiving donations, in-kind contribution rendered from economic entities at all level state organs, disbursing and reporting them in accordance with given legislation and brief the National Council about it."

It is clear that the National Council intend to improve the quality of government EITI reporting by addressing the reporting of received donations. To date, however, the Validator has not seen sufficient evidence to demonstrate that the MSWG has discussed the issue of the standard of government EITI reports and is content with the agreed way of addressing this.

We therefore conclude that this indicator has not been met.

DISCLOSURE

14. Were all material oil, gas and mining payments by companies to government (“payments”) disclosed to the organisation contracted to reconcile figures and produce the EITI report?

Progress

The second audit (FY2007) provided much fuller disclosure of company payments than the first audit (FY2006). However, as stated under indicator 13, the critical outstanding issue remains of omission or underreporting of company donations included on EITI template 3 (company report of taxes and fees paid to the government) as ‘donations to governmental organisations’.

Stakeholder views

Several stakeholders from companies voiced their concerns over a number of discretionary payment demands at the level of local government – both for donations and to meet apparent licensing requirements. These concerns were also raised in several MSWG meetings, as the minutes record.

Validator’s judgement

Not all forms of material payments by companies to government in Mongolia are currently being defined and captured. In particular, this includes company payments to local governments (including donations and payments for local licensing requirements). These payments are often omitted or under-reported by local governments and, correspondingly, not recorded by companies or recorded as costs rather than donations. While the current definition of revenue materiality includes donations, the discrepancy between reporting of company payments of donations and local government receipt of donations has not been addressed and resolved by the MSWG.

Action item number 2 from the most recent National Council meeting (see Indicator 13 above) shows that the government intends to address the issue of defining revenue materiality and capturing the revenues in the future. At this time, however, the Validators have not seen sufficient evidence of a discussions of revenue materiality and mode to address the reporting of donations to pass EITIM on this indicator.

We therefore conclude that this indicator has not been met.

15. Were all material oil, gas and mining revenues received by the government (“revenues”) disclosed to the organisation contracted to reconcile figures and produce the EITI report?

Progress

At present, the GoM discloses mining payments to the auditor through the use of templates 2 and 3 (see the progress section of indicator 9 above). However, local government (at both the Aimag and Soum level) either do not report or under-report donation payments made to them by companies. This issue is recognised by the Ministry of Finance and the MSWG as a problem that needs to be resolved.

Stakeholder views

The MSWG minutes and the Validator’s meetings during the visit clearly indicate that there is universal agreement that not all government revenues are recorded.

Validator’s judgement

The open recognition that donation and charity payments from mining companies to local government have not been fully defined by the MSWG and therefore captured in the current audit process is greatly encouraging and the first step towards ensuring all revenues received by the GoM are disclosed. The decision by the National Council to address the issue of capturing all material revenues (including donations and in-kind contributions) is further evidence of intent. However, at this

stage, neither the National Council nor the MSWG has adequately defined what constitutes “material revenue,” and as a result, significant payments from mining companies to the government have not been captured in the EITI report. For this reason, it is clear that the indicator has not been met.

16. Was the multi stakeholder group content that the organisation contracted to reconcile the company and government figures did so satisfactorily?

Progress

There have been two reports produced by EITIM for the years of 2006 and 2007. The minutes of the multi-stakeholder group show significant dissatisfaction with the outcome of the first report. In particular the stakeholders expressed dissatisfaction with the fact that the auditors had failed to check reports against either original documents or audited company accounts.

However, a number of recommendations resulted from the 2006 report which were put into practice by the auditors of the 2007 report. The 2007 report was endorsed by the National Council on 27th November 2009.

As part of the lessons learned in the 2006 report, EITIM has now adopted a policy of tendering for a consortium of both Mongolian and international companies because many stakeholders believed this to be important opportunity for capacity-building of national companies.

EITIM has tendered for auditors to complete the 2008 report and expects to award the contract in January 2010.

Minutes of a meeting of the National Council held on January 30th 2008 show that the council “principally supports the first audit reconciliation report on payments by 25 companies to the government and government receipts for fiscal year 2006 as part of the EITI.”

Minutes of a meeting of the National Council held on November 27th 2009 show that the council endorsed the 2007 reconciliation report produced by Ernst & Young.

Stakeholder views

Both the National Council and the MSWG criticised the overall result of the 2006 report. There was consensus by all stakeholders that the 2006 report contained serious shortcomings but that there was significant improvement in the 2007 report.

Civil society stakeholders consider the discrepancies identified in the 2006 report to be outstanding, and given the shortcomings of the report, a further investigation by a government department to identify the causes of the discrepancies is required.

The GoM stated that the National Council approved the first reconciliation report following Ministry of Finance’s clarifications of discrepancies. It has further stated that the discrepancies identified in the 2007 report will be carefully discussed by the National Council, and related follow-up activities such as tracking discrepancies will begin.

Validator’s judgement

As discussed by the MSWG, there were a number of problems with the 2006 report, of which the most significant was that the auditors did not cross check figures against original documents or audited accounts. However, the 2007 audit saw a clear improvement, and discussions with the chosen auditors reveal that Ernst & Young did cross check some figures in this manner where possible. However, in some cases they were hampered by a lack of a legal mandate to demand the figures.

The reconciliation report has improved from the years 2006 to 2007 and, based on further recommendations, is likely to improve again in 2008. Thus, the indicator has been met.

17. Did the EITI report identify discrepancies and make recommendations for actions to be taken?

Progress

The reconciliation reports for both 2006 and 2007 identified significant discrepancies between company payments and government receipts. In 2006 USD17.2 million was found to remain outstanding. In FY2007 the unresolved discrepancy discussed during the MSWG meeting held in September 4th 2009 was USD17.4 million. These discrepancies were mostly due to mining companies reporting a higher amount for taxes and fees compared to what was reported by the government entities.

Discrepancies were investigated by the auditors in consultation with government departments and companies. In some cases this clarification included the sight of original documentation by the auditor, such as receipts for companies, and viewing the government databases. This was not available in all cases, and Ernst & Young suggest that further follow up for some discrepancies was impossible due to the lack of detailed information provided from governments and companies. As a result of the investigations, discrepancies in the 2007 report were greatly reduced.

Discrepancies identified in the 2006 report remain outstanding as a suggestion to investigate the discrepancies was rejected by the Auditor General's office.

The discrepancies identified in the 2007 report, which was finalised in November 2009, are currently under review by the Ministry of Finance which will present a remediation strategy to the MSWG by end of Q1 2010.

Both reconciliation reports made recommendations largely focused on process and methodology. In interviews with the Validators, the auditors suggested that the lack of legal mandate to conduct the audit allowed these requests to be ignored.

The main recommendations from the two reconciliation reports are summarised below.

2006 Report

- Timing and timelines:
 - To increase efficiency in future every effort should be made to avoid holiday period and the end of fiscal year. (*Validators note: Some progress – tender process has become more efficient*).
 - Consideration should be given to splitting future projects of this nature into two components. The first component should comprise the comparison of templates, the resulting identification of significant discrepancies and the drafting and dispatch of requests for information to both Government and Companies. (*Validators note: Some progress. November 27th 2009 meeting of National Council deliberated how to ensure timeliness of reporting by government departments*).
- Incomplete Government data:
 - A system needs to be introduced to ensure that requests for information on receipts from mining companies are forwarded to all Government entities and that a response is received from all such entities (including nil responses where applicable). (*Validators note: Under review by the MSWG*).
 - If information on donations received by local and other organizations is to be reported on Government templates, it is necessary to introduce some form of simple but effective system to enable the Government to ascertain who donations were paid to. (*Validators note: Some progress. Donations are now required to be reported on templates 1 and 2, however without detail. This is under review by the Ministry of Finance*).

- The reconciliation of non monetary In-kind donations presents a particular challenge. Mining companies making the donation would have a record of the cost of the goods provided and would have, or be able to allocate a cost against services donated. *(Validators note: Some progress. Templates currently require “Monetary donations” to be reported. Currently under review by the Ministry of Finance).*
- Format of templates:
 - The templates should be redesigned so the data on Government receipts and company payments collected for reconciliation purposes is formatted identically. Other data collected should be in a separate area of the templates. *(Validators note: Completed. Templates have been redesigned and standardised. Currently under second round of reviews).*
- Accuracy of template preparation:
 - The importance of providing accurate and comprehensive details on the templates should be stressed to all areas of Government and to mining companies. *(Validators note: Some progress. EITIM has provided some training for companies).*
- Instructions on completing templates:
 - The instructions need to be revised and in particular expanded to include specific detailed instructions on the receipts and payments information being sought. Many of the items on which more detailed instructions are needed (e.g. VAT, Customs Taxes, Cut-offs etc).. *(Validators note: Some progress. Templates now come with instructions, but the issue is still raised by 2007 auditors).*
- VAT:
 - Significant difficulties arose with the reconciliation of VAT receipts and payments. Whilst its inclusion in 2006 has created a number of significant discrepancies, its exclusion would be likely to also cause reconciliation problems in respect of other taxes that are offset against it. *(Validators note: VAT has been removed from the reconciliation process. Despite the complications described here, we recommend EITIM consider returning it to the reporting requirements).*
- Customs tax:
 - The template instructions should include clear detailed instructions dealing with what information is required for both the company and Government templates. In particular the treatment of VAT collected by the customs office on imported goods should be clearly spelt out. EITIM also needs to consider whether fees for the customs bond store should be reported. *(Validators note: Customs tax has been removed from the reconciliation process. Despite the complications described here, we recommend EITIM consider returning it to the reporting requirements).*
- Timing differences – “cut off”:
 - This problem is only likely to occur in isolated instances and can only be overcome by Government entities monitoring receipts during the first few days after year end for possible cut-off issues. *(Validators note: Progress. The 2007 reconciliation report was able to anticipate this issue and account for it)*
- Donations to Governmental and local organizations:
 - Because of their openness to abuse, donations represent a high risk area. The recommendations we have detailed under the section dealing with incomplete Government data however details the matters that we believe need to be addressed to overcome issues with this area. *(Validators note: Some progress. Donations remain a problem, particularly for government reporting. Currently under review by the Ministry of Finance).*

2007 Report

- Timings and Timelines:
 - The timing of the reconciliation process should be such to avoid holiday periods and also allow sufficient time to allow governments and companies to provide additional information where required (*Validators note: Some progress. The tender for the 2008 fiscal year reconciliation report was made in December 2009, it is anticipated that it will be awarded in Q1, 2010*).
- Incomplete Government Data (*Validators note: Some progress. A meeting by the National Council on November 27, 2009 deliberated setting up a clear remediation plan to address the issues raised in the reconciliation report. A draft remediation plan, which includes a suggestion for an EITI specific law is currently under review and will be discuss in Q1 2010*):
 - Government institutions were not aware of Resolution 80 (which requires government departments to provide information for EITI).
 - The Ministry of Finance should have oversight of these entities in order to ensure the timely and accurate submission of data to EITI.
 - At times, reconciliation reporting was incomplete and impeded by a lack of cooperation by government departments. The auditors recommended that responsibility for the follow up and collection of this data should be clearly assigned.
 - Various charges, such as stamp duty or land rent charges require training to ensure correct reporting by government departments.
 - Details on donations to government departments and from companies should be asked for in the templates to allow for a more accurate reconciliation.
 - Truly accurate capturing of all payments made by companies to the GoM requires further study by the MoF to ensure that all payments are being captured in the system.
- Format and Instructions on completing the templates (*Validators note: Some progress. The templates are currently under review by the MSWG*).
 - The term “monetary” should be excluded from the items reported under donations to ensure that the process captures both monetary and non monetary donations.
 - Each line item should have clear instructions on how to complete it.
 - Training sessions should be provided to ensure proper completion of the templates.
 - A help desk should be set up.
- Accuracy of Template preparation (*Validators note: Some progress. The templates are currently under review by the MSWG*).
 - A review process should be in place to ensure that all information submitted is accurate before sending the information, this would save time and value of the reconciliation process.
 - Ambiguities discovered in the reporting process should be raised immediately with the government and EITI, rather than wait for the reconciliation process to be completed.
 - The National Auditor General Office should review and give an opinion on the government reported EITI data.
 - Company auditors should issue separate confirmations that the company EITI data is consistent with the company’s audited financial statements and signed by a senior official.

- Supporting Information on the Amounts Reported (*Validators note: Some progress. A draft EITI specific law is currently under discussion by the MSWG*).
 - Customs tax, customs service fee, environmental protection expenditure were mostly unavailable to the auditors, or were paid in lump sum amounts. Detailed accounts should be provided by the company auditors to the EITI reconciliation process.
 - Information was sometimes missing. Steps should be taken to ensure companies maintain adequate records and send complete reports to EITIM.

Stakeholder views

Civil society consider the discrepancy of USD17.2 million found in the 2006 report to remain an outstanding issue and wish to see this further investigated. For the 2007 report, civil society identified a number of outstanding issues:

- The main unresolved discrepancy was mainly due to the Windfall Tax discrepancy between the amounts reported by Altan Dornod Mongol LLC and Monpolimet LLC, which was not reported by the GDTM.
- For other unresolved discrepancies in sections such as Charges and Services Charges, Donations to Governmental Organisations and Expenditure for Environmental Protection, no further reconciliation was possible, mainly due to the lack of information provided by the local government and government bodies.
- The overall unresolved discrepancy discussed during the MSWG meeting held on October 12, 2009 was 3,842,574,000 MNT (USD2.6 million), a drastic reduction from what was reported by Ernst and Young almost a month before. However the auditing company clearly explained that this figure could increase to up to 14,635,507,000 MNT if discrepancies related to Altan Dornod Mongol LLC and Tun Shen LLC should be included/added,.

Some government members expressed dissatisfaction with the way in which the discrepancies had been resolved, suggesting that it was incorrect to compare discrepancies that came from different taxes and different entities as if they were like for like.

Companies expressed satisfaction with the improvement between the 2006 and 2007 reports. However, they suggested that there needed to be further scrutiny on payments received from government departments that were not reported, particularly those payments made to local government departments discussed above.

Finally, all stakeholders expressed concern that one of the goals of EITIM appeared to reduce all discrepancies to zero. Instead, stakeholders suggested that discrepancies be viewed as a tool to identify process problems or corruption problems, rather than a problem in itself to be removed.

Validator's judgement

The EITI in Mongolia is an ongoing process, as evidenced by the clear improvement between the 2006 and 2007 reports. Several recommendations have been made by the auditor's reports and the Validators' interviews, which still remain outstanding though under discussion by the MSWG and National Council. In addition, civil society has raised important concerns regarding the lack of follow-up of the remaining discrepancies in 2006 and, perhaps more importantly, who should follow up on the discrepancies once they have been identified. This is especially important as the auditors have been unwilling to offer specific guidance on resolving discrepancies, preferring to focus on process issues. Thus, the responsibility lies with the MSWG and National Council to ensure that meaningful follow-up occurs.

