









RWI Index Questionnaire: Mongolia 2012

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Indicator	Score
4.1.1	Context
4.1.1 Context	

4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score: A (B) C

Comments:

There is no SWF in Mongolia. A Human Development Fund was created in 2009 but its characteristics are different from a sovereign wealth fund or stabilization fund.

"During the previous election campaign the leading parties made promises to pay every citizen between MNT 1 million and MNT 1.5 million (around US\$ 1,200) from the prospective mining riches. To fund these promises, the 2009 Oyu Tolgoi investment agreement included frontloaded payment of future mining royalties by Ivanhoe Mines, the private investor. These payments were channelled to the specially created Human Development Fund, a general vehicle for redistribution of mining wealth and social spending. By law, the Human Development Fund is financed from mining dividends pertaining to the state and an (unspecified) part of royalty payments to the budget. The funds can be used for cash handouts to all citizens, as well as for payments linked to pensions, health care, education and housing. The law does not contain explicit provisions determining the size of payments from the Fund. The revenues and expenditures of the Fund are approved annually as part of the general budget process. In addition, Article 8 of the law contains a somewhat vague indication that every Mongolian may hold non-tradable preference shares in a state-owned legal entity, which holds strategic mining licences. The law leaves open to interpretation the exact relationship between such a holding and the Human Development Fund. As of the end of 2011, the undisbursed portion of the pre-electoral promise (net of the payments made in 2010 and 2011) amounted to around 25 per cent of the projected 2012 GDP. " (<http://www.ebrd.com/downloads/research/economics/workingpapers/wp0138.pdf>)

References:

Law of Human Development Fund;

B. Bat and Ts. Batsukh, "Some lessons of natural resource revenue management: The searching NRRM for Mongolia," Ulaanbaatar, 2010, <http://ic.ses.edu.mn/files/pdf/0202BatEn.pdf>.

EBRD paper, 2012: <http://www.ebrd.com/downloads/research/economics/workingpapers/wp0138.pdf>

Peer Review Comments:

In addition, a stabilization fund was established. deposits to this fund depend on the level of mining revenues.

4.1.1.051: What authority is responsible for the natural resource fund?

Score: A B C D (E)

Comments:

See comment on question 3.2.1.050.

References:

Law on Human Development Fund, which can be found at <http://www.legalinfo.mn/insys/lawmain.php?vlawid=51655>.

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Indicator		Score
4.2.1	Comprehensive reports	N/A
4.2.2.056	Audited reports	N/A

4.2.1 Comprehensive reports

4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score: A B **C**

References:

See comment on question 3.2.1.050.

Peer Review Comments:

Human Development Fund: Rules for the deposit are prescribed by law. As of the withdrawals, general purpose for which withdrawals can be made are published in the Human Development Fund Law and specific spending is adopted as a law annually, and published.

4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

Score: A B C D **E**

References:

See comment on question 3.2.1.050.

Peer Review Comments:

The income statement of the Human development fund is published in annual budget proposal of the government, but not comprehensive.

4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?

Score: A B C D **E**

References:

See comment on question 3.2.1.050.

Peer Review Comments:

Human Development Fund activities are reported as part of the general budget report. the report for 2010, for example, contains information on revenues and spending of the fund, both narrative and statistical information. The report is available from iltod.gov.mn, the key budget transparency website of the ministry of finance.

4.2.1.055: How often are financial reports published by the fund management or authority in charge?**Score:** A B C D **E****References:**

See comment on question 3.2.1.050.

Peer Review Comments:

HDF report is a part of general budget report.

4.2.2.056 Audited reports

4.2.2.056a: Are the fund s financial reports audited?**Score:** A B C D **E****References:**

See comment on question 3.2.1.050.

Peer Review Comments:

The reports of HDF, as part of the report for general government budget, are audited by supreme audit institution as a part of annual audit of the general budget. The report is available from National Audit Office's website, www.mnao.mn

4.2.2.056b: Are the audited financial reports published?**Score:** A B **C****References:**

See comment on question 3.2.1.050.

Peer Review Comments:

The report is available from www.mnao.mn, National Audit Office's website.

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Indicator	Score
4.3.1 Legal Framework and Practice	N/A

4.3.1 Legal Framework and Practice

4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score: A B C

References:

See comment on question 3.2.1.050.

4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score: A B C D E

References:

See comment on question 3.2.1.050.

4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

Score: A B C

References:

See comment on question 3.2.1.050.

4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?

Score: A B C D E

References:

See comment on question 3.2.1.050.

4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?

Score: A B C

References:

See comment on question 3.2.1.050.

