

Statement
by the NGO Consortium on EITI in Kyrgyz Republic
Doha Conference, February 2009

Participants of the NGO Consortium on EITI in Kyrgyz Republic welcome renewed efforts from the part of the Kyrgyz government to secure progress of EITI. However, the Consortium thinks it is necessary to secure sustainable progress of the Initiative as well as guarantee accord in the work of various branches of power for greater transparency of extractive industries. We are concerned by slow progress in considering several versions of the draft law “**On Subsoil Reserves**”, and we are alarmed that the views of civil society have not been taken into account during the process.

Natural resources are becoming an important factor for all countries under continuous attacks of the world economic crisis. One of the founders of EITI, George Soros, has noted that we are witnessing a real demand boom on natural resources on world commodity markets, and prices on commodities are steadily growing for 7 years in succession. Raw materials and grain stocks have turned into assets, and financial institutions tend to use these assets more and more. Under the circumstances, we need even greater transparency and accountability of governments and companies, and uncontrollable squandering of precious resources cannot be tolerated any longer.

The NGO Consortium on EITI in Kyrgyz Republic recommends the following:

1. Any lawmaking efforts (to regulate subsoil use) should take into consideration complex specifics of this industry and extraordinary risks of placing extractive plants near towns, villages or settlements, rivers, water reservoirs, glaciers and protected natural habitats.
2. An amended law “**On Subsoil Reserves**” is destined to protect all potential affectees and to prescribe directly, without references, procedures of contests for investors and protective measures for population as well as observance of environmental standards, fair compensation and access to justice.
3. Effective and efficient measures for public participation and decision-making should be guaranteed in all EITI-related events. We are disappointed by slow progress of working out a new EITI Operational Manual and by the lack of progress in selection administrators and auditors of EITI process.
4. Mining companies and enterprises working on the territory of Kyrgyz Republic ought to transform voluntary disclosure of payments into preemptive and exhaustive informing of all stakeholders about contributions to the state budget. This would be a spectacular performance of transparency and good governance in the area of natural resources management. Such initiatives could help to fight corruption and are in compliance of IFI guidelines on disclosure policy, public consultations and anticorruption.
5. Mining contracts and agreements disclosure should become instrumental for public policy - assisting citizens in acquiring knowledge about investors’ contribution to tax, social and environmental stability and transparent resources management. Natural resources belong to present and future generations of Kyrgyz citizens, and any unfair secret trade deals exposing our natural wealth to danger cannot be justified at this stage of public awareness.

NGO Consortium on EITI in Kyrgyz Republic - coalition of civil society organizations, working on mining transparency issues and unites 23 NGOs across country .

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