Notwithstanding the reservation that EITIM should make follow up on discrepancies identified in the 2006 and 2007 reports priorities going forward, there has been progress made in identifying discrepancies and taking steps to resolve them, and thus it is the Validator's opinion that the indicator has been met.

How have oil, gas and mining companies supported EITI implementation?

Progress

The Company Self Assessment Forms are provided in Annex C.

A number of companies are actively involved in the EITI process in Mongolia either through associations or independently. MSWG minutes confirm that companies have used the MSWG as a channel to support and engage in the policy development of EITI in Mongolia.

Stakeholder views

Various civil society members expressed concerns that company involvement was not broad enough, although there are clear signs of improvement, including the increase in number of companies completing EITI reporting templates.

In addition, civil society members suggested that more companies could be included in the reconciliation audit. Currently, companies must reach a threshold of 200 million MNT before qualifying to take part on the reconciliation audit. This has resulted in 25 companies in 2006 taking part of the audit and 38 companies in 2007. However, it should be noted that the threshold has a practical application, as including all 113 companies reporting in 2008 would make the cost of a reconciliation audit prohibitive. In addition, the value of the revenues of the qualifying companies is significant, equivalent to 40% of the government budget in 2007.

Validator's judgement

The EITIM might consider including in the reconciliation audit some small to medium size companies in order to help them identify any discrepancies at that level. However, it is the Validator's judgement that this indicator has been met.

DISSEMINATION

18. Was the EITI report made publicly available in a way that was: publicly accessible, comprehensive, and comprehensible?

Progress

The EITI Secretariat has made efforts to publicise the EITI in Mongolia, and many EITI documents, including the 2006 reconciliation report, are publically available on the website. The 2007 report was distributed to all members of the MSWG as soon as it was completed and publicly launched at the end of December 2009.

In addition, both the Secretariat and civil society groups have participated in public meetings to raise awareness of the EITI and in training sessions within companies. For example, Erdenet received training from the EITI in how to fill out company templates, and the EITI Secretariat, the Open Society Forum and the Asia Foundation jointly presented the EITI and the Responsible Mining Initiative at a recent trade fair held by the MNMA.

Stakeholder views

Stakeholders were generally satisfied with the communication of the reconciliation report and noted the improvement between the 2006 and 2007 reports. Civil society suggested that a summary report for the general public could also be published, using simple language to communicate the findings to a broader audience.

Most stakeholders were generally happy with the way in which communication flowed from the Secretariat, although civil society suggested that more effort could be made to send regular updates to its members on ongoing activities.

However, all stakeholders consulted acknowledge that the general awareness of the EITI could be far better. In particular, civil society noted that knowledge of the EITIM at the local level among local communities was poor. At the same level, the capacity of local government at the Aimag and Soum

levels was also acknowledged to be poor. As payments made at the local level are the source of some of the most significant discrepancies discovered in the auditor's report, civil society members suggested increased efforts to promote the EITI at the local level.

A further issue raised by civil society was the significant period of time lapses between the end of a reporting year and the publication of the reconciliation report.

Validator's judgement

The reports are clear and available in both Mongolian and English, and there is a marked improvement between the reports of 2006 and 2007. The Validators judge that the EITI reports have been made available in a way that was publicly accessible, comprehensive and comprehensible, and the MSWG has identified communication to the general public to be a priority for the coming year. This indicator has been met.

What steps have been taken to act on lessons learnt, address discrepancies and ensure EITI implementation is sustainable?

Progress

The clear progress made between the 2006 and 2007 reconciliation reports shows that a number of suggestions made by the 2006 auditors were taken seriously and acted upon by EITIM. However, discrepancies identified in the 2006 remain outstanding, and there appears to be a responsibility deficit within EITIM on who should further investigate these.

Further issues identified and progressed by the EITIM include:

- The funding of the EITI Secretariat is dependent on funds from the World Bank, and this raises a question about its long term sustainability should the organisation decide on other priorities. In fact, the dependency on these funds caused a delay in tendering for the 2007 report and so must be taken seriously, despite the fact the World Bank has expressed its commitment to the programme going forward.
- As detailed above, one consistent source of discrepancies was in donations to local government by companies. This has also been identified by the EITI as a serious issue. As a result, the government has suggested opening EITI branches in 14 Aimags so that these branches can work towards ensuring that local government reports all receipts of payment to central government. Civil society has also conducted workshops at the local level to raise awareness of the issue, with support from the EITI Secretariat. To date, this effort appears to be in a nascent phase.
- Civil society stakeholders repeatedly raised the concern that the National Council had not met for 18 months. The Validators suggest that the National Council agrees to meet regularly by agreeing to meet a minimum number of times per year and fixing the dates in advance.
- Finally, communication was identified as a key concern for EITIM going forward, both between members of the Working Group and to the general public. The EITIM Secretariat has identified this as a key priority for 2010.

Stakeholder views

Publish What You Pay coalition members, including the Open Society Forum Manager, the EITI International Board member (Mr. N. Dorjdari), Deputy President of Land of My Mongolia Movement (Mr. Boldbaatar), President of Transparency Foundation (Mr. Tserendorj), and President of Steps without Boundary (Mrs. Bayarsaikhan), made the following suggestions:

- The anti-corruption agency or respective government bodies should take accountability enforcement measures against those potential "illegal" actions that could be related to the 2006 report's unresolved discrepancies.

- The discrepancies by Altan Dornod Mongol LLC and Tun Shen LLC should not be excluded from the 2007 report just because they did not provide necessary information against its parallel data provided by the government.
- Improvements should be made to the auditing report's template so that the general public can easily compare the list of companies by segregated and consolidated tax reports beside the former individual companies' segregated report.

A number of government representatives were dissatisfied with the capacity (in both manpower and abilities) of their departments in compiling or reconciling figures. This was also a concern cited by the auditors. One representative suggested that a more detailed process audit of each government department on their collection and reporting of figures would be helpful and the basis for improving capacity.

Several companies were critical of the lack of follow up by EITIM on the discrepancies identified in the 2006 report. In addition, they suggested that there needs to be more scrutiny on the way in which discrepancies are resolved, and crucially the process by which government departments record and report statistics needs to be more transparent.

Validator's judgement

It is the Validator's opinion that there has been significant progress made in incorporating lessons learnt, addressing discrepancies and ensuring EITI implementation is sustainable. The improvement of templates and discrepancy reports, and the investment in communications all indicate that EITIM is responsive to the criticisms raised by relevant stakeholders and the auditors. This indicator has been met.

SECTION 5: COMPANY IMPLEMENTATION

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

SECTION 5: COMPANY IMPLEMENTATION

A number of companies are actively involved in the EITI process in Mongolia and are represented on both the National Council and the MSWG.

Annex C presents the completed Company Self Assessment Forms, which contain responses on five indicators:

1. Has the company made public statements in support of the EITI process in this country?
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi stakeholder group), including abiding by government EITI related directives (e.g. laws and MOUs) and, where appropriate, meeting with stakeholders?
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?

There are over 200 mining companies operating in Mongolia. Out of all operating companies, 60 reported payments in 2006, increasing to 102 in 2007. To assess company implementation of EITI, the Validators requested that the 38 companies considered in the 2007 reconciliation report complete Company Self-Assessment Forms. The Validators received responses from 37 companies. The one company which did not respond was Altandormod.

The completed forms are summarised in the table below and show that some companies have met all indicators and some have not. Perhaps most importantly, all companies that provided forms responded yes to question 3 – that all material payments had been disclosed—and all companies except one responded that they had responded to queries to reconcile figures and produce the EITI report. While compliance with EITI reporting was strong, the completed forms show that there is room for progress to be made in two main areas: company commitment and support of EITI; and also provision of information on EITI implementation and its importance in Mongolia.

Company	Questions					Comments
	1	2	3	4	5	
Adamas Mining	no	no	yes	yes	yes	
Baganuur LLC	no	yes	yes	yes	yes	
Bold Tumur Yoroo Gol	yes	yes	yes	yes	yes	
Borro Gold LLC	yes	yes	yes	yes	yes	
Bud Invest	yes	yes	yes	yes	yes	
Buurgent	yes	yes	yes	yes	yes	
Chinhua Mak-Nariin Sukhait LLC	yes	yes	yes	yes	yes	
Datsantrad	yes	yes	yes	yes	yes	
Eltrana	yes	yes	yes	yes	yes	
Erdenet	yes	yes	yes	yes	yes	
Erdes Holding LLC	yes	no	yes	yes	yes	“Only attended one meeting”
Erdmin	yes	no	yes	no	yes	

Gatsuurt	yes	no	yes	no	no	"We submitted our report every year, but still do not understand how important it is. If there is training and workshop organized, we would like to attend to learn how important EITI is."
Gobi Coal and Energy Company	yes	yes	yes	yes	yes	
Gurvan Tuhum	yes	yes	yes	yes	yes	
Ivanhoe Mines Mongolia	yes	yes	yes	yes	yes	
Jump Company	no	yes	yes	no	yes	"1. We have not made a public statement through the mass media and now planning to make a statement through company website. 4. Our data was audited by a Mongolian auditing company."
Hanshijir LLC	yes	no	yes	yes	yes	"Attended EITI meetings organised in 2007 and 2008."
Mongolchekhmetal	no	yes	yes	yes	yes	
Mongolrostsvetmet	yes	yes	yes	yes	yes	
Mongolyn Alt (MAC) corporation	yes	yes	yes	yes	yes	
Mongulaan Trade	yes	yes	yes	yes	yes	
Monpolimet LLC	yes	yes	yes	blank	blank	
Odod Gold LLC	no	yes	yes	yes	yes	"For question 2, we only participated in the meetings, and have not promised any commitment and support to EITI."
Petrochina Daqing LLC	yes	yes	yes	yes	yes	
Sharyn Gol	yes	yes	yes	no	yes	"Explanation to answer No: Did not know to what agency and whom for clarifying the discrepancy."
Shim Technology	yes	yes	yes	yes	yes	
Shin Shin LLC	yes	yes	yes	yes	yes	
Shijir Alt LLC	yes	yes	yes	yes	yes	
Shivee Owoo	yes	yes	yes	yes	yes	
Shonlung Control	yes	yes	yes	yes	yes	
Sonor Trade	no	no	yes	no	yes	
Tavan Tolgoi LLC	yes	no	yes	yes	yes	
Tethys Mining LLC	no	no	yes	no	yes	
Tsairt Mineral LLC	yes	yes	yes	yes	yes	"We generally pursue the policy of supporting the activities of EITI Mongolia."
Ulz Gol LLC	yes	no	yes	yes	yes	"No one required to promise a commitment and support."

SECTION 6: OVERALL ASSESSMENT

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

SECTION 6: OVERALL ASSESSMENT

The implementation of EITI in Mongolia began three years ago. In this time, remarkable progress has been made to ensure that transparency in the sector becomes institutionalised and operationalised. The main achievements can be listed as follows:

- **Openness of information.** There has been an enormous increase in the amount of information available on the extractive sector in Mongolia, where there was little before. All stakeholders agree that EITIM has marked a paradigm shift in this respect, enabling rumours and speculation to be replaced with evidence and facts.
- **Strong second report.** The recently completed 2007 report is a marked improvement on the first 2006 audit. There was more widespread understanding of the templates and therefore less technically-generated discrepancy
- **Genuine multi-stakeholder process.** At both the National Council and MSWG level, there is a commitment to government, the companies and civil societies maintaining equal representation.
- **Openness about challenges.** Stakeholders to EITIM are remarkably open about the challenges ahead, which inspires confidence that they will be met
- **Widening of audit process.** The second audit increased the number of companies involved, marking a gradual widening process
- **Inter-governmental cooperation.** Whilst still not ideal, EITI in Mongolia has led to increased cooperation among government departments, with every sign that this integration process will continue.

However, despite this commendable progress, EITIM still faces several significant challenges on the following indicators:

Indicator 11 – Has the government ensured all companies will report? The MSWG has set the threshold for EITI reporting at 200 million MNT in tax contributions but does not currently have a mechanism to ensure that all companies that meet this threshold comply with EITI reporting. As a result, seven companies failed to produce EITI reports and significant difficulties were faced in reconciling the EITI reports. Members of the MSWG and National Council have identified a need for stronger methods for enforcement of company reporting compliance.

Indicator 12 – Has the government ensured that company reports are based on audited accounts to international standards? Completed company self-assessment forms clearly show that some companies reporting on the EITI in Mongolia are not audited to international standards, a finding confirmed by the Ministry of Finance. To date, the MSWG has not addressed the issue of international accounting standards in company reports and has generally considered it outside the scope of EITIM.

Indicator 13 – Has the government ensured that government reports are based on audited accounts to international standards? The reporting guidelines introduced by the National Auditing Office are not being enforced across government departments. Not all data on material payments or contributions at local government level are captured at national level. There is an urgent need for systematic reporting of all forms of revenue received by the government and a more integrated approach to information sharing across all layers of government to close this gap. In addition, Mongolia should consider instituting an independent body such as the NAO to oversee the government reporting process and ensure accuracy and compliance.

Indicator 14 – Were all material oil, gas and mining payments by companies to government (“payments”) disclosed to the organisation contracted to reconcile figures and produce the EITI report? Not all material contributions are currently being captured, and it is generally recognised that companies underreport payments to local governments or report them as costs. The most recent meeting of the National Council indicates there will be a concerted effort to develop a more systematic way for donations to be received and reported at the local and national level government in the future.

Indicator 15 – Were all material oil, gas and mining revenues received by the government (“revenues”) disclosed to the organisation contracted to reconcile figures and produce the EITI report? The MSWG does not have an agreed definition of what constitutes material payments, but there is a frank acceptance on the part of the Mongolian government that donations and in-kind contributions are not being captured by the EITI reporting process. As with Indicator 14, the recent minutes from the National Council meeting indicate that EITIM will address the quality of government EITI reports and greater disclosure of all material revenues received by the government.

For these reasons, and in accordance with the EITI Rules (specifically, EITI Policy Note 3), EITI in Mongolia is currently “close to compliance”. The next section of this report makes some recommendations where measurable improvements need to be made for EITIM to advance to fully compliant status (following an EITI Secretariat review).

SECTION 7: RECOMMENDATIONS FOR FUTURE IMPLEMENTATION

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

SECTION 7: RECOMMENDATIONS FOR FUTURE IMPLEMENTATION

The Validator believes that there are a number of key recommendations that would strengthen the EITI in Mongolia. A summary of the recommendations are provided below and are further elaborated in the narrative report in Annex B.