4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B **C**

References:

See comment on question 3.2.1.050.

Peer Review Comments:

New law on conflict of interest

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Indicator	Score
5.1.1	Context

5.1.1 Context

5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?

Score: A B C D E

Comments:

30% of the royalty payment goes to local government budget, and 70% to the central government, according to the law.

Up to 50% of the special license fees are distributed to local budget, and remaining 50% is allocated to central government.

References:

Articles 58 and 59 of the Minerals Law.

5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

Score: A B C

Comments:

There is no regulation for sub-national governments on spending of resource revenue. However, up to 30% of the royalties collected at national level may be used for financing in the geology and mining sector, according to the Minerals Law.

References:

Article 58 of Minerals Law of Law - www.legalinfo.mn

Peer Review Comments:

The share of revenue allocated to the local government should not exceed the local government's budget (in other words, if the revenue is larger than the budget, the difference is mobilized into the central budget). This in effect can be viewed as a condition, and is heavily criticized by local governments.

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Indicator		Score
5.2.1	Disclosure	33 

5.2.1 Disclosure

5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?

Score: A B C

References:

Article 58 of the Minerals Law

5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?

Score: A B C D E

References:

Ministry of Finance
www.mof.org.mn

Peer Review Comments:

The sub-national govt transfers are not published by the central government. The government only publishes information on total transfers to the local governments, and the part of that would be 30 percent of royalties and 50 percent of license fees, but exactly how much of these types of payments cannot be seen from the government reports.

5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?

Score: A B C D E

References:

Ministry of Finance
www.mof.gov.mn

5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?

Score: A B C D E

References:

Ministry of Finance

www.mof.gov.mn

5.2.1.069: Do sub-national governments publish information on transfers received from central governments?

Score: A (B) C

References:

Ministry of Finance
www.mof.org.mn


Peer Review Comments:

The transfers (not only mining related revenues, but all transfers) to subnational governments are published by MoF, and not by subnational governments.

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Indicator	Score
5.3.1 Legal Framework and Practice	84 

5.3.1 Legal Framework and Practice

5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A B C

References:

Article 58 of the Minerals Law

5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C D E

References:

Budget Laws

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Indicator	Score
1.1	Context
1.1	Context

1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score: A B C D E

Comments:

Note: Mongolia holds copper, gold, coal, molybdenum, fluorspar, uranium, tin, and tungsten deposits, among others (<https://www.cia.gov/library/publications/the-world-factbook/geos/mg.html>)

References:

- 1) Article 6.1 in the Constitution of Mongolia states " The land, its subsoil, forests, water, fauna and flora and other natural resources in Mongolia shall belong exclusively to the people and be under the State protection".
- 2) Article 6.2 in the Constitution of Mongolia confirms that 'the land, except those given to the citizen of Mongolia for private possession, as well as the subsoil with its mineral wealth, forest, water resources and game shall be the property of the State'.
- 3) Article 5.1 of the Minerals Law of Mongolia states "mineral resources naturally occurring on and under the earth's surface and in natural water courses in Mongolia are the property of the State".
- 4) Therefore, 'the State, as owner of all mineral resources in Mongolia, has the right to grant exploration and mining licenses to other persons in accordance with the terms and conditions of this law' (article 5.1 of the Minerals Law of Mongolia).

1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?

Score: A B C D E

Comments:

Minerals Resources Authority has the following objectives:

1. To provide needful information to the energy and mineral resources administrative organizations of government order to develop policies of related sectors, to implement the policies and to create investment opportunities in the sector
2. To provide services relating to the exploration and mining licenses according to the Minerals Law of Mongolia.
3. To provide for government administrative organizations with leadership and human resources management.

References:

The Mineral Resources Authority of Mongolia is the government agency that grants special licenses to explore and mine natural resources in Mongolia. Its website is www.mram.gov.mn.

Peer Review Comments:

For exploration and mining of uranium products, Nuclear Energy Authority has the authority to issue licenses, according to Law on Nuclear Energy, Article 11.6.5.

But for oil exploration and exploitation, Ministry of Mineral Resources and Energy issues the licenses, in compliance with Law on Oil, Article 4.1. Given oil is not a prominent sector compared to mining, one can go with answer B.

1.1.003: What licensing practices does the government commonly follow?

Score: A B C D E

References:

1) Article 18.1 of the Minerals Law of Mongolia: An exploration license will be granted to the first applicant, who registers and files an application that meets the requirements of Articles 7.1 and 17.2 of this law are met.

