

Motto of 2016- Make capable EITI sub-national councils

Objective 1. EITI Report and electronic reporting system will become a reliable source of real and comprehensive information about socio-economic contribution of extractive industries (mining, petroleum and uranium) and available in one place.

Justification: Nowadays, socio-economic contribution of extractive industries data such as paid taxes to state budget, extracted, produced, exported quantity and monetary values are disclosed by various Government institutions, like National Statistical Committee (NSC), Ministry of Finance (MoF), General department of Taxation (GDTA), General Customs Office (GSO), Mineral regulatory authorities (MRAM) publicly, but the data is based on various methods, not integrated in one place and incomplete. EITI standard requires that EITI report should become comprehensive, complete and reliable information source.

Challenge: The facts that a number of companies reporting for EITI is falling since 2012, data both in Government and Companies reports are not certified, that is based on audited financial data, some companies refuse to present additional information during reconciliation, and there is no procedure how to create contextual information, and then various institutions present the data differently impacts EITI report to become comprehensive one.

Expected outcome	Planned work	In charge	Time by Quarter				Time by month	Budget	
			1	2	3	4		Tugrik	Funding
Result 1: Number of reporting for EITI shall be minimum 85%;	1.1 Indoor training for all companies -100 persons, 3 times	Professional associations, MOF, MRAM, GDTA, Secretariat ¹	+				Feb-Mar	1,500,000	WB training
	1.2 On-line training of electronic reporting, updating video tutorials, handbook and place in website	Secretariat Interaktiv K ⁰²	+				Jan	Consultancy Contract	EBRD
	1.3 Advertisement on reporting	Secretariat	+				Mar	4,000,000	WB Operational
	1.4 Monitoring of reporting license holders over legal provisions to produce EITI Report, improve accountability ³	TAN ⁴	+				Apr	-	WB consultancy

¹ Mongolia EITI Secretariat

² Interaktiv- software company having contract with Adam Smith institute, which is financed by EBRD

³ Additional proposal by CSO

⁴ Coalition of Civil society organization

	1.5 Advertize benefits of EITI Report and disseminate handbooks during submitting annual reports and plans in cooperation of Government institutions	PIA ⁵ , MRAM, GDTA, Secretariat	+				Feb		WB consultancy
	1.6 Receive Companies' 2015 Report electronically	Secretariat		+			Apr	Website	WB Operational component
Result 2: In cooperation with IA and as EITI standard required, reliability and comprehensiveness of reconciled and not reconciled 2015 Report data will be improved and available publicly.	2.1 Establish Evaluation committee for selection IA for 2015 Report, production of ToRs, announce tender, evaluation and contracting	Evaluation Committee, Secretariat	+				Jan Mar	255,000,000	State Budget
	2.2 Inception report with contracted IA, verify reporting templates, scoping	WG ⁶	+				Mar	Budget of consultancy	State Budget
	2.3 Finalize with IA reporting templates, to have verified by authorities, agree procedure on collection of contextual information	WG		+			Apr	Budget of consultancy	State budget
	2.4 Indoor training of companies with most discrepancies for 2014 report, 100 persons and once	MoF, MRAM, GDTA, PAM ⁷ , KPMG ⁸ , Secretariat	+				Feb	500,000	WB training
	2.5 Indoor training of Government institutions with most discrepancies for 2014 report, 60 persons and once	MoF, GDTA, KPMG, Secretariat	+				Feb	500,000	WB training
	2.6 Organize verification by audit of Government EITI report	NAO ⁹ , Secretariat	+	+			3-4 cap	Budget of consultancy	State Budget
	2.7 Receive Government EITI 2015 Report electronically	Secretariat		+			Apr	Website	WB operational
	2.8 Production of Mongolia EITI 2015 Report, reconciling, reporting progress, drafting report by IA	WG, Secretariat		+	+	+	May-Jun Sep- Oct	Expenses of meeting, printing stationery	WB operational
	2.9 Finalizing of Mongolia EITI 2015 Report and endorsement	National Council				+	Nov	2,000,000	WB operational printing

⁵ Professional inspections agency

⁶ Mongolia EITI Working group chaired by Senior adviser to Prime Minister of Mongolia.