The Validator's key recommendations for the EITIM are as follows:

- **Mineral sector strategy:** Mongolia should develop a forward-looking strategy that integrates the key principals of the EITI, revenue transparency and accountability, into the mineral sector strategy of the country for the next three years.
- **Remediation strategy.** The MSWG and the National Council should develop and endorse a remediation strategy that identifies EITIM's priorities over a three-year period. In a revised work plan and strategy, the MSWG should: prioritise issues and EITI activities; incorporate learning from the 2006 and 2007 reports for future reports; and focus on continually improving EITI implementation and capacity building in Mongolia. Finally, this document may consider integrating the principles of the Natural Resource Charter of Oxford University.
- **Responsibility and implementation challenges.** Stakeholders all pointed to the weakness of national government inter-ministerial relations and its impact on ensuring government EITI reporting and following up on discrepancies. EITIM should address the following issues: lack of clear, designated responsibilities for investigated and reconciling discrepancies; lack of legal enforcement to ensure full reporting and compliance; and lack of capacity within government departments to implement EITI (i.e. currently no dedicated EITI staff in departments).
- **Donations and sub-national revenue flows.** Donations and payments to local government have been identified as a large problem by both the 2006 and 2007 reports and by all stakeholders. EITIM should prioritise their strategy for improving EITI reporting, particularly by governments, at the sub-national level. EITIM should consider including in the audit some small to medium size companies who are likely to make many of these donations. So that auditing costs do not escalate, this could be focused on Aimags, where such discrepancies have already been identified.
- **Strengthen reconciliation reports.** The 2007 reconciliation report is good and a marked improvement over the 2006 reconciliation report. However, company templates are not verified against audited company accounts in a systematic manner. EITIM should ensure that the audit has: financial verification with company accounts where necessary; IFRS compliance; and a process audit of the government reporting to identify problems in data gathering.
- **Capacity and authority of the EITIM Secretariat.** The current Secretariat consists of two people who work extremely hard (also supported by a part-time communications consultant), but have a limited ability to further increase their capacity. EITIM should consider:
 - Improving their technical capacity, to enable better analysis of the discrepancy data and the development of the strategic document; and
 - Improving communications and outreach, to better publicise the information to the general public as well as the capacity of companies and government departments to report to the EITI.
- **Sustainability of EITIM.** In addition, the sustainability of EITI Secretariat is currently reliant on donor funds and not attached to any government department. In the long term, the government should consider institutionalising the Secretariat (enshrining EITIM functions in a separate Act of parliament), which would both ensure its sustainability and mainstream the EITI functions within the government's processes.

SECTION 8: LESSONS LEARNED

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

SECTION 8: LESSONS LEARNED

Validation of the EITI in Mongolia is the third validation exercise to be conducted. The consultants aimed to build upon the lessons learned from the work in both Azerbaijan and Liberia. The following lessons can be taken forward for future exercises:

- 1 **Self-assessment.** The self-assessment exercise conducted by EITIM prior to the Validation visit was invaluable preparation. It provided an initial basis for assessment and allowed for verification against the Validators independent findings.
- 2 **Timing.** Holding over 30 meetings in five days, as well as preparing a presentation of initial findings to key stakeholders involved a demanding and challenging, although not impossible, schedule.
- 3 **Company forms.** Company self-assessment forms currently only require extractive industry companies to provide yes and no responses to basic questions about EITI implementation (with an optional space for comments). Re-designing the company self-assessment forms to require more significant input from companies could provide valuable feedback in the future.

ANNEX A: VALIDATION GRID

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

ANNEX A: VALIDATION GRID

Indicator	Validator's Comments	Validator's Judgement
Sign-up		
1. Has the government issued an unequivocal public statement of its intention to implement EITI?		Indicator met
2. Has the government committed to work with civil society and companies on EITI implementation?		Indicator met
3. Has the government appointed a senior individual to lead on EITI implementation?	The National Council is chaired by the Prime Minister, which is the highest authority possible to head EITI in Mongolia. This indicator has therefore been met. The Validation team expressed concerns that the National Council has only met three times since inception and had not meet in the past 18 months. It was explained to the team that this has been due to the failing health of the former Prime Minister. A fourth National Council meeting took place on the November 27th 2009, the week after the Validation visit.	Indicator met
4. Has a fully costed workplan been published and made widely available, containing measurable targets, a timetable for implementation and an assessment of capacity constraints (gov., private sector and civil society)?	The work plan is a comprehensive document, covering 30 objectives and 90 activities. However, each deliverable should have been fully costed and an assessment of capacity constraints (and corresponding risk analysis/mitigation) should have been included, as per the Validation guidelines. The Validation team also believes that the focus of the work plan should be more deliverable-oriented rather than action-oriented. These criticisms do not amount to rejection as the essence of the requirement for a work plan is strongly in evidence.	Indicator met
Implementation		
5. Has the government established a multi-stakeholder group to oversee EITI implementation?	The Validators note that access to information on the MSWG and National Council meetings is currently restricted. The minutes to both meetings, for instance, are not circulated or posted on the EITIM website.	Indicator met
6. Is civil society engaged in the process?		Indicator met
7. Are companies engaged in the process?	It should be noted that there are over 200 mining companies in operation in Mongolia, and the MSWG or National Council does not appear to have much representation from small to medium size companies, which represent the bulk of companies operating in Mongolia (by number rather than value	Indicator met

Annex 1: Validation Grid

Indicator	Validator's Comments	Validator's Judgement
	or size of operation). Going forward, EITIM might consider involving these companies in a more robust manner.	
8. Did the government remove any obstacles to EITI implementation?	The EITI is both an ongoing and discretionary process and due to the fact that there is no one way of implementing EITI, the government could not be reasonably expected to have had full visibility over all future obstacles to implementation from the initiative's inception in Mongolia. The Validators recommend that EITIM stakeholders review the potential obstacles as described both here and in the narrative report and create a strategy to remove the remaining obstacles. This may include changes to the legal or regulatory framework or to the institutional structure of EITIM.	Indicator met
9. Have reporting templates been agreed?	<p>The removal of certain payments and the revision of the template were agreed by the MSWG. However, it is the Validator's opinion that VAT and social security payments are payments to the government and should be subject to the same scrutiny as other payments. Their re-insertion should therefore be considered. In addition, the MSWG should have a discussion on what constitutes 'materiality' and material payments to the government. The MSWG should adopt the recommendations made in the 2007 reconciliation report which suggests that further details on donations should be disclosed, that disclosure should include both monetary and 'in kind' payments, that training should be undertaken to ensure proper reporting and that the government should work to ensure that departments are properly disclosing information to the auditor. Finally, EITIM should ensure that information provided by companies in Template 1 is the same as information report in the audited financial statements of the company, and make any digression from this punishable by law.</p> <p>In the future EITIM may wish to consider providing for a physical audit, an audit on pricing and value-for-money audit. The templates as they currently exist are detailed and have resulted in the identification of a number of discrepancies and issues. In addition, EITIM are currently reviewing the templates further to ensure compliance with the recommendations made by the 2007 reconciliation report.</p>	Indicator met
10. Is the multi-stakeholder committee content with the organisation appointed to reconcile figures?	There is a clear improvement between the 2006 and 2007 report and the templates which instruct the auditors have been strengthened and revised, resulting in a better performance from the auditors.	Indicator met
11. Has the government ensured all companies will report?	Company EITI reporting is currently conducted on a separate, voluntary basis and at present there appears to be no formal process in Mongolia by which companies not in compliance are forced to	Indicator not met

Indicator	Validator's Comments	Validator's Judgement
	<p>comply. As a result, seven companies failed to produce EITI reports in 2007, and auditors faced substantial difficulties from companies in resolving discrepancies identified in the 2006 and 2007 reconciliation reports. In MSWG meetings, stakeholders have raised this issue and emphasised the importance of having a regulatory framework to ensure that all companies report.</p> <p>To date, the Validator has not received sufficient evidence to demonstrate that the government is taking generally recognised steps agreed by other stakeholders to ensure that companies not in compliance report by an agreed upon date, as per EITI criteria.</p>	
12. Has the government ensured that company reports are based on audited accounts to international standards?	<p>Many companies' financial statements are not in accordance with the International Financial Reporting Standards (IFRS). While many (although not all) of the large mining companies are audited by companies that are international in standard, the requirement for financial statements audited to international standards is not enforced. A statement from the Ministry of Finance in this regard concludes: "The above mentioned indicates that taxpaying companies did not produce financial reports properly in accordance with Mongolian law and international standards". When drafting the EITIM workplan, the MSWG discussed the issue of improving company accounting standards in consultation with the World Bank, but concluded that it was outside the scope of the EITI.</p> <p>The Validators have not seen sufficient evidence to date that the MSWG has discussed and agreed upon a way of addressing the quality of data reported through the EITI company reports.</p>	Indicator not met
13. Has the government ensured that government reports are based on audited accounts to international standards?	<p>Government reports are not currently based on accounts audited to international standards due to the omission or underreporting of donations at the local level. Local government (the Aimag and the Soum) have a disincentive to report all donations and other payments in full, which occurs for fear of receiving reduced allocation payments from the central government. While the donation and aid issue has been raised several times during MSWG meetings, a consensus has not been reached on ways to address it.</p>	Indicator not met
Disclosure		
14. Were all material oil, gas and mining payments by companies to government ("payments") disclosed to the organisation contracted to reconcile figures and produce	<p>Not all forms of material payments by companies to government in Mongolia are currently being defined and captured. In particular, this includes company payments to local governments (including donations and payments for local licensing requirements). These payments are often omitted or under-reported by local governments and, correspondingly, not recorded by companies or recorded as costs</p>	Indicator not met

Indicator	Validator's Comments	Validator's Judgement
the EITI report?	rather than donations. While the current definition of revenue materiality includes donations, the discrepancy between reporting of company payments of donations and local government receipt of donations has not been addressed and resolved by the MSWG.	
15. Were all material oil, gas and mining revenues received by the government ("revenues") disclosed to the organisation contracted to reconcile figures and produce the EITI report?	<p>As with Indicator 14, the Validator notes that not all forms of material payments by companies to government in Mongolia are currently being defined and captured. In particular, this includes company payments to local governments.</p> <p>The open recognition that donation and charity payments from mining companies to local government have not been fully defined by the MSWG and therefore captured in the current audit process is greatly encouraging and the first step towards ensuring all revenues received by the GoM are disclosed. However, at this stage, neither the National Council nor the MSWG has adequately defined what constitutes "material revenue," and as a result, significant payments from mining companies to the government have not been captured in the EITI report.</p>	Indicator not met
16. Was the multistakeholder group content that the organisation contracted to reconcile the company and government figures did so satisfactorily?	<p>As discussed by the MSWG, there were a number of problems with the 2006 report of which the most significant was that the auditors did not cross check figures against original documents or audited accounts. However, the 2007 audit saw a clear improvement, and discussions with the chosen auditors reveal that Ernst and Young did cross check some figures in this manner where possible. However, in some cases they were hampered by a lack of a legal mandate to demand the figures.</p> <p>The reconciliation audit has improved from the years 2006 to 2007 and, based on further recommendations, is likely to improve again in 2008.</p>	Indicator met
17. Did the EITI report identify discrepancies and make recommendations for actions to be taken?	The EITI in Mongolia is an ongoing process, as evidenced by the clear improvement between the 2006 and 2007 reports. Several recommendations have been made by the auditor's reports and the Validators' interviews, which still remain outstanding; although they are under discussion by the MSWG and National Council. In addition, civil society has raised important concerns regarding the lack of follow-up of the remaining discrepancies in 2006 and, perhaps more importantly, who should follow up on the discrepancies once they have been identified. This is especially important as the auditors have been unwilling to offer specific guidance on resolving discrepancies, preferring to focus on process issues. Thus, the responsibility lies with the MSWG and National Council to ensure that meaningful follow-up occurs.	Indicator met

Annex 1: Validation Grid

Indicator	Validator's Comments	Validator's Judgement
	Notwithstanding the reservation that EITIM should make follow up on discrepancies identified in the 2006 and 2007 reports priorities going forward, there has been progress made to date.	
How have oil, gas and mining companies supported EITI implementation?	The EITIM might consider including in the reconciliation audit some small to medium size companies in order to help them identify any discrepancies at that level.	Indicator met
Dissemination		
18. Was the EITI report made publicly available in a way that was publicly accessible, comprehensive, and comprehensible?	The reports are clear and available in both Mongolian and English, and there is a marked improvement between the reports of 2006 and 2007. The MSWG has identified communication to the general public to be a priority for the coming year.	Indicator met
What steps have been taken to act on lessons learnt, address discrepancies and ensure EITI implementation is sustainable?	It is the Validator's opinion that there has been significant progress made since establishing EITI in Mongolia. The improvement of templates, discrepancy reports and investment in communications all indicate that EITIM is responsive to the criticisms raised by relevant stakeholders and the auditors.	Indicator met

ANNEX B: NARRATIVE REPORT

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

ANNEX B: NARRATIVE REPORT

1 INTRODUCTION

This annex develops further the recommendations found in Section 7. Its function is to provide a free-standing summary of the Validator's key recommendations to take the EITI, and the principals of revenue transparency and accountable management of natural resources in Mongolia forward and to build upon its existing successes. This annex does not specifically address what needs to be done by EITIM to pass on Indicators 11-15 and therefore achieve EITI compliance, which should be agreed between the international EITI Secretariat and the Mongolian authorities.

The extractive sector will be of significant and growing economic importance to Mongolia in the coming years. With the opening of Oyu Tolgoi and Tavan Tolgoi, the sector will soon dwarf its current value to the government – which the EITI audit found to be contributing at least 40% of the government's budget in FY2006.

For Mongolia to benefit from its natural resources today and for generations to come, the principals of revenue transparency and natural resource management must be integrated into the governance of these resources and the revenues derived from them. Too many countries endowed with natural resources have fallen victim to the 'resource curse' – where actors have resorted to violence to wrestle control of the revenues. Even where conflict has not occurred, the corruption of revenues by political or economic elites has been equally devastating for some countries, causing social unrest, economic stagnation and a culture of political unaccountability.

Mongolia is a long way from this scenario. But firm leadership is needed now to ensure that Mongolia's natural resources truly benefit the country in the medium to long term. EITIM has made significant progress, not only in disclosing revenue flows in the extractive sector, but also in helping the government to identify problems of process within and between government departments.

Such findings are of immense value to a government that wishes to improve the efficiency of its operations, as are the findings that donations and aid to local governments are largely unaccounted for, or that many companies are failing to report payments in line with international accounting standards.

For companies, EITIM should be seen as an opportunity to take advantage of the benefits transparency offers by publicising to the general public their payments to the government. Being open about the payments made to government, particularly with local stakeholders, is one part of demonstrating public good corporate citizenship. Simply revealing the amount that has been paid to the government can serve in some cases as a governance tool, as citizens can then demand effective services from the government which has received the funds.

For civil society, EITIM is now a key tool in holding government accountable to the revenues it has received. It may also serve as the basis for ensuring that government effectively distributes them in a proper and fair manner. Effective management and governance of those revenues are also critical functions of government. For this reason, EITIM and civil society should look closely at the Natural Resource Charter under development by the Oxford Centre for the Analysis of Resource Rich Economies at the University of Oxford, as well as the World Bank initiative which moves beyond the scope of EITI to examine sub-national flows of revenue and revenue governance.