Peer Review Comments:

The licenses that are revoked by the Minerals Authority should be auctioned. (Article 20 of mining law). Also, there is a moratorium on the issuance of new licenses in Mongolia, until the end of 2012.

1.1.004: What is the fiscal system for mineral resources?

Score: A B C D E

References:

Article 47.3 of the Minerals Law of Mongolia

Peer Review Comments:

Recently, the government, through a state owned company, started hiring operator companies for some deposits such as Tavan Tolgoi coal deposit, using service contracts. Predominantly, the system is royalty-tax.

1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

Score: A B C D E

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)

Peer Review Comments:

Law on Mineral Resources, 11.1.6. Also, for environmental protection plans for exploration activity, and environmental impact assessments and protection plans for mining activity, plans need to be approved by local authority and Ministry of environment, respectively.

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Indicator	Score
1.2.006 Information on licensing process	67 
1.2 Contract transparency	33 
1.2.008 Environmental and social impact assessments	33 
1.2 Access to information and legislation	67 

1.2.006 Information on licensing process

1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score: A B C D E

Comments:

General Licensing process is well explained on the government's website. The Minerals Law regulates the process of issuing and canceling special licenses. And they are published in public media such as newspaper.

If the question is related to the stability agreements or investment agreements for the strategically important mines (which are defined in the Parliament Decree No.27), the answer would be mixed. There had been at least 5 stability agreements signed as a result of negotiation between the government and mining companies in the past, very little is known in terms of its process. The only exception was the Oyu Tolgoi investment agreement, which is the largest copper and gold project in the country.

References:

- 1) Minerals Law of Mongolia
- 2) Mineral Resources Authority of Mongolia (www.mram.gov.mn)

1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A B C D E

Comments:

Very little information is available on this. As mentioned previously, some information on the process of negotiation for the Oyu Tolgoi project was published in the media. It is one of the largest copper and gold projects in the world, and is being implemented by Rio Tinto/Ivanhoes Mines.

References:

- Ministry of Finance (www.mof.gov.mn)
 Ministry of Mineral Resources and Energy (www.mrem.gov.mn)

1.2 Contract transparency

1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?

Score: A B C D E

Comments:

The only contract that was published on government websites was Oyu Tolgoi/Rio Tinto Investment Agreement.

References:

Open government website of Mongolia, where key regulations and legal documentations are published: <http://www.open-government.mn>.

Ministry of Finance website: www.mof.gov.mn

Peer Review Comments:

There have been 3 stability agreements signed by the government in the past, and all three were published on the Ministry of Finance website [\http://www.mof.gov.mn/search?lan=mn&c=139798\](http://www.mof.gov.mn/search?lan=mn&c=139798) since that ministry was in charge of signing such agreement prior to 2006. One investment agreement was signed, Oyu Tolgoi, which is a public document. However, the government has not published a shareholder agreement on Oyu Tolgoi, and also service agreement on Tavan Tolgoi coal mine. Also, in oil sector, Production Sharing Agreements are concluded with more than a dozen companies, and none of the contracts are public.

1.2.008 Environmental and social impact assessments

1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?

Score: A B C

References:

- 1) Law on the environmental impact assessment (<http://www.mongolianlaws.com>)
- 2) Ministry of Nature and Environment: www.mne.mn

Peer Review Comments:

For exploration projects, only an environmental protection plan is required, not EIA.

1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?

Score: A B C D E

Comments:

Environment impact assessments (EIA) and Detailed Environment impact assessments (DEIA) are

required to be developed under the law of environmental impact assessment prior to mining any minerals. These documents are submitted to the Ministry of Nature and Environment (MNE) for review and approval. Depending on the type and complexity of the projects, the MNE may approve, reject the project, or ask for a DEIA.

When submitting a DEIA, the applicant must include an official documentation from the Local Citizens Assembly of the administrative unit, where the project is to be implemented. The company will have introduced its project and expected activities to the local government and members of the citizens Assembly, and obtain their approval.

In terms of publishing the data, there is a government website where all the approved EIAs are stored and are available for viewing. But, very little information would be available prior to the approval.

It is very hard to provide a definite answer to this question given the current choices. It can only be answered partly.

References:

- 1) Law of environmental impact assessment
- 2) Minerals Law of Mongolia
- 3) "Guideline of environmental impact assessment" released on January 4, 2010 by a resolution of the Minister of Nature, Environment and Tourism
- 4) <http://geodata.mne-ngic.mn/eia/> (Government website, where all the approved EIAs can be viewed.)