⁷ Petroleum authorities of Mongolia

⁸ Independent administrator for 2014 Mongolia EITI Report

⁹ National Audit office

Result 3: Update EITI electronic reporting system, operational speed and availability of information will be increased.	3.1. Under second phase of electronic reporting it will be connected with GDTA and data exchange will be available	NSC ¹⁰ , GDTA, Secretariat, Interaktiv K ^o	+				Jan-Mar	300,000 euro	EBRD
	3.2 Under second phase of electronic reporting it will be connected with MRAM and data exchange will be available	NSC, MRAM, Secretariat, Interaktiv K ^o	+				Jan-Mar		
	3.3 Improve statistical and analysis sections of electronic reporting	NSC, Secretariat, Interaktiv K ^o		+			Jun		
Sum of State budget funds								255,000,000	
Sum of WB funds								8,500,000	
Sum of EBRD funds								630,000,000	1 €=2100₮
Sum of objective 1 funds								893,500,000	

Objective 2. Data of EITI reports should be usable, has to contribute to discussions in whole extractive sectoral process beginning from granting license till disbursement of revenues.

Justification: Stakeholders underline during various meetings and discussions organized at national and local level that data in EITI report is not used properly during process of deliberation and decision making on granting new license, allocation of 30% of royalties to local development fund, approving Contract template between local authorities and companies. Mongolia EITI 2013 Report reveals that there are 1660 companies are holding exploitation and exploration licenses, and only 250 companies of them represent 94% of total revenues collected, and remaining represents only 6% means that there is very economic benefits for granting license, allocations of royalties into local development funds do not consider whether they have ongoing extractive operations, during deliberation of Contract templates the agreement disclosed are not properly analysed, therefore there is such inconsistency between policy, decision and reality. Therefore, it would be very useful to use EITI data at all level.

Challenge: There is poor participation and awareness in Parliament and Government, and EITI Report itself is too big, complicated to understand, and there are capacity and funding issues to make it simple, comprehensive, develop into per focus group needs, no guidelines for public how to use it, and subnational councils have not have any capacity to develop and not assigned to do so.

Expected outcome	Planned work	In charge	Time by Quarter				Time by month	Budget	
			1	2	3	4		tugrug	Funding
Result 4: EITI Report is used at Policy level.	4.1 Submit and discuss at Parliament, Standing committees of economic policy	Secretariat, adviser	+			+	Jan, Dec	3,000,000	WB operational

¹⁰ Natioanl Statistical Committee

	4.2 Submit and discuss at Standing committees of Budget, develop based on 2014 and 2015 reports the information and messages via group focusing like MoF, MM, Policy council of mining policy, research institute, media and etc.	Secretariat, adviser	+			+	Jan, Dec	3,000,000	WB operational	
	4.3 Develop and print summary report of 2014 and 2015, disseminating materials and posters as per focus group	Secretariat	+			+	Jan, Dec	5,000,000	WB operational printing	
	4.4 Organize official and unofficial meetings and seminar with focus group representatives (Agenda and ToRs will be developed separately)	WG, Secretariat	+	+			Jan- Jun	-	WB operational	
	4.5 Press conference, TV live discussion	WG, Secretariat	+			+	Jan, Dec	10,000,000	WB service	
Result 5: Selected 4 aimag and 6 soums will have better usage of EITI Report, capacity build-up program, methods, training modules, ToRs for subnational council will be produced.	5.1 Distinguish functions of Aimag and Soum subnational councils, issue legal decision, produce capacity build-up program, methods, training modules, ToRs for subnational council, print and distribute them	WG, Secretariat	+				Jan	1,500,000	WB printing	
	5.2 Produce capacity build-up program, methods, training modules, ToRs for subnational council, print and distribute them	WG, Secretariat	+				Jan	1,500,000	WB printing	
	5.3 Produce reactivation 2016 program of Aimag and soum EITI subnational councils, include into performance agreements of aimag Governors and organize inception workshop with stakeholders	Professional associations, Aimag Governor's office and Hurals, WG	+					Jan-Feb	20,000,000	WB training
	5.4 Baseline study of selected aimags and soums	Secretariat, Research company	+				Mar-Apr	6 000 000	WB consultancy	
	5.5 Organize focus work like better use of EITI report in selected aimags and soums	Secretariat TAN		+				Apr-Jun	8,000,000	WB printing
	5.6 Organize training on capacity build up of members of subnational councils	Secretariat, ToT ¹¹		+				Apr	10,000,000	WB consultancy