1.1 Corruption in the Mongolian mineral sector

Corruption anywhere in the world is difficult to quantify. Some international measurements can be helpful in indicating trends or highlighting issues in certain sectors. These include Transparency International's Corruption Perceptions Index (CPI) and the World Bank's Ease of Doing Business Index (EDB). In both cases Mongolia has slipped down the rankings – dropping in the CPI from 99th in 2007 to 120th in 2009. In the EDB survey, Mongolia has dipped slightly from 56th to 60th. However, there was a notable improvement in the "paying tax" category of the survey.

Both these surveys suggest that Mongolia continues to have a serious issue with corruption and weak governance; and the interviews conducted by the Validators confirmed that the problems were clearly

prevalent in the extractive sector. From the point of view of rigorous research, we should be careful not to place too much emphasis on these ad hoc responses, especially without hard factual evidence to support the claims. Furthermore, the Validators were not conducting an investigation into corruption practices. Nevertheless, part of the advantage of the external review of the EITI Validation is to enable a frank discussion of the opinions candidly expressed by the various stakeholders. The areas which stakeholders identified as potentially subject to corruption were the following:

Exploration and extraction permits

- Stakeholders stated that the current system of exploration and extraction permits presents an opportunity for corruption. One example of how this could work is when company A would request a permit for an attractive piece of land, this would be denied, and instead be offered to company B, who would pay a bribe for the title. Two separate companies mentioned this as an existing type of corruption to the Validators

Contract negotiation, structure and timeliness

- Contract negotiation has been repeatedly identified as an area of opacity and lack of scrutiny by civil society, who state that contracts negotiated privately between government and companies have generally resulted in unfavourable terms for Mongolia.
- Civil society also stated that in many cases, meaningful consultation of local communities was lacking during the negotiations, leading to favouritism of government bodies over local communities (and of the central government over local government), which created problems in the longer term.
- Timeliness was also cited as a problem for some companies, who complained that the approval of a contract was often delayed in order to solicit a bribe. It is expected that an automatic contract approval process put in place with the help of the World Bank in the Cadastre Office will reduce this problem.

Local government donations, fees and taxes

- Widely identified as a problem by all stakeholders, this issue has been discussed extensively in the Validation report and is clearly a source of unregistered payments to government officials.

1.2 Environmental issues

The focus of the EITI is revenue transparency, rather than the environment. However, interviews suggest that the environment in Mongolia is directly and negatively affected by corruption within the central and local government. In particular, a number of stakeholders identified the issuance of environmental permits and the subsequent check by inspectors, as a serious problem for Mongolia. According to several NGOs, mining has contributed to the serious decline in quality of rivers and associated ecologies in Mongolia, further exacerbated by the failure to enforce environmental regulations. Several company and civil society stakeholders interviewed stated that inspectors could be bribed to produce a favourable report.

2 FINDINGS

2.1 Legal and regulatory framework

There are a number of resolutions which establish the EITI within the legal and regulatory process in Mongolia. The key documents are as follows (all available in Annex F of this report)

- The Terms of Reference for the National Council.
- The Tripartite Memorandum of Understanding on effective implementation of Extractive Industries Transparency Initiative and partnership between Government of Mongolia, companies and NGO coalition, April 2007.

- Resolution no. 80 of the Government of Mongolia dated March 28th 2007, on the functions of governmental bodies participating in implementation of the Extractive Industries Transparency Initiative.
- Articles 48.9 and 48.10 of the Minerals Law of Mongolia (official translation 30/10/2006).

The main Validation Report provides further details of this legal framework.

With the current national-level structure, it is unclear where the responsibilities to carry out some aspects of the EITI lay between the various government departments. The Taxation Authority (the GDTM) is currently directed to compile the government reports for the audit. However, the authority has no dedicated staff and thus no capacity to ensure that these reports are accurate or timely. Members of the authority also expressed concern that their job required obtaining documents from ministries which were deemed 'higher', which create protocol difficulties around the requests.

Responsibility for follow-up of discrepancies is also unclear. Although the National Council directed the National Auditors Office to investigate discrepancies discovered in the 2006 audit, the office subsequently did not do so, citing lack of responsibility. The Validators suggest that charging one government department with this task is crucial for the credible investigation of discrepancies.

An EITI law may therefore be required in order to define the specific responsibilities of the relevant government departments, companies and any external contractors. This law would also set specific reporting requirements for companies, with the data required to be verified by their audited company accounts. The law would also indicate penalties and a prosecution process for non-compliance.

2.2 Civil society capacity

The interviews the Validators conducted with civil society show a focused and vibrant set of stakeholders, deeply involved in the EITI process, and keen to expand the EITI principals into other relevant areas.

Civil society has identified its priorities for the coming year, which includes increasing the awareness and capacity of civil society at the local level to scrutinise the EITI in the regions. However, upon review, it is clear that it could be further capacitated and supported to research discrepancies and develop a permanent ability to scrutinise government policy.

Civil society raised a number of concerns regarding the legal structure and institutional framework of the EITIM, although it must be stressed that these were put in the context of general satisfaction with the progress made by EITIM thus far, as well as a satisfaction with the multi-stakeholder construction and consensus-based approach of the Working Group.

2.3 Strategy

Mongolia should develop a forward-looking strategy that integrates the key principals of the EITI, revenue transparency and accountability, into the mineral sector strategy of the country for the next three years.

As part of this strategy, Mongolia should consider the principals outlined in the Natural Resource Charter of Oxford University. This charter goes beyond the principals of transparency and outlines ways in which governments and civil society can ensure the proper governance of revenue flows for the long-term benefit of the country.

EITIM should develop their own strategy to strengthen the process within the country. This should include a prioritised remediation plan to address all the specific issues raised in the 2006 and 2007 reconciliation reports, as well as the recommendations made by the Validators.

Finally, in the revision of its work plan, the MSWG should prioritise issues and EITI activities, identify potential obstacles and propose ways of overcoming them, cost each activity, provide timelines and define quality acceptance criteria. In other words, the new work plan must have more of a strategic perspective on core activities.

2.4 Audits

Future audits may wish to extend the data capture from companies to enable more effective verification of data. Current templates include the following statement: “*we state that we will bear all responsibility for correctness of this report in accordance with reporting regulations except in below mentioned cases*”. It is unclear whether this is a legally binding statement, or what consequences there might be for false declaration. A stronger template would actually include fields from the company’s audited financial reports to compare directly with the EITI company templates.

Beyond the financial audit, the EITIM may wish to consider other forms of audit that will deepen the process. First among these would be a ‘physical audit’ that allows for the verification of export volumes of mineral resources. When checked against findings from the financial audit, a physical audit deepens the process of verification. Again, the EITIM may wish to audit prices of various minerals, comparing the sales prices against international market prices on that day. In addition, EITIM may wish to consider a ‘value for money audit’, which checks costs for equipment, leasing etc both within the country (across different companies) and internationally. Finally, EITIM may consider a ‘process audit’ which reviews current inter-governmental processes concerning the management of extractive revenues.

In terms of the range of companies audited each year, it is also recommended that the audits include some small to medium size companies in the audit, especially as these companies are also likely to send unregistered payments to local government.

2.5 Communications

The Validation exercise showed that the communication of EITIM is currently quite weak in several respects. Firstly, even during the second audit, some confusion remained about how to correctly fill in the templates (on both the company and the government side) and by when. More communication needs to be undertaken (in the form of workshops and communications material – manuals and guides etc.) on the correct completion of the EITIM templates, and the necessity among government bodies to comply with Resolution No. 80.

Again, at local level of government (Aimag and Soum level), there is very little knowledge of the EITIM. More workshops and communications efforts need to be placed on ensuring that the principles of EITI and the specific requirements of EITIM are known at this level.

One suggestion is to outsource EITI monitoring to NGOs at the local level of government (this is allowed via article 19 of the Law on Government). In terms of communicating the EITIM findings to a wider audience, more emphasis must be placed on communications that are appropriate to the audience. This may mean that summary versions of each audit are prepared for various audiences: for government officials and the legislature, for civil society, for companies and for a general audience. This would enable the report to be presented to a wide variety of audiences and be pitched at the appropriate level.

2.6 Sustainability

At present, the EITIM is to an extent dependent on World Bank funds. The Bank has paid for the first two audits, which have focused on the minimum requirement for EITI of financial verification. There is an opportunity for the GoM to demonstrate its commitment in future audits by deepening the reconciliation process along the lines indicated above (physical and value-for-money audits etc.).

At present, there are no dedicated EITIM staff outside of the two-person Secretariat. There is therefore an opportunity to grow the Secretariat to provide technical and communications leadership for EITIM. We recommend the appointment of a Technical Director and a Training/Compliance Officer. The Technical Director would oversee the development of the annual audits and also lead the analysis of the audits. A Technical Director could also provide support to the MSWG in providing advice on a strategy to remediate any lapses that are found by the audits. A Training/Compliance Officer would oversee training of all EITIM stakeholders, both at national and sub-national level (among companies, the government and civil society).

ANNEX C: COMPANY SELF-ASSESSMENT FORMS

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

Эрдэнэт
4

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Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

ERDENET

Үндэсний түвшинд:		
Компани	Улс	
Хариулт – харалдаа газар ✓ "шувуухай" тавина.		Тийм Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		✓
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?		✓
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?		✓
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?		✓
		Тийм Үгүй
Дээрх хариултын үнэлгээ		
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:		
Бусад санал, тайлбар		

Report of the FITI International Advisory Group

BOROO GOLD LLC



EITI Company Validation Form

Country-level		
COMPANY: <i>Boroo Gold LLC</i> <i>in Mongolia</i>	COUNTRY: <i>Mongolia</i>	
Mark indicators below with a ✓	Yes	No
1. Has the company made public statements in support of the EITI process in this country?	✓	
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?	✓	
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?	✓	
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?	✓	
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?	✓	
	Yes	No
Overall Assessment (of above)		
Narrative opinions.		
If any indicators above are marked 'no', please provide an explanation.		
Any other comments.		

①

TAVANTOLGOI LLC

EITI Company Validation Form

Country-level

COMPANY: *Tavantolgoi LLC* COUNTRY: *Mongol*

Mark indicators below with a ✓ Yes No

1. Has the company made public statements in support of the EITI process in this country?	✓	
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?		✓
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?	✓	
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?	✓	
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?	✓	

Yes No

Overall Assessment (of above) ✓

Narrative opinions.	
If any indicators above are marked 'no', please provide an explanation.	
Any other comments.	

Economist: *[Signature]* *Ich. Turmandakh*

TABRII 10
CAHXVI
KHUMBEI
DRIINGO

5

Report of the EITI International Advisory Group

PETROCHINA DAQING LLC

EITI Company Validation Form

Country-level		Yes	No
COMPANY: PETROCHINA DAQING	COUNTRY: CHINA		
Mark Indicators below with a ✓			
1. Has the company made public statements in support of the EITI process in this country?		yes	
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?		yes	
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?		yes	
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?		yes	
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?		yes	
		Yes	No
Overall Assessment (of above)			
Narrative opinions.			
If any indicators above are marked 'no', please provide an explanation.			
Any other comments.			

Баталгаажуулалтын хүрээнд компаниудаас тавих асуулт

6

TSAIRT MINERAL LLC

Үндэсний түвшинд: <i>Чухний талварын татвар талварын ит.</i>	
Компани <i>Цаиртминерал</i>	Улс <i>Монгол - Итали минерал</i>
Хариулт – харалдаа газар <input checked="" type="checkbox"/> "Шувуухай" тавина.	
1. Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?	Тийм <input checked="" type="checkbox"/> Үгүй <input type="checkbox"/>
2. Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв үү?	Тийм <input checked="" type="checkbox"/> Үгүй <input type="checkbox"/>
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан үү?	Тийм <input checked="" type="checkbox"/> Үгүй <input type="checkbox"/>
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?	Тийм <input checked="" type="checkbox"/> Үгүй <input type="checkbox"/>
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	Тийм <input checked="" type="checkbox"/> Үгүй <input type="checkbox"/>
Тийм Үгүй	
Дээрх хариултын үнэлгээ	<i>Тийм - 5, Үгүй - 0</i>
Хариулт авсан хүний санал	
Үгүй гэсэн хариулт бүрт бичих тайлбар:	
Бусад санал, тайлбар	<i>ОУИТБС-е зогсоон байгуулж дүн ашгаа амжилт оршиж дагууно барьсан.</i>

00115

eiti mongolia

0003/0003



Хуульчлалтын хүрээнд компаниудаас тавих асуулт

Erdmin

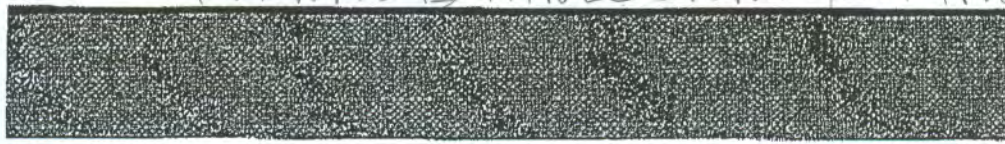
Урьдчилж:

Улс		Тийм	Үгүй
Харалдаа газар <input checked="" type="checkbox"/> "шувуухай" тавина.			
Энэ компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг амжилттай гэдгээ ил тод нийтэд мэдээлсэн үү?		<input checked="" type="checkbox"/>	
Энэ компани Монголын ОУИТБС-ыг Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? (Хувьд тогтоомж, Засгийн газрын тогтоол, захирамж, зардал зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч хуралд оролцож байв уу?)			<input checked="" type="checkbox"/>
Энэ компани хэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтохсон хугацаанд материаллаг баримдлыг ил тод гаргаж өгч байсан үү?		<input checked="" type="checkbox"/>	
Энэ байранд аудит хийсэн байгууллагад гаргаж өгсөн танай тайлангийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу бус аудитаар хянуулсан үү?			<input checked="" type="checkbox"/>
Энэ байранд аудит хийсэн байгууллагаас тодруулга, тайлбар хийхэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн дагуу хариу тодруулга өгч, Засгийн газрын тайлантай харилцаанд дэмжлэг үзүүлсэн үү?		<input checked="" type="checkbox"/>	
		Тийм	Үгүй
Хуульчлалтын үнэлгээ			
Энгийн хувий санал			
Эрх зүйн бүрт бичих			
Тайлбар			

Report of the EITI International Advisory Group

8

IVANHOE MINES MONGOLIA INC



EITI Company Validation Form

Country-level		
COMPANY: Ivanhoe Mines ^{Mong.} _{Inc}	COUNTRY: Mongolia	
Mark indicators below with a ✓	Yes	No
1. Has the company made public statements in support of the EITI process in this country?	✓	
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?	✓	
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?	✓	
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?	✓	
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?	✓	
	Yes	No
Overall Assessment (of above)	5	
Narrative opinions.		
If any indicators above are marked 'no', please provide an explanation.		
Any other comments.		