Peer Review Comments:

Environmental impact assessments only recently have been posted on a single website. However, the EIAs are available mostly for projects which have already started. Also, the completeness of information on the website is not perfect, for example some EIAs are missing while only the conclusion of the regulatory authority on the EIA is available. Therefore, I would go with answer C.

1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?

Score: A B C

References:

Article 11.1.10 of Minerals Law

Peer Review Comments:

The cited article of the law is the requirement to the minerals authority, not to the projects. There is no requirement to do social impact assessment in the Minerals Law.

1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?

Score: A B C **(D)** E

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)
Ministry of Mineral Resources and Energy (www.mrem.gov.mn)

1.2 Access to information and legislation

1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?

Score: A **(B)** C D E

Comments:

The above two websites contain most of the legal documents, relevant laws, and government regulations in minerals resources sector.

References:

- 1) Minerals Authority of Mongolia website: <http://www.mram.gov.mn>
- 2) Ministry of Minerals and Energy website: <http://www.mmre.energy.mn>

1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.

Score: A **(B)** C D E

Comments:

The article 48.10 of the Minerals Law requires the special license holder of mineral deposit to disclose to public within the first quarter of the following year, the quantity of the sold products, amount of paid taxes and fees to state and local budgets for the previous year.

References:

- Law on Information Transparency and Freedom of Information adopted in June 2011
- Minerals Law of Mongolia

Peer Review Comments:


While FOI law was adopted last year, businesses or government agencies still have the ability to make documents 'organization's secret', preventing effective disclosure of the information.

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Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	72 

1.3 Legal Framework and Practices

1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.

Score: A B C

Comments:

Minerals Resources Authority of Mongolia works independently from a SOC.

References:

- Articles 10 and 11 of the Minerals Law of Mongolia describe the roles and responsibilities of the technical agency.
- Minerals Resources Authority of Mongolia is the government agency responsible for awarding licences to businesses that meet legal requirements. Its website is www.mram.gov.mn.

1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?

Score: A B C D E

Comments:

According to the Minerals law, licenses are issued to qualified companies in the order they apply. The companies that come first will be able to take licenses.

In April 2010, the government of Mongolia has approved a regulation on selecting special license holders through an open tendering process.

References:

- Articles 7, 17, 18 and 19 of the Minerals Law
- Regulation on selecting special license holders

1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?

Score: A B C D E

Comments:

It should be noted that the area provided to an entity with special licenses can be taken by the

government as a reserve in order 1) to re-organize the registration of special licenses, 2) to resolve the border disputes between license holders, and 3) to conduct geological survey and explore mineral resources with government's own budget.

References:

Article 13 of Minerals Law.

1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?

Score: A B C D E

References:

Article 8 in Minerals Law, describing the roles and responsibilities of State Great Hural (Mongolian Parliament).

1.3.015: Is there a due process to appeal licensing decisions?

Score: A B C

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)

1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?

Score: A B C

Comments:

No information was available on this subject.

References:

Minerals Law and other related regulations.

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Context

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Indicator	Score
2.1 Context	100 

2.1 Context

2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score: A B C

References:

Daraa oruulnaa

Peer Review Comments:

In the oil sector, in kind (profit oil) is taken by the government, but the marketing of such oil is often the responsibility of the private counterpart.

2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

Score: A B C D E

Comments:

Not applicable to the mining sector.

References:

Erdenes MGL (www.erdenesmgl.mn)

Government of Mongolia (www.pmis.gov.mn)

2.1.019: What authority actually collects payments from resource companies?

Score: A B C D E

Comments:

Payments from resource companies such as royalties and taxes are received by the Tax agency in Mongolia.

Mongolia mineral resources accounted for 30 percent of GDP, 32 percent of government revenue and 81 per cent of exports in 2010 (<http://eiti.org/news-events/tax-revenue-mongolia-mining>).

References:

Ministry of Finance (www.mof.gov.mn)
General Department of Taxation (www.mta.mn)

Peer Review Comments:














Some smaller payments such as license fees, are collected by the Minerals Authority.

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Indicator		Score
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	37 
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	53 
2.2A	Quality of reports	50 
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	33 
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	0 
2.2B	Quality of reports	67 
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	22 
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	19 
2.2C	Quality of reports	50 
2.2D.020	Does the Central Bank publish information on revenue generation?	N/A
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	N/A
2.2D	Quality of reports	N/A
2.2E.020	Does any other government agency or entity publish information on revenue generation?	59 
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	54 
2.2E	Quality of reports	67 
2.2	Public sector balance	50 

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

2.2A.020.a: Reserves

Score: A B C **(D)** E

References:

Ministry of Finance website: www.mof.gov.mn

2.2A.020.b: Production volumes

Score: A B C D E

References:

Ministry of Finance website: www.mof.gov.mn

Export quantity and taxes and fees paid by resource companies in Mongolia, 2011.