¹¹ Mongolia EITI Trainers of Trainers (about 20 persons)

	5.7 Reconciling reports of small and medium companies which have not reconciled, and print the report	Aimag audit department, Secretariat		+			May-Jun	Consultancy budget	State budget
Sum of WB funds								54,000,000	
Sum of objective 2 funds								54,000,000	

Objective 3. Advertisement of EITI, promotion work for better knowledge and skills to make stakeholder involvement more real, knowledge, understanding, improved capacity build-up, mutual understanding, cooperation and trust will be improved.

Justification: One of major principles and requirements of EITI standard is to insure equal participation of Government, Company and Civil society, and a decision must be based on consensus. Findings of survey in 2013 by EBRD funded project and pilot validation by EITI International Secretariat in November 2015 demonstrated that stakeholder explained mission by own consideration and common understanding is still not achieved. Equal participation of civil society, mutual understanding, cooperation and trust are weak at the local level and is not insured, not active involvement of Company representatives in EITI process and their poor commitment and awareness are all making EITI impact low and slow. So, through better capacity and understanding, cooperation and trust can progress, and on this note sustainability will be preserved.

Challenge: Capacity of Civil society and citizens to conduct agreements and consultations weak, participation is not sufficient and poor involvement of small and medium companies. Legal environment and financial opportunity to run subnational council is not clear. Capacity of subnational council to attract and invite stakeholders, disseminate information to public, process and develop data, have consultations are poor, and there are no instructions given directly from WG, Secretariat, and there was no feedback, involvement of small and medium companies is not insured and low capacity to implement obligations.

Expected outcome	Planned work	In charge	Time by Quarter				Time by month	Budget	
			1	2	3	4		Tugtrug	Funding
Result 6: Participation of citizens with EITI information, monitoring and capacity is increased.	6.1 Organize capacity build up training for Civil society	TAN		+			Apr-Jun	6,000,000	WB consultancy
	6.2 Organize training for media workers	Secretary8 Consultant		+			May	4,000,000	WB consultancy
	6.3 News, publications, infographics and programs will be disseminated on regular basis through central and social media tools	Secretariat	+	+	+	+	Jan-Dec	10,000,000	WB operational
Result 7: Active involvement of companies in reporting, participating in meetings	7.1 Standard of Corporate Social responsibility MNS:26001 and EITI Standard 2013 will be overviewed for possible joint application, for that program will be produced and performed.	MNMA ¹² , Secretariat		+	+	+	Apr-Dec	2,000,000	WB printing

¹² Mongolian National Mining Association

and open-days will be improved.	7.2 Organize jointly with Professional associations, CSO meetings and open-days on Transparent and accountable mining	Professional associations, CSO, subnational councils, Secretariat	+	+	+	+	Mar, Jun, Sep, Nov	20,000,000	WB training
Result 8: Active involvement of top managers of Government institutions and participation will be improved.	8.1 Formal communication with Aimag, Capital city councils will be continued;	Secretariat	+	+	+	+	Jan-Dec	Postal expenses	WB operational
	8.2 Organize meetings for introduction of EITI and progress for top chairmen of Ministries and agencies	Secretariat		+	+		May, Oct	-	WB operational
Үр дүн 9: Mutual understanding, cooperation and trust of stakeholders will be improved.	9.1 Organize national seminar with workshop for chairmen of aimag and soum subnational councils. ¹³	WG, Secretariat, Aimag councils		+			Oct	10,000,000	WB training
	9.2 Participation in 7 th EITI Conference	Delegates, Secretariat	+				Feb	34,000,000	WB training
	9.3 Meetings of Working group and technical groups	Secretariat	+	+	+	+	Quarterly	Costs of meetings	WB operational
	9.4 Develop Mongolia EITI 2020 strategy, deliberate and submit to National Council and have endorsed	WG		+			Jan-Feb	Costs of meetings	WB operational
	9.5 Organize consultative meetings, lectures jointly with donor organizations	Secretariat, Donor organizations	+	+	+	+	Quarterly	Budget of work	Donor organizations
	9.6 Support and promotion of G-4 Fast track partnership	GIZ, Secretariat	+	+	+	+	Jan-Dec	Budget of work	GIZ
Sum of WB funding							86,000,000		
Sum of other organizations funding							-		
Sum of objective 3							86,000,000		

¹³ Eastern regional conference is excluded, as there should be a consultation, and if the budget will be not sufficient if the seminar covers all the aimags and soum council representatives.