МОНГОЛЫН ОУИТБС ШИЖИРГАЛТ

SHIJIRALT LLC

9

Баталгаажуулалтын хүрээнд компаниудаа ставих асуулт

SHIJIRALT LLC

Үндэсний түвшинд		
Компани	"Шижиргалт", ХХК	Улс
Хариулт – харалдаа газар ✓ "шувуухай" тавина	Тийм	Үгүй
1 Танай компани Монголулсад ОУИТБС-ыг хэрэгжүүлэхийг дэмжинэ гэдгээ илтөд нийтэд мэдээлсэн үү?	✓	
2 Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрх зүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?	✓	
3 Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ илтөд гаргаж өгч байсан үү?	✓	
4 Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бусаудитаар хянуулсан үү?	✓	
5 Нэгдсэн тайланд аудит хийсэн байгууллага астандруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	✓	
	Тийм	Үгүй
Дээрх хариултын үнэлгээ	5	0
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:		
Бусад санал тайлбар		

2009.12.01. О. Улаанбаатар

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Report of the EITI International Advisory Group

MONGOL ROSTVETMET

EITI Company Validation Form

Country-level		
COMPANY:	COUNTRY:	
<i>Mongolrostvetmet</i>	<i>Mongolia</i>	
Mark indicators below with a ✓	Yes	No
1. Has the company made public statements in support of the EITI process in this country?	✓	
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?	✓	
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?	✓	
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?	✓	
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?	✓	
	Yes	No
Overall Assessment (of above)	5	0
Narrative opinions.		
If any indicators above are marked 'no', please provide an explanation.		
Any other comments.		



baibans

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баталгаажууллалтын хуралнд компаниудаас тавих асуулт

MONPOLYMET LLC

Үндэслэл түвшинд:

Компани Монполимет Улс Монгол

Хариулт – харалдаа газар ү “шувуухай” тавина.	Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?	✓	
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?	✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?	✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?		
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүсээк хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?		
	Тийм	Үгүй

Дээрх хариултын үнэлгээ

Хариулт авсан хүний санал

Үгүй гэсэн хариулт бүрт бичих тайлбар:

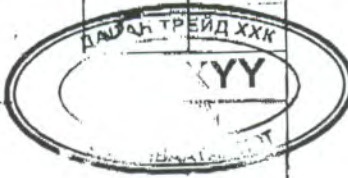
Бусад санал, тайлбар

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Report of the EITI International Advisory Group

DATSAN TRADE LLC

EITI Company Validation Form

Country-level		
COMPANY: DATSANTRAD	COUNTRY: MONGOLIA	
Mark Indicators below with a ✓	Yes	No
1. Has the company made public statements in support of the EITI process in this country?	✓	
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?	✓	
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?	✓	
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to International standards?	✓	
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?	✓	
	Yes	No
Overall Assessment (of above)		
Narrative opinions.		
If any indicators above are marked 'no', please provide an explanation.		
Any other comments.		

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Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

ODOD GOLD LLC

Үндэсний түвшинд:		
Компани	Улс	
Одог Тоулг		
Хариулт – харалдаа газар ✓ "шуууухай" тавина.		Тийм Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		✓
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан үү?		✓
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитвар хянуулсан үү?		✓
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?		✓
		Тийм Үгүй
Дээрх хариултын үнэлгээ		
Хариулт авсан хүний санал	2 гол асуултанд гавхан хариулт өгсөн. Эмгэг нэг амлалт өгсөгүй.	
Үгүй гэсэн хариулт бүрт бичих тайлбар:		
Бусад санал, тайлбар		

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Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

ERDES HOLDING LLC

Үндэсний түвшинд:		Тийм	Үгүй
Компани <u>"Эрдэс Холдинг" ХХК</u> : <u>Монгол Улс</u>			
Хариулт – харалдаа газар <u>"Шувуухай" тавина</u>			
1. Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?	✓		
2. Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв үү?	✓	✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан үү?	✓		
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?	✓		
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	✓		
		Тийм	Үгүй
Дээрх хариултын үнэлгээ			
Хариулт авсан хүний санал			
Үгүй гэсэн хариулт бүрт бичих тайлбар:			
Бусад санал, тайлбар			

Хуралд орсон

Санхүү Архатар



Н. Ринчен

Report of the EITI International Advisory Group



EITI Company Validation Form

Country-level

COMPANY: *Chonlun, Co Ltd* COUNTRY: *china*

Mark indicators below with a ✓

- 1. Has the company made public statements in support of the EITI process in this country? ✓
- 2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders? ✓
- 3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines? ✓
- 4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards? ✓
- 5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates? ✓

Yes No

Yes No

Overall Assessment (of above)

5

Narrative opinions.

If any indicators above are marked no, please provide an explanation.

Any other comments.

Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

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KHANSHIJIR LLC

Үндэсний түвшинд:		
Компани	Ханшижир ХХК	Улс
Хариулт – харалдаа газар ✓ "Шувуухай" тавинд.		Тийм Үгүй
1. Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?	✓	
2. Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан үү?	✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?	✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	✓	
	Тийм	Үгүй
Дээрх хариултын үнэлгээ	✓	
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:	ОУИТБС-и дэхин байгуулсан үндэстэн 1-2 удаа ерэлсэн. (2007, 2008 он).	
Бусад санал, тайлбар		

2009. 11. 17. Д.Балрмарал. 9902-1575.

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Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

BUURGENT

Үндэсний түвшинд:		
Компани <u>Бургент ХХК</u>	Улс <u>Монгол</u>	
Хариулт – харалдаа газар <input checked="" type="checkbox"/> “шувуухай” тавина.	Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?	<input checked="" type="checkbox"/>	
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?	<input checked="" type="checkbox"/>	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан үү?	<input checked="" type="checkbox"/>	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?	<input checked="" type="checkbox"/>	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	<input checked="" type="checkbox"/>	
	Тийм	Үгүй
Дээрх хариултын үнэлгээ		
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:		
Бусад санал, тайлбар		

Хариулт бүтэц.
Бургент ХХК-ийн
Дэд захирал

С. Байгариал

Монгол улс

Баталгаажуулалтын хүрээнд компаниудаас тавих асуулт

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MONDULAN TRADE

Үндэсний түвшинд:			
Компани		Улс	
Хариулт – харалдаа газар ✓ “шувуухай” тавина.		Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		✓	
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?		✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?		✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?		✓	
		Тийм	Үгүй
Дээрх хариултын үнэлгээ		✓	
Хариулт авсан хүний санал			
Үгүй гэсэн хариулт бүрт бичих тайлбар:			
Бусад санал, тайлбар			



Г ОЛБОРЛОХ ҮЙЛДВЭРЛЭЛИЙН Г
ИЛ ТОД БАЙДЛЫН САНААЧЛАГЫН
АЖЛЫН АЛБА

“УЛЗ ГОЛ” ХХК

2344343 Улаанбаатар хот БЗД 6-р хороо
Оюутны хотхон Улз гол цогцолбор УТАС 453685, 99092068

2009.11.20 № 54/09.
танай _____ ны № _____ -т

Г Асуумж судалгааны тухай Г

ULZ GOL LLC

	Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?	✓	
2. Танай компани Монгол улсад ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрх зүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?	✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?	✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	✓	
Дээрх хариултын үнэлгээ		
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:	Анх бүрийн амлалт өгөхийг шаардсан	
Бусад санал, тайлбар		



Захирал Г

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/А. Бүрэнтогтох /

Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

SHIN SHIN LLC

Үндэсний түвшинд:		
Компани	Улс	
Хариулт – харалдаа газар ✓ "шувуухай" тавина.		Тийм Үгүй
1. Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		✓
2. Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?		✓
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?		✓
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?		✓
		Тийм Үгүй
Дээрх хариултын үнэлгээ		
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:		
Бусад санал, тайлбар		



FROM : SHOK

PHONE NO. : 976 1 310839

DEC. 02 2009 01:21AM P2

FROM : SHOK

PHONE NO. : 976 1 310839

NOV. 25 2009 26:43AM P2

SHIVEE DVOD

EITI Company Validation Form

Country-level

COMPANY:

COUNTRY:

Mark indicators below with a ✓

Yes

No

1. Has the company made public statements in support of the EITI process in this country?

✓

2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate meeting with stakeholders?

✓

3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?

✓

4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?

✓

5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments to the government receipts in accordance with EITI Reporting Templates?

✓

Yes

No

Overall Assessment (of above)

Narrative opinions:

Shivee-dvod joint stock company
B. Adil Bish

If any indicators above are marked 'no', please provide an explanation

Any other comments:

ELTRANA

EITI Company Validation Form		
Country-level		
COMPANY:	COUNTRY:	
Mark indicators below with a <input type="checkbox"/>	Yes	No
1. Has the company made public statements in support of the EITProcess in this country?	✓	
2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?	✓	
3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?	✓	
4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?	✓	
5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?	✓	
	Yes	No
Overall Assessment (of above)		
Narrative opinions.		
If any indicators above are marked 'no', please provide an explanation.		
Any other comments.		



Accountant: *D. Mammysaev* / B. Monkhtuya /

Баталгаажуулалтын хүрээнд компаниудаас тавих асуулт

BUD INVEST

Үндэсний түвшинд:				
Компани		Улс		
Хариулт – харалдаа газар ✓ "Шувуухай" тавина.			Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?			✓	
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?			✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан үү?			✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?			✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?			✓	
			Тийм	Үгүй
Дээрх хариултын үнэлгээ			✓	
Хариулт авсан хүний санал				
Үгүй гэсэн хариулт бүрт бичих тайлбар:				
Бусад санал, тайлбар				



Инвест ХХК

Тайлан бодол У. Доржпал

Батсүрэн эрх

Баталгаажууллалтын хүрээнд компаниудаас танилцуул

BATSUURT

Үндэсний түвшинд:

Компани	Улс	Тийм	Үгүй
Хариулт – харалдаа газар ✓ "шувуухай" төв нэгж			
1. Танай компани Монгол улсад ОУИТБС-ын хяналт үзэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		✓	
2. Танай компани Монголын ОУИТБС-ын Ажлын үзүүлэлт, хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах зорилготой үү? Үүнд: Хууль, тогтоомж, Засгийн газрын төлөө санамж бичиг зэрэг эрхгүйн баримт бичгүүдэд оролцож талуудын хуралд оролцож байв уу?			✓
3. Танай компани нэгдсэн тайланд аудит хийсэн тайлангийн маягтын дагуу болон тогтоосон хяналт төлбөрүүдээ ил тод гаргаж өгч байсан үү?		✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад ажлын үзүүлэлтийг олох үүднээс стандартын дагуу хараат бус аудитаар хянуулсан үү?			✓
5. Нэгдсэн тайланд аудит хийсэн байгууллагад төлбөр хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын төлөө санамж бичигт оруулж байсан үү?			✓
		Тийм	Үгүй

Дээрх хариултын үнэлгээ

Хариулт авсан хүний санал

Үгүй гэсэн хариулт бүрт бичиж тайлбар:

Эхлээд бүр тайлан үзүүлж гаргал өгч байсан багцтай. Ямар нэгдсэн бүртэй байгаагүй байлаа.

Бусад санал, тайлбар

Аудит санамж багцаар бол суурь, өгч хяналтын үзүүлэлт байлаа.



Баянзүр

(15)

Баянзүр ажлаа жууллагын хүрээнд компаниудаас тавих асуулт

БАЯАНЗҮР LLC

Хүндэтгэлийн түвшинд:

Компани	Улс	Тийм	Үгүй
Хариулт - харгалдав газар "Шувуухай" тээвэр:			
Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг эсэргүүцэн гэдгээ ил тод нийтэд мэдээлсэн үү?			✓
Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч агууудын хуралд оролцож байв үү?		✓	
Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг өлбөрүүдээ ил тод гаргаж өгч байсан үү?		✓	
Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?		✓	
Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар үзсэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай харгалзах ажилд дэмжлэг үзүүлсэн үү?		✓	
		Тийм	Үгүй
Тэгэх хариултын үнэлгээ			
Асуулт авсан хүний санал			
Үгүй гэсэн хариулт бүрт бичих зүйл бэр.			
Бүүхэд санал, тайлбар			

ГУРВАН ТӨХӨМ

Үндэсний түвшинд:			
Компани	Гурвантөхөм ххк.	Улс	Монгол.
Хариулт – харалдаа газар ✓ “шувуухай” тавина.		Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		✓	
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?		✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?		✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?		✓	
		Тийм	Үгүй
Дээрх хариултын үнэлгээ			
Хариулт авсан хүний санал			
Үгүй гэсэн хариулт бүрт бичих тайлбар:			
Бусад санал, тайлбар			



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23

Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

ADAMAS MINING

Үндэсний түвшинд:		
Компани <u>Адамас Мининг</u> Улс <u>Монгол</u>		
Хариулт – харалдаа газар ✓ "шулуухай" тавина.		
1. Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхий дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?	Тийм	Үгүй ✓
2. Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан үү?	✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?	✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, айлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	✓	
	Тийм	Үгүй
Дээрх хариултын үнэлгээ:		
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:		
Бусад санал, тайлбар		

НЛ-00 Тодорч ХН-1

Факс-70110155

EITI Company Validation Form

Country-level

COMPANY: Tethys Mining LLC

COUNTRY: Mongolia

Mark indicators below with a ✓

Yes

No

1. Has the company made public statements in support of the EITI process in this country?

✓

2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?

✓

3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?

✓

4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?

✓

5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?

✓

Yes

No

Overall Assessment (of above)

2

3

Narrative opinions.

If any indicators above are marked 'no', please provide an explanation.

Any other comments.

EITI Company Validation Form

Country-level

COMPANY: Shim Technology

COUNTRY: Mongolia

Mark indicators below with a ✓

Yes

No

1. Has the company made public statements in support of the EITI process in this country?

✓

2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?

✓

3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI report as per agreed EITI Reporting Templates and pursuant to agreed timelines?

✓

4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI report taken from accounts independently audited to international standards?

✓

5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI report to assist in reconciliation of country payments with government receipts in accordance with EITI Reporting Templates?

✓

Yes

No

Overall Assessment (of above)

Narrative opinions.

If any indicators above are marked 'no', please provide an explanation.

Any other comments.

Баталгаажууллалтын хүсээнд компаниудаас тавих асуулт

SHARYN GOL

Үндэсний түвшинд:

Компани <i>SHARYN GOL</i>	Улс <i>Монгол</i>		
Хариулт - харалдаа газар <input checked="" type="checkbox"/> "Шувуухай" тавина.		Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		<input checked="" type="checkbox"/>	
2. Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, төгсөмл, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		<input checked="" type="checkbox"/>	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан үү?		<input checked="" type="checkbox"/>	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?			<input checked="" type="checkbox"/>
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэлтгэх ажилд дэмжлэг үзүүлсэн үү?		<input checked="" type="checkbox"/>	
		Тийм	Үгүй
Дээрх хариултын үнэлгээ			

Хариулт авсан хүний санал

Үгүй гэсэн хариулт бүрт бичих тайлбар.