Objective 4. Insuring sustainable implementation of EITI and creation of real financial support

Justification: For the time being, there is no stand alone law on EITI, which is regulated by relevant provisions of Mining law, Nuclear energy law, Petroleum law, and law on minerals of common and wide spread, Government resolution No.222 from 2012, and memorandum of understanding concluded in 2007. As new EITI standard specifies new requirements to implement them it becomes complicated and limited within existing law environment. Therefore, Mongolia EITI and Government submitted draft law on transparency in mineral resources sector to Parliament, which will be very important document. Also, funding of reconciling is located by the Government since 2010, and grant under MDTF of World Bank finances Secretariat operational, training, advertisement and printing costs. The grants continues till end of 2015, with possible extension until 2017 with rearrangements, but not finalized yet. So, there should be study work to have more reliable and sustainable financing sources..

Challenge: Members of Parliament is delaying deliberation of draft law on transparency in mineral resources sector and ignores it. Members of Mongolia EITI National Council and Working groups have no common, unified points, and explain by own angle. CSO considers that draft has not covered regulation of priority issues, just legitimizes reporting process.¹⁴

Expected outcome	Planned work	In charge	Time by Quarter				Time by month	Budget	
			1	2	3	4		Tugrug	Funding
Үр дүн 10: Create sustainable legal environment	10.1 Organize promotion activities to introduce benefits of law on transparency in mineral resources sector	WG		+			Apr-Jun	5,000,000	WB training
	10.2 Organize passing of law on transparency in mineral resources sector by Parliament, produce relevant procedure and workplan	MM ¹⁵		+			May	-	WB Consultancy
	10.3 Include functions, financial sources of subnational councils in draft law on transparency in mineral resources sector ¹⁶	MM	+				Jan Feb	-	WB operational
	10.4 ¹⁷ Prepare for International validation, organize validation, submit final findings to National Council, have discussions	WG	+	+	+	+	Jan- Dec	Costs of meetings	WB operational
	10.4.1. Disclose application date for mineral license in cadaster system of MRAM	MRAM, Secretariat	+				Jan	-	WB operational
	10.4.2. Post Production sharing agreements in Contract transparency website	PAM, Secretariat	+				Jan-Mar	-	WB operational

¹⁴ Additional proposal by CSO.

¹⁵ Ministry of Mining

¹⁶ Additional proposal by CSO

¹⁷ Additional work planned from recommendations of Mongolia EITI Pilot Validation Report made by EITI International Secretariat, Nov 2015.

	10.4.3 Study work on State Owned Companies engaged in extractive industries	Secretariat	+				Jan-Mar	Budget of consultancy	WB consultancy
	10.4.4 Consultative with NSC, Mol ¹⁸ , MM	Secretariat			+		Sep	-	WB operational
	10.4.5 Consultative meeting with MRAM, Mongolbank, GCO	Secretariat	+				Jan-Mar	-	WB operational
	10.4.6 Discussion meeting with GDTA, MoF (Treasury and Budget Revenue departments)	Secretaryariat			+		Apr-May	-	WB operational
	10.4.7 Self assessment and include in 2015 Work plan report	Secretariat	+				Jan	Budget of consultancy	WB consultancy
	10.5 Renovate working procedure of National council, Working Group, Secretariat, subnational council, clear specification of functions and obligations	WG	+				Mar	-	WB consultancy
Sum of WB funding								5,000,000	
Sum of Objective 4								5,000,000	

Totals		
State budget	255,000,000	MNT
WB	153,500,000	MNT
EBRD	300,000	Euro
GIZ	Budget	

¹⁸ Ministry of Industries