Бусад санал, тайлбар

*Бүтэцтэй байгууллагад
Хариуцаж мэдэгдсэн*

Баталгаажуулалтын хүрээнд компаниудаас тавих асуулт

Үндэсний түвшинд:		
Компани	Улс	Монгол
Хариулт – харалдаа газар ✓ "шувуухай" тавина.		
1. Танай компани Монгол улсад ОУИТБС-ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		✓
2. Танай компани Монголын ОУИТБС-ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?		✓
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллэг төлбөрүүдээ ил тод гаргаж өгч байсан үү?	✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан үү?		✓
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС-ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	✓	
	Гийм	Үгүй
Дээрх хариултын үнэлгээ		
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:		
Бусад санал, тайлбар		

Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

Үндэсний түвшинд:				
Компани		Улс		
Хариулт – харалдаа газар ✓ “шувуухай” тавина.			Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?				✓
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?			✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?			✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?				✓
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?			✓	
			Тийм	Үгүй
Дээрх хариултын үнэлгээ				
Хариулт авсан хүний санал				
Үгүй гэсэн хариулт бүрт бичих тайлбар:		1. Олон нийтийн хэвлэлээр зарлаагүй. Веб сайт дая тавих төлөвлөгөөтэй байна.		
Бусад санал, тайлбар		4. Монголын аудиторын компанийн хийлгэсэн.		

Р. Гансүх

PRODUCTION
 ҮЙЛДЭЭРЛЭЛ
 ХУДАЛДАА
 ҮЙЛЧИГЭЭНИЙ
 “ЖАМП” ХХК
 ТТН90 : 2001547
 “Jump” Co., LTD

2009.12.30.

Баталгаажуулалтын хүрээнд компаниудаас тавих асуулт

Үндэсний түвшинд:		
Компани <i>Болдтөмөр Ерөө гол</i>	Улс <i>Монгол</i>	
Хариулт – харалдаа газар ✓ “шувуухай” тавина.	Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?	✓	
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?	✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?	✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?	✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?	✓	
	Тийм	Үгүй
Дээрх хариултын үнэлгээ		
Хариулт авсан хүний санал		
Үгүй гэсэн хариулт бүрт бичих тайлбар:		
Бусад санал, тайлбар		



Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

Үндэсний түвшинд:			
Компани	<i>Монголын АТ (МАК)</i>	Улс	<i>Монгол</i>
Хариулт – харалдаа газар ✓ “шувуухай” тавина.		Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?		✓	
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно.Мөн оролцогч талуудын хуралд оролцож байв уу?		✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?		✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?		✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?		✓	
		Тийм	Үгүй
Дээрх хариултын үнэлгээ			
Хариулт авсан хүний санал			
Үгүй гэсэн хариулт бүрт бичих тайлбар:			
Бусад санал, тайлбар			



Баталгаажууллалтын хүрээнд компаниудаас тавих асуулт

Гоби Коул энд Энержи ХХК

Үндэсний түвшинд:				
Компани		Улс		
Хариулт – харалдаа газар ✓ “шувуухай” тавина.			Тийм	Үгүй
1. Танай компани Монгол улсад ОУИТБС- ыг хэрэгжүүлэхийг дэмжинэ гэдгээ ил тод нийтэд мэдээлсэн үү?			✓	
2. Танай компани Монголын ОУИТБС- ын Ажлын төлөвлөгөөг хэрэгжүүлэхэд дэмжлэг үзүүлэх, хамтран ажиллах амлалт өгсөн үү? Үүнд: Хууль, тогтоомж, Засгийн газрын тогтоол, захирамж, санамж бичиг зэрэг эрхзүйн баримт бичгүүд орно. Мөн оролцогч талуудын хуралд оролцож байв уу?			✓	
3. Танай компани нэгдсэн тайланд аудит хийсэн байгууллагад тайлангийн маягтын дагуу болон тогтоосон хугацаанд материаллаг төлбөрүүдээ ил тод гаргаж өгч байсан уу?			✓	
4. Нэгдсэн тайланд аудит хийсэн байгууллагад гаргаж өгсөн танай компанийн тайлангийн тоон үзүүлэлтийг олон улсын стандартын дагуу хараат бус аудитаар хянуулсан уу?			✓	
5. Нэгдсэн тайланд аудит хийсэн байгууллагаас тодруулга, тайлбар хүссэн хүсэлтэд өмнө гаргаад байсан ОУИТБС- ын тайлангийн маягтын дагуу хариу тодруулга өгч, Засгийн газрын тайлантай нэгтгэх ажилд дэмжлэг үзүүлсэн үү?			✓	
			Тийм	Үгүй
Дээрх хариултын үнэлгээ				
Хариулт авсан хүний санал	<div style="text-align: center;">  </div> <p><i>Гоби Коул энд Энержи ХХК</i> <i>Хуулийн зөвлөл</i> <i>Н. Огломшиг</i></p>			
Үгүй гэсэн хариулт бүрт бичих тайлбар:				
Бусад санал, тайлбар				

ANNEX D: STAKEHOLDERS CONSULTED

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

ANNEX D: STAKEHOLDERS CONSULTED

Name	Position	Organisation
National Council Members		
Mr S. Bayartsogt (represented by his Deputy)	Minister of Finance	Finance Ministry
Mr. D. Ganbold	President	Mongolian National Mining Association
Mrs. N. Bayarsaihan	Director	Steps Without Borders (NGO)
Mr Ch. Ganzorig	General Director	Erdenet
Mr D. Zorigt	Minister for Mineral Resources and Energy	Ministry for Mineral Resources and Energy
MSWG Members		
E. Sumya	Secretary of MSWG	Government of Mongolia
B. Erdenesuren	Head of EITIM MSWG	Government of Mongolia
Ts. Munkhbayar	Head of Movement	Ongi Gol river movement
O. Erdenee	General Director	Mongolrosvetmet LLC
Ts. Ganbold	Head	Transparency Foundation
Ts. Oyunbaatar	Chairman	Mongolian General Taxation administration
D. Batkhuyag	Chairman	Mongolia Minerals Department
S. Myagmardash	Director of Accounting Policy Department	Ministry of Finance
D. Sandag	Vice president	Boroo Gold LLC
Zh. Batbold	President	Mongolian Association of Environment NGOs
Other meetings		
G. Tsogt	Vice President, Operation & Mining	MAK LLC
L. Otgontsetseg	Head of Movement	Onon Ulz River Movement
Demberel Tserenjav	Researcher	Transparency Foundation
Batkhisig Badarch	Lawyer	Centre for Human Rights and Development
Mrs. P. Erdenejargal	Executive Director	Open Society Forum
Mrs Sengelmaa Dashnyam	Coordinator	Publish What You Pay and Earn (20ngos), Mongolia
Graeme Hancock	Senior Advisor	Oil, Gas, Mining and Chemicals Department, World Bank
Dr. Enkhzaya	Coordinator	Responsible Mining Initiative
Layton Croft	VP, Corporate Responsibility	Ivanhoe Mines Mongolia Inc.
Altansukh Ganbaatar	Senior Associate, Assurance and Advisory Business Services	Ernst & Young Mongolia Ltd

Name	Position	Organisation
Mrs Sanjaasuren Oyun	Member of Parliament	
Chad Blewitt		Ivanhoe Mines Mongolia Inc.
Rebecca Darling	Country Director	Asia Foundation
Mr Jargal	Entrepreneur, writer and activist	Fair Taxes, Wise Spending
Mrs Bolornaa	Policy Officer	Asia Foundation
Sh. Urtnasan	Officer	Department of Accounting Policy, Ministry of Finance
Jim Dwyer	Executive Director	The Business Council of Mongolia
Douglas Kentish	Operations Manager	East Asia
Sam Bartlett	Head of Validation	International EITI Secretariat

ANNEX E: NATIONAL COUNCIL AND MSWG MEMBERS

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

ANNEX E: NATIONAL COUNCIL AND MSWG MEMBERS

Mongolia EITI National Council as of November 1st 2009

Official position	Name	Office telephone	e-mail	Representation
Chairman of National Council, Prime Minister of Mongolia	S. Batbold			Government
Deputy Chairman, Minister for mineral resources and energy	D. Zorigt	260222 326367 99112984	Zorigt_dashdorj@yahoo.com	Government
Minister for Finance	S. Bayartsogt	260247 91913884		Government
Chairman of Standing committee for Budget of State Great Hural	Ch. Khurelbaatar	262346 99112317		Government
Chief Auditor of Mongolia	Ch. Radnaa	264653 999117345		Government
Chairman of National Statistical Committee	S. Mendsaikhan	312433 261433 99117825	nso@magicnet.mn	Government
Chairman of Committee for combat against corruption	Ch. Sangaragchaa	70110251 99114596	contact@iaac.mn	Government
President of Mongolian National Mining Association	D. Ganbold	314877	ganbold@miningmongolia.mn	Company
President of Mongolian National Chamber of Commerce and Industry	S. Demberel	327176 324394	chamber@mongolchamber.mn info@mongolchamber.mn	Company
General director of Mining company Erdenet	Ch. Ganzorig	01-352-73501;73707; 73855; 320561 99115878	erdenetub@magicnet.mn tsogbaatar@erdenetmc.mn	Company
General director of Ivanhoe Mines Mongolia Inc.	J. Macken	331880 99114501	sodkhuut@ivancorp.net	Company
General director of Areva Mongolia LLC	E. de Sez	70110675 99100475	Eric.deseze@areva.com	Company
Executive director of Open Society forum	P.Erdenejargal	313207 99118128	jargal@forum.mn	Civil society
Head of center for Human right and development	G. Urantsooj	99192857	urantsooj@mongolnet.mn	Civil society
Director of NGO Steps without borders	N. Bayarsaihan	312989 99724869 96200814	Bayar_n2000@yahoo.com	Civil society
Manager of Open Society forum	N. Dorjdari	313207 99085899	dorjdari@forum.mn	Civil society
President of Mongolia Employers federation	L. Nyamsambuu	313122 99112367	monef@magicnet.mn	Civil society
Secretary of the Council, Senior adviser to Prime Minister	B. Erdenesuren	263928	Erdenesuren5@yahoo.com	Government

Mongolia EITI Multi-stakeholders working group as of November 1st 2009

Official position	Name	Office telephone	e-mail	Representation
Head of group, Senior adviser to Prime Minister	B. Erdenesuren	262938 99113468	Erdenesuren5@yahoo.com	Government
Chairman of Mongolian General taxation administration	Ts. Oyunbaatar	320167 99115423	oyunbaatar@mta.mn Puujanu2008@yahoo.com oyuhehe@yahoo.com	Government
Chairman of Mongolia Minerals department	D. Batkhuyag	263701 99112709 99088479	dbathuyag@mail.mn , byambadagva@mram.gov.mn , ttsegts@yahoo.com	Government
Chairman of Mongolian Petroleum Department	D. Amarsaikhan	633861 631447 99088822 99156623	Chuluunbat_ch@yahoo.com	Government
Chairman of Accounting policy department, Ministry of Finance	S. Myagmardash	261788 88082679	Myagmardash_s@yahoo.com	Government
Chairman of geology, mining and heavy industries division, Ministry of Mineral resources and Energy	D. Batkhuu	262565 262120 99119423	Tsoqt_ch@yahoo.com	Government
Chairman of natural resources department, Ministry of Environment and Tourism	D. Enkhbat	264166	Enkhbat_num@yahoo.com	Government
Head of department, Committee for combat against corruption	D. Dulamsuren	311919 70112473 88119400	dulamsuren@iaac.mn	8
General director of Mongolrosvetmet LLC	O. Erdenee	450060 99114210 99119356	erd_och@yahoo.com info@exportmongolia.mn	Company
General director Baganuur LLC	D.Dambapelzhee	12120114 99097150	dambapeljee@baganuurmine.mn	Company
Vice president of Boroo Gold LLC	D. Sandag	317798 99112714	Sandag.d@centerragold.mn	Company
President of MAK LLC	B. Nyamtaishir	458075	mak@mak.mn tsoqt@mak.mn erka@mak.mn	Company
General director of Petrochina Dachin Tamsag	S. Mergensod	463567 99114915	erdedorj@datamo.mn uranchimeg@datamo.mn	Company
Executive director Mongolian National Mining Association	N. Algaa	314877 99118792	algaa@miningmongolia.mn	Company
Director of Coal Association	L. Davaatsedev	324044	coalasso@yahoo.com	Company
Manager of Open Society forum	N. Dorjdari	313207 99085899	dorjdari@forum.mn	Civil society

Official position	Name	Office telephone	e-mail	Representation
Executive director of Inform center	R. Batpurev	99776690	sengelmaa@forum.mn	Civil soceity
Head of Transparency foundation	Ts. Ganbold	322641 99125453	ganbold@eiti.mn	Civil society
Head of movement of Ongi gol residential	Ts. Munkhbayar	327781	tsmunkhbayar@onggiriver.org	Civil society
Executive director of movement My Mongolia soil	B. Boldbaatar	99089902	Bold_mmgs@yahoo.com	Civil soceity
Head of Association of Mongolia National manufacturers	N. Dashzeveg	99191313	dashnamjaa@yahoo.com	Civil society
President of Mongolian Association of Environment NGOs	Zh. Batbold	315306 99113499	Batbold@selenetravel.cm batbold@magicnet.mn	Civil soceity
Executive director of Mongolian Employers federation	Kh. Ganbaatar	325635 98888449 99118449	ganbaatar@monef.mn	Civil society
President of Mongolian Institute of Certified Public accountants	D. Enkh-Amgalan	70111927 99112647	enkh@monicpa.mn	Civil society
Secretary of Working group, senior officer, Government of Mongolia	E. Sumya	260911	Sumiya_e@cabinet.gov.mn	Government

ANNEX F: KEY EITIM DOCUMENTS/TEXTS

Validation of the Mongolia Extractive Industries Transparency Initiative (EITI)

ANNEX F: KEY EITIM DOCUMENTS/TEXTS

1 TERMS OF REFERENCE FOR THE NATIONAL COUNCIL

Terms of Reference of the Mongolia National Council committed to arrange and monitor Implementation of the Extractive Industries Transparency Initiative in Mongolia. Reviewed and approved at the May 12, 2006 meeting of the National Council and amended on March 13, 2007.

One: General provisions

- 1 The National Council (hereinafter referred to as the Council) committee with a duty to arrange and monitor the implementation of the Extractive Industries Transparency Initiative in Mongolia (hereinafter referred to as the initiative) is the consultative entity with equal representation of Government, Extractive Industries and Civil Society.
- 2 The objective of the National Council is to establish the key principles and political, legal, and institutional framework for implementing the initiative.
- 3 The major form of the National Council's work shall be a meeting.

Two: Organization of the National Council

- 1 The Chairman of the National Council shall be the Prime Minister of Mongolia.
- 2 During the absence of the Prime Minister, any member of the National Council nominated by the Prime Minister shall chair meetings of the Council and coordinate Council's work during the recession of the meeting.
- 3 The National Council shall consist of an equal tri-partied representation of the Government institutions such as Heads of the Parliament, Minister, Ministry, and agencies; mining companies; and civil society and NGOs. The composition of the National Council shall be approved by a Cabinet resolution.
- 4 The Secretary of the National Council shall be the Head of the working group. The Secretary of the National Council shall exercise rights and bear obligations akin to a Council member.
- 5 The National Council shall, when required, convene a meeting upon consent of the Chairman and/or, in his/her absence, a substitute member. The Secretary of the National Council shall provide for the preparation of the meeting.
- 6 An agenda of a Council meeting shall be presented to the Chairman and/or, in his/her absence, a substitute member and sent to members in writing at least 2 days prior to the meeting.
- 7 The Council meeting shall start upon majority of members attends the meeting. Upon consent of the Chairman and/or, in his/her absence, a substitute member a member can submit his/her proposal in writing.
- 8 Minutes of the Council meeting shall be prepared. Any member of the working group shall be keeping the minutes of the Council meeting. The minutes shall be validated upon the Secretary of the Council signing them.
- 9 The National Council shall be employing a working group under it. The composition of the working group shall be approved under the Prime Minister's ordinance. The working group shall be comprised of representation of the state, businesses, and NGOs.
- 10 Any topic related to the implementation of the initiative shall be formulated at the working group and presented to the National Council after consideration at the working group meeting.

- 11 A member of the National Council shall exercise a right to propose a topic for consideration at the Council meeting and to express his/her opinion regarding a topic. The member proposing a topic for consideration at the Council meeting shall submit documents to the Secretary of the Council to include in the agenda and send out to members.
- 12 The National Council may set up an expertise group comprised of researchers, specialists, and consultants to review matters related to the implementation of the initiative and obtain an opinion.

Three: Agenda of the National Council meeting

- 1 Guidelines on formulating legislation and draft resolutions on the EITI;
- 2 Projects prepared by the working group in relation with the implementation of the EITI Update and proposals by ministers and heads of agencies in relation with the implementation of the EITI;
- 3 Terms of Reference of the National council, reports and update by the working group;
- 4 Other issues assumed to have the need to be on the agenda.

Four: Oversight by the National Council

- 1 The National Council shall update its members on its decisions and execution of its tasks, if required, put on the agenda of a meeting, and during the recession of the meeting, the Chairman shall be providing guidelines.
- 2 Council members and the working group shall be monitoring the execution of Council's decisions and actions of institutions and officials implementing the EITI.
- 3 The Chairman and members of the Council may get update, on the working group's action progress and execution toward implementing the EITI and take actions to intensify the progress.

Five: Other

- 1 The Cabinet Secretariat and administration unit shall bear stationary expenses of the National Council.
- 2 The National Council shall be using letterheads, stamps, and seals of the Cabinet and Cabinet Secretariat.

2 THE TRIPARTITE MEMORANDUM OF UNDERSTANDING

Tripartite Memorandum of Understanding on effective implementation of Extractive Industries Transparency Initiative and partnership between Government of Mongolia, companies and NGO coalition

1 Background

1. Mongolian stakeholder parties express acceptance of and compliance with the goals, principles and criteria of the international extractive industries transparency initiative.
2. Consensus on an implementation framework of extractive industries transparency initiative.
3. All parties accept that both companies and the government report their payments and receipts as part of the extractive industries transparency initiative; the reporting process and publicizing of payments and receipts play a key role in ensuring transparency, prevention of corruption and ensuring of sustainability of the extractive industries.
4. Verification that parties agree to implement the extractive industries transparency initiative within the oil and mineral resources framework and at both national and local level,
5. Agreement that the government and the companies submit their extractive industries transparency initiative reports, publish them and get them audited in order to sustain and enhance the extractive industries transparency initiative implementation.

The participating parties signed this Memorandum of Understanding.

2. Activities of parties

6. All stakeholder activity directions for effective partnership of parties in implementation of the initiative:
 - 6.1. Develop and create the legal environment, organizational arrangements and methodological background for implementation of the initiative.
 - 6.2. Develop reporting templates for EITI reporting, and parties to comply with reporting arrangements.
 - 6.3. Parties respect each other and develop equal and mutually understood partnerships.
 - 6.4. Use audited data and figures within the EITI framework.
 - 6.5. Resolve any disputes between participating stakeholders with the participation of all stakeholders in mutual negotiations.
 - 6.6. Carry out any inspections or checks with respect to the extractive industries transparency initiative in accordance with guidelines approved by senior management of that stakeholder in the initiative.
 - 6.7. Discuss and coordinate funding opportunities relating to the initiative within the framework of the legislation.
 - 6.8. Carry out auditing within the initiative, and plan and implement future development priorities.
 - 6.9. Obtain assurance and accreditation of international organizations for the implementation and progress of the EITI.
7. Directions of government activities:
 - 7.1. Provide initiative implementation with arrangements of legislation, regulations, operations, finance and methodology, and seek potential for assistance, consultation and support from international donors.

- 7.2. Organize and manage Working Group meetings and operations to ensure implementation of the initiative, and make decisions at the National Council level to ensure equal participation of all stakeholders.
- 7.3. Involve extractive industry entities holding special licences in the initiative, report receipts of payments and taxes collected from businesses in a categorized format for each company using templates approved by the Ministry of Finance, publicize the reports and report to the independent EITI Working Group.
- 7.4. Evaluate and assess EITI implementation and outcomes with participation from stakeholders and identify future goals.

- 8.7. Directions of company activities:
 - 8.1. Define private sector policy for EITI implementation, elect representative companies for involvement in decision making, cooperate with decisions, and monitor implementation.
 - 8.2. Report amounts of products extracted, taxes paid to central and local governments and payments by extractive industry companies using approved templates, and report to the government agency responsible for mining sector coordination.
 - 8.3. Be fully responsible for getting company reports audited and ensure correct and accurate reports are delivered.
 - 8.4. Fund EITI operations partly or wholly within international norms and standards and legislation in a transparent way on a voluntary basis.

- 9.7. Directions of NGO activities:
 - 9.1. Define NGO policy for EITI implementation, appoint representatives for decision making, cooperate with decisions, and monitor implementation.
 - 9.2. Observe and monitor the reporting process of the Ministry of Finance and companies in payment and receipts.
 - 9.3. NGOs to submit findings of observations and monitoring of the process, after discussion at a coalition meeting, to the National Council and take initiatives to improve initiative efficiency.
 - 9.4. Finance EITI operations partly or wholly under international norms and standards and legislation in a transparent way on a voluntary basis.
10. Directions of independent Working Group activities:
 - 10.1. Establish an independent Secretariat for EITI implementation.
 - 10.2. The Secretariat will handle day-to-day EITI activities and provide stakeholders with information on an equal basis as well as coordinating stakeholders.
 - 10.3. Monitor the reporting process, collect information and receive reports of company payment of taxes and fees to both central and local governments from each extractive company from the government agency responsible for mining; check the reports, consolidate them into the Mongolia EITI report and get them audited.
 - 10.4. Organize the activity of international EITI validation, plan activities in response to validation and auditing findings and recommendations, and submit them to the National Council for approval

3 Stakeholder parties of the Memorandum of Understanding

Representing the Government of Mongolia	Representing the companies	Representing the NGO Coalition
M. Enhbold Prime Minister of Mongolia National Council Chairman April 24, 2007	P. Ochirbat Mongolian National Mining Association Honorary President, National Council Member April 11, 2007	Ts. Ganbold NGO Coalition Coordinator, National Council Member April 6, 2007
N. Bayartsaihan Minister of Finance, National Council Member April 25, 2007	N. Alгаа Mongolian National Mining Association Chief Executive Officer, National Council Member April 12, 2007	P. Erdenejargal Open Society Forum Chief Executive Officer, National Council Member April 6, 2007
Ts. Davaadorj Minister of Industry and Trade, National Council Member April 25, 2007	H. Naranhuu Mongolia-Russia joint Erdenet Company Chief Executive Officer, National Council Member April 4, 2007	G. Urantsooj Human Rights and Development Center Chief Executive Officer, National Council Member April 6, 2007
P. Byambatseren National Statistics Office Chairman, National Council Member March 28, 2007	B. Nyamtaishir Mongolyn Alt Corporation President, Working Group Member April 12, 2007	B. Boldbaatar My Mongolia Motherland Movement Chief Executive Officer, Working Group Member April 6, 2007
L. Javzmaa Chief Auditor of Mongolia, National Council Member March 28, 2007	Ts. Myanganbayar Mongol Gazar Company Governing Board Chairman, Working Group Member April 13, 2007	Ts. Munhbayar Ongi River Movement Head, Working Group Member April 12, 2007
D. Batbayar Senior Advisor to Prime Minister, National Council Secretary, Working Group Chairman April 23, 2007	A. Munhbat Ivanhoe Mines Company Vice President, Working Group Member April 12, 2007	P. Batpurev Inform Center Chief Executive Officer, Working Group Member April 6, 2007
L. Zorig National Taxation Office Chairman, National Council Member March 28, 2007	A. Sandag Boroo Gold Company Deputy CEO, Working Group Member April 10, 2007	N. Dashzeveg Mongolian Producers' Union President, Working Group Member April 6, 2007
L. Bold Mineral Resources and Petroleum Authority Chairman, National Council Member	L. Davaatsedev Nuurs (Coal) Association Head, Working Group Member April 10, 2007	J. Batbold Union of Mongolian Environment NGOs President, Working Group Member
		Date:
D. Batbaatar State Professional Inspection Agency Chairman, National Council Member April 10, 2007		L. Dondog Mongolian Certified Accountants' Institute President, Working Group Member April 10, 2007

3 RESOLUTION NO. 80 OF THE GOVERNMENT OF MONGOLIA

The resolution of Government of Mongolia

Dated March 28, 2007 No. 80

Ulaanbaatar

On Approval of functions

The Government of Mongolia orders:

The functions of Governmental bodies participating in implementation of the Extractive Industries Transparency Initiative shall be approved as per attachment.

Prime Minister of State of Mongolia: M. Enkhbold

Chief of Cabinet Secretariat, Minister of State of Mongolia S. Batbold

Appendix to Governmental resolution No. 80 from 2007

Functions of Governmental bodies participating in implementation of the Extractive Industries Transparency Initiative.

1. The Central State administrative body in charge for financial subjects shall bear the following functions in relation to the Extractive Industries Transparency Initiative (EITI):
 - 1.1. It shall provide counselling and assistance to taxation and local organizations on completion of EITI reporting templates, approve instructions for public disclosure and methodology how to implement
 - 1.2. It shall instruct a National taxation administration to produce reports of each entity and reconcile them made in compliance with Reporting templates and instructions, on received taxes and payment in state and local budgets from extractive industries license holder (all forms of entities including joint venture entities with foreign investment, private investment, state property) and review reports.
 - 1.3. If the reports are done incorrectly and instruct respective bodies and officials redo them.
 - 1.4. It shall forward to EITI independent secretariat the Governmental report per each entity and nationally reconciled based on data provided by National Taxation administration.
 - 1.5. It shall inform the public on Governmental report made per each entity and nationally reconciled of taxes and payments received from extractive industries companies in state and local budgets.
 - 1.6. It shall render operational support to the National Council and Working group in direction of EITI implementation.
2. Central State administrative body in charge for geology, mining subjects shall bear the following functions in relation to the EITI:
 - 2.1. It shall promote EITI principles; criteria and significance to extractive industries license holders, enlighten and involve them in the EITI.
 - 2.2. It shall draft the amendments and modifications into existing legislation, or draft newly bill in relations to create legal framework for EITI implementation.

- 2.3. It shall render operational support to the National Council and Working group in direction of EITI implementation.
3. Central State administrative body in charge for environment subjects shall bear the following functions in relation to the EITI:
 - 3.1. It shall inform the public on whether extractive industries license holders have remitted 50% of consigned annual expenditures on protection work of environment in compliance with Mineral Law's articles 38.1, 39.1.9; on activities organized by entities on rehabilitation of natural environment, and damages to environment.
4. National Taxation Administration shall bear the following functions in regard to EITI:
 - 4.1. It shall provide all level taxation bodies, tax inspectors, respected governmental officials and officers professional methodologies in producing EITI reports, and organize.
 - 4.2. It shall receive and reconcile reports per each entity through local taxation administration and tax inspectors from aimag, capital city and respected governmental organizations in compliance with Reporting templates, on received taxes and payment in state and local budgets from extractive industries license holder and review reports.
 - 4.3. If the reports are done incorrectly and instruct respective bodies and officials redo them.
 - 4.4. It shall forward report made per each entity and nationally reconciled of taxes to Ministry of Finance, produced in compliance with templates.
 - 4.5. It shall render operational support to the National Council and Working group in direction of EITI implementation.
5. Central Customs authorities shall bear the following functions in regard EITI:
 - 5.1. It shall forward to national Taxation Administration a report on collected customs tax, VAT, special tax and service charge from extractive industries license holders, per each entity, made in accordance with indicators specified in reporting templates
6. The Administrative body in charge for minerals and petroleum subjects shall bear the following functions in regard to EITI:
 - 6.1. It shall promote EITI principles; criteria and significance to extractive industries license holders, enlighten and involve them in the EITI.
 - 6.2. It shall provide EITI reporting methodology and guidelines to top managers and accountants of extractive industries license holders.
 - 6.3. It shall forward to National Taxation Administration a report on collected license fees and other payments, service charge, per each entity, made in accordance with indicators specified in reporting templates.
 - 6.4. It will disclosure and inform the public on reconciled annual produced and sold products of extractive license holders, in compliance with relevant formats.
 - 6.5. It shall forward to EITI independent secretariat report on produced and sold products, paid taxes and payment to state and local budgets in accordance with article 48.10 of the Minerals Law, by each entity, with brief note about publications of reports.
 - 6.6. It shall render operational support to the National Council and Working group in direction of EITI implementation.
7. The State Property Committee shall bear the following functions in regard to EITI:

- 7.1. It shall promote EITI principles, criteria and significance to top managers of state owned, partially state owned, and joint venture entities having extractive industries license, and enlighten and involve them in the EITI.
- 7.2. It shall provide EITI reporting methodology and guidelines to top managers and accountants of extractive industries license holders.
- 7.3. It shall forward to National Taxation Administration a report on collected dividend of state and local properties from state, partially state owned, and joint venture entities, per each entity, made in accordance with indicators specified in reporting templates.
8. The Administrative body in charge for foreign citizens subjects shall bear the following functions in regard to EITI:
 - 8.1. It shall forward to National Taxation Administration a report on collected job fees and other payments, service charge, per each entity, made in accordance with indicators specified in reporting templates.
9. The Central State Professional Inspection agency shall have the following functions in regard to EITI:
 - 9.1. During the inspection of performance of extractive industries license holding entities it shall check EITI implementation within relevant legal framework and decisions, and inform the public.
10. The office of Aimag, Capital City, Soum and Duureg Governors shall bear the following functions in regard to EITI:
 - 10.1. Branch office of EITI implementation shall be established, shall be headed by Governor deputy from aimag, capital city and be comprised from 3 partite
 - 10.2. It shall promote EITI principles, criteria and significance to entities having extractive industries license, operating in their respective territories and enlighten and involve them in the EITI.
 - 10.3. It shall monitor on whether entities having extractive industries license, operating in their respective territories produce EITI report, and have collaboration with entities and Non-governmental organizations.
 - 10.4. Office of Soum and Duureg Governors shall produce a report on received tax, payment and various service charges, and monetary and material (vehicle, hay and etc.) donations, from entities having extractive industries license in soum and Duureg, per each entity, made in accordance with indicators specified in reporting templates, and shall forward to Aimag, Capital City Governor's office.
 - 10.5. Office of Aimag and Capital city Governors shall produce a report on received tax, payment and various service charges, and monetary and material (vehicle, hay and etc.) donations, from entities having extractive industries license in their respective territories, per each entity, made in accordance with indicators specified in reporting templates, and shall forward to National Taxation administration.
 - 10.6. It shall have actions for further stabilization of EITI implementation.

4 ARTICLES 48.9 AND 48.10 OF THE MINERALS LAW OF MONGOLIA

48.9. A license holder shall submit a report on royalties as set forth in Article 48.7.3 to the tax office, using its approved form, by 20th calendar day of the next month following the end of the quarter and an annual report by January 20th of the following year.

48.10. A license holder shall report to the public the amount of its product sales for the year and the amount of taxes and payments paid to the State and local budget during the first (1st) quarter of the following year.

5 EITIM WORK PLAN

The Mongolia EITI National council overviewed and approved at the meeting dated January 30, 2008.

Work Plan for on-going Implementation of Extractive Industries Transparency Initiative in 2008

- i. **Objective:** To implement Extractive Industries Transparency Initiative (called EITI) in effective and efficient manner through building- up the organization structure, knowledge, skills and capacity of participants of the Tripartite.
- ii. **Objectives, Measures Timeframe, Responsible party and costs:**

No.	Objectives	Measures to be implemented	Timeframe	Responsible party	Costs
I Stage. Signing up EITI					
1	The Government to make public statement and provide information on an interest to implement the EITI	-Issue press release from the National Council on auditor's report on EITI and further objectives	February 2008	Secretary of the National Council and EITI Secretariat	The Cabinet Secretariat will be responsible for costs
2	To cooperate with the Donor countries and international organizations	-Forward 2006 auditor's report, and request on 2008 work plan, and budget to International EITI Secretariat and World Bank -Exchange of information with officials from World bank on 2008 work plan and coordinate on disbursement of funds from Multi Donor Trust Fund -Make proposals to other international donors and other countries	January-March 2008	Secretariat coordinator	Daily operational expenses of EITI Secretariat
II Stage. Ensuring preparation					
A. In regard to organizational aspect					
3	Report to Members of Standing committees of Parliament of Mongolia on economic policy and Budget, Members of the Government Cabinet on EITI implementation process, results and measures to be undertaken further-on, have relevant decisions	-Prepare and submit statements on EITI achievement and work plan to relevant Standing Committees of the Parliament	February 2008	National council Working group	Government will be responsible for costs
		-Report on the EITI achievement and further actions to the Cabinet session	When necessary	Chairman of National Council Leader of working group	Government will be responsible for costs

4	National Council and Working Group to hold sessions and discuss activities to implement EITI and the measures to be undertaken further, and make decisions	-Working group shall debate following aspects -Auditor's report -Work plan draft for 2008 -Reporting templates and guidelines -Prepare reporting work - Prepare for audit	Once bi-month	Leader of working group Secretary of working group Secretariat coordinator	Government will be responsible for costs
		-Ensure preparation of meeting of National Council -Reflect opinions of members of Working group into decisions, have support -Other topics if necessary	At least once per quarter	Chairman of National Council Secretary of National Council Secretariat coordinator	Government will be responsible for costs
5	Meet with top managers of companies holding license in extractive industries, conduct exchange of views	-Work out schedule of visits and discuss - Findings of visits to submit to working group	February-March 2008	Secretariat Executive director MNMA, members	Government and Secretariat's daily operational expenses
6	Conduct study work and survey on laws and legal norms, amendments need to be done in regard to implementation of EITI and work out drafts	-Conduct survey on laws and regulations -Draft laws	2008	Representation of Ministry of Industry and Trade, Ministry of Finance Chairman of MRAM	ITM, MOF and MRAM will be responsible for costs
		-Present draft laws and regulations to sessions of Working group and National Council -Submit to sessions of Government and Parliament	2008	Representation of Ministry of Industry and Trade, Ministry of Finance Chairman of MRAM	Government and Ministries will be responsible for costs
7	Review EITI reporting templates for companies and Government, relevant guidelines	-Review reporting templates and guidelines based on recommendations given by auditor -Discuss reporting templates at Working group and support of the National council for amendments	January 2008 February 15, 2008	EITI Secretariat coordinator and member by own interest Secretariat coordinator Chairman GDNTM President of Mongolia Chartered Accountants NGO Coalition	Secretariat be responsible for costs Secretariat will be responsible if reprinting
		-Review reporting templates and guidelines based on recommendations given by auditor	January 2008	EITI Secretariat coordinator and member by own interest	Secretariat be responsible for costs

8	Effect changes in composition of National Council and Working group	-Study a possibility to supplement by representative from Anti Corruption Committee to National Council and Working group	February 2008	Leader of Working group Secretary of Working group	Cabinet Secretariat will be responsible for costs
		-Proposal will be submitted chairman of National Council and have decision, if necessary	February 2008	Secretary of National Council	Cabinet Secretariat will be responsible for costs
9	Establish and operate Secretariat full-time permanent staff with responsibility to organize and handle activities to implement the EITI	-2- person EITI Secretariat will work	A year basis	Secretary of National Council	Annual expenses USD 46.430 from MDTF
		-Daily support to National Council and Working group	A year basis	Secretariat coordinator	Annual budget
		-EITI Secretariat will produce operational and financial reports	Each quarter	Secretariat coordinator	Operational expenses
		-To audit on disbursement of grant from MDTF	A year basis	Secretariat Coordinator	USD 5000 from MDTF
B. In regard to capacity building and strengthening					
11	Organize tripartite (government, companies and non-governmental organizations) national consultations and workshops on process and future objectives of EITI implementation	-Training # 2 Ensure preparation to organize 1 day workshop and consultations on ways to implement EITI - Draft budget of workshop -Involve 120 people, from which 30 are from rural area in consultations and workshops	March 2008	National Council Working group Secretariat	USD 4.796 from MDTF - Government will bear office rent costs
12	Trainings for management and staff of selected public organizations to implement the Initiative	-Training #4 First training 80 people of which 42 from rural areas	March 2008	Secretariat	USD 3.664 from MDTF - Government will bear office rent costs
		-Training #5 Refresher training 80 people of which 42 – from rural areas	March-April 2008	Secretariat	USD 3.664 from MDTF - Government will bear office rent costs
		-Provide recommendations on capacity strengthening	April 2008	Secretariat	Secretariat
13	Trainings for top managers of companies holding license in extractive industries	-Training #6, Training for top managers In 2007 – 2- 4 times /1 time – 40 people/	March 2008	Secretariat	USD 5.128 from MDTF - Government will bear office rent costs
		-Training #8, Training for top managers in the field	3-4 times 2008	Secretariat	USD 3.996 from MDTF - Government will bear office rent costs
14	Trainings for financial managers of companies holding license in extractive industries	-Training #7, Training for financial staff of Companies - 160 people /40 – each training/ in UB and field	February-March 2008	Secretariat	USD 5.128 from MDTF - Cabinet will bear office rent costs

		-Training #1 Training for financial staff of Companies - 80-120 people in the field	3- 4 times in 2008	Secretariat	USD 4.796 from MDTF - Government will bear office rent costs
15	Counseling for companies holding license in extractive industries	-Provide counselling every time when visit the field -Organize training in selected aimags	March-April 2008	Secretariat Working group NGOs coalition	-Secretariat expenses - Transportation by MRAM
16	Experience sharing of best case of EITI	-Select national company and demonstrate at the site	March-April 2008	Secretariat Working group NGOs coalition	
17	Provide with information economic observers, correspondents of mass media	-Provide information and recommendations -Organize meeting and make introduction -Involve in process	2008 onward	Secretariat	Secretariat daily expenses
18	Observation of reporting process by Companies and Government	-Observation of reporting process by Companies and counselling -Observation of reporting process by Government and counselling	March-May 2008	Secretariat	Secretariat daily expenses
19	Organize workshop on EITI and Better Governance, Consolidate Public financial management	-Training #3 Prepare workshop 90 people, EITI, each program per 30 people, 1 day	2008	National Council Secretariat MOF Cabinet Secretariat Public Service Council	USD 3.222 from MDTF with collaborating 2 projects -Government will bear office rent costs
20	Study tour on country implementing successfully EITI	-Organize study tour , 1 from national Council, 1 from Working group, 1 from Secretariat, 1 from Company, 1 from NGO	2008	Secretariat	USD 10.000 from MDTF
C. In regard to information dissemination, promotion and experience learning /communications/					
21	Translate brochures and manuals on EITI from English and disseminate to participating companies and non-governmental organizations	-Find relevant materials -Translate -Order and print	2008	Secretariat	USD 1.300 from MDTF
		-Provide e-information to governmental organizations, companies and non-governmental organizations	From 2007	Secretariat	Secretariat
22	Frequent upgrading Mongolia- EITI website	-Upgrade and conduct service the website on regular basis and organize discussions	Every month	Secretariat	USD 640 from MDTF
23	Undertake regular promotional measures to inform on process of implementation of EITI through mass media in accordance with the special plan	-Organize TV programming on EITI and its implementation on basis of selection	April- May 2008	Secretariat	USD 11.000 from MDTF
		-Publish a series of publications in one of daily newspapers on contractual basis and organize discussions	February-April 2008	Secretariat	USD 1.500 from MDTF
		-Organize press conference	4 times a year	National Council, Working group Secretariat	Secretariat
		-Disseminate through other information channels	Regularly	Secretariat	Secretariat

24	Publish publications on laws, regulations, resolutions, reporting formats, responsibilities and duties of relevant tripartite stakeholders in regard to EITI implementation	-Compile and disseminate laws, regulations and relevant materials	March- June 2008	Secretariat	Secretariat
		-If necessary, make 600-1000 copies of such documents and distribute	2008	Secretariat	USD 1.300 from MDTF
		-Print templates and guidelines	2008	Secretariat	USD 300 from MDTF
		Print 2009 Mongolia EITI calendar	2008	Secretariat	USD 1000 from MDTF
25	Publish and promote updates and bulletins on activities to implement EITI on regular basis	-Print partially results of reports on first year activities, financial statements and auditing reports as brochures	March 2008	Secretariat	USD 500 from MDTF
26	Prepare and publish a series of brochures on "EITI-Mongolia" in English	-Make plan, collect materials, translate	December 2008	Secretariat	USD 2.000 from MDTF
III stage. Activities to implement Initiative					
A. Activities to implement initiative					
27	Conduct monitoring in EITI implementation	-Conduct monitoring in companies holding license and taxation organizations, implementing EITI -Overview monitoring findings	March- July 2008	Secretariat Working group NGO Coalition	Secretariat operational cost Costs will be born by NGO coalition and other donors
28	Each company holding license reports on paid taxes to state and local budget, disclose publicly	-Each entity produces report based on the template and disclose publicly - Companies hand over reports to MRAM and Secretariat	March- April 2008	Working group MRAM	Costs will be born by entities
29	Ministry of Finance produces Governmental report on received taxes and fees paid by companies to state and local budget and discloses publicly	-Ministry of Finance produces Governmental report based on the template on received taxes and fees paid from companies to state and local budget and discloses publicly -The report is handed over to Secretariat	March- April 2008 and each year similarly	Ministry of Finance /GDNTM, GCA, local taxation offices, other relevant organizations/	Each agency will bear relevant costs
30	Collect reports from Companies and Government	-Collect reports from both sides	March- June, 2008 and each similarly	Secretariat	
31	Select auditing organization to do auditing reports of Companies and Government and organize the auditing	-Advertise bidding, establish Evaluation Committee	Prior auditing	-Secretariat -Working group	Secretariat
		-International Audit of 2006 Reconciliation of selected 25 companies #1	December 2007- January 2008	-Working group -Secretariat	USD 103.000 from MDTF
		-International Audit of 2007 Reconciliation of selected companies	May- July 2008	Secretariat	USD 100.000 from MDTF
		-Domestic audit of 2006 Reconciliation of unselected companies	First half 2008	Secretariat	USD 7.300 from MDTF
		-Domestic audit of 2007 Reconciliation of	May-	Secretariat	USD 9.600 from MDTF

		unselected companies	September 2008		
		-Discussion auditors findings	June- August 2008	Secretariat	
		-Publication of the reports	Post audit	Secretariat	USD 500 from MDTF
32	Conduct poll on EITI and its implementation	-Define a topic for poll -Develop questionnaire	May- June 2008	Secretariat NGOs	Secretariat
		-Conduct poll -Make amendments to activities based on results of poll	Based on results of poll	Secretariat Working group	Secretariat
33	Draft work plan for 2009 in accordance with auditing reports, recommendations and results of poll	-Draft plan to implement recommendations -Discuss draft plan by National Council and working, approve and implement	December 2008	-National Council -Working group -Secretariat	
34	Exchange information with other EITI implementing countries	Information exchange Mail, post, email	Regularly	Working group	Secretariat
B. Continue implementing EITI and stabilize					
35	Specify costs of further EITI implementation and validation expenses in 2009 State budget	-Work out expenditure and rational for the State budget -Submit and overview at Working group and National council - National Council delivers budget proposal to Ministry of Finance	April- June 2008	National council Working group Secretariat	MNT 40 million in 2009 State budget
36	Work out proposal for further implementation of EITI and request to donors	- Work plan draft, proposal of request for donor -Overview and deliberation at Working group and National Council, and submit to donors	June- August 2008	Secretariat	Multi Donor Trust Fund
37	Work out proposal for further implementation of EITI and request to companies	-Write proposal and submit -Obtain grant through relevant procedure and inform the results	June- August 2008	Secretariat Mongolia National Mining Association	Other donors
C In regard to validation					
38	Prepare to international validation	-Ensure preparation in accordance with validation methodology	November- December 2008	National Council Working group NGO coalition, Companies	Secretariat
		-Have validation in- country as procedure rules	November- December 2008	National Council Working group NGO coalition, Companies	Secretariat
39	Forward request for international validation	- Obtain reference from International EITI Secretariat on international validation - Forward request for involvement in	September- October 2008 December	National Council Working group Secretariat	Secretariat

		international validation	2008		
		-Render support in validation	September- October 2008 December 2008	National Council Working group Secretariat	Allocate MNT 60 million in State budget

Expected outcomes: Creation of a climate of preventing from corruption and better mining industries revenue management is achieved through implementing Extractive Industries Transparency Initiative, disclosing in open manner taxes and payment effected by Extractive industries license holding companies to state and local budget, and received taxes and payment by the Government, and if there are any discrepancies which are verified by auditors, and that becomes like a norm.