2.2A.020.c: Information on prices

Score: A B C D E

Comments:

The Ministry of Finance reports contain data on production, taxes, royalty and customs duties paid by mining companies.

References:

Ministry of Finance publishes information on revenue generation annually.
Its website is www.mof.gov.mn.

2.2A.020.d: Value of resource exports

Score: A B C D E

References:

Ministry of Finance publishes information on revenue generation annually.
Its website is www.mof.gov.mn.

Export quantity and taxes and fees paid by resource companies in Mongolia, 2011

Peer Review Comments:

The Customs office, which is the agency reporting to MOF, discloses monthly statistics on the value of export of minerals, in aggregate numbers.

2.2A.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

Ministry of Finance (www.mof.gov.mn)

2.2A.020.f: Production costs

Score: A B C D E

References:

Ministry of Finance (www.mof.gov.mn)

2.2A.020.g: Names of companies operating in country

Score: A B C D E

References:

Ministry of Finance publishes annual information on the companies including their names.

Its website is www.mof.gov.mn

2.2A.020.h: Production data by company and/or block

Score: A B C D E

References:

Ministry of Finance publishes information on production data by company annually.

Its website is www.mof.gov.mn.

2.2A.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

Ministry of Finance (www.mof.gov.mn)

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

2.2A.020.j1: Production streams value

Score: A B C D E

References:

Ministry of Finance (www.mof.gov.mn)

2.2A.020.j2: Government s share in PSC

Score: A B C D E

Comments:

No information was available.

References:

Ministry of Finance (www.mof.gov.mn)

Peer Review Comments:

Since the Index evaluates the mining sector in Mongolia, PSCs are not relevant since they are only in oil sector. For oil sector, I would choose answer D, but since it is mining, the answer would be E.

2.2A.020.j3: Royalties

Score: A B C D E

References:

Ministry of Finance website: www.mof.gov.mn

Peer Review Comments:

For royalties, the MoF publishes information on aggregate numbers in its budget documents, and they clearly contain information for the prior years.
www.iltod.gov.mn, State Budget Proposal for BY 2012.

2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

Comments:

Export quantities, taxes and fees paid by resource companies in Mongolia, are available on the Ministry of Finance website for 2011.

References:

Ministry of Finance website: www.mof.gov.mn

Peer Review Comments:

This information is available from EITI reports too and in annual budget documents.

2.2A.020.j5: Dividends

Score: A B C D E

References:

Consolidated Budget 2011, 2012 available at Ministry of Finance website (www.mof.org.mn).

Peer Review Comments:

Also in EITI reports.

2.2A.020.j6: Bonuses

Score: A B C D E

Comments:

N/A

References:

Ministry of Finance (www.mof.gov.mn)
Government of Mongolia (www.pmis.gov.mn)

Peer Review Comments:

In mining, there are no bonuses. For oil, there are bonuses, and that information is not public.

2.2A.020.j7: License fees

Score: A B C D E

References:

This information is published by Mineral Resources Authority of Mongolia (MRAM). MRAM website contains the data and its URL is www.mram.gov.mn.

Peer Review Comments:

This information is available in budget documents published by MoFinance.

2.2A.020.j8: Acreage fees

Score: A B C D E

References:

This information is not published by the Ministry of Finance. Its website is www.mof.org.mn.

Peer Review Comments:

The acreage fees (land fees) are published, but in general, not with regard to the mining sector. However, this information is available in EITI reports (assessed in questions 2.2E.020). EITI reports for the government are consolidated by MoFinance.

2.2A.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

The Ministry of Finance also publishes data on income tax, water use fee, taxes on automobiles and customs duty.

Its website is www.mof.gov.mn.

Peer Review Comments:

Payments like additional royalties are disclosed in EITI reports and budget documents.

2.2A Quality of reports

2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?

Score: A B C D E

References:

Ministry of Finance data contains the names of the companies, different types of taxes and fees paid, and production quantity.

The website is www.mof.gov.mn

2.2A.022: How often are the periodical reports containing information on revenue generation

published by the Ministry of Finance?

Score: A B C D E

References:

Ministry of Finance.

Its website is www.mof.gov.mn.

2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

2.2B.020.a: Reserves

Score: A B C D E

References:

Ministry of Mineral Resources and Energy does publish data on reserves on the 'strategically important deposits'. There are 15 such deposits which are ratified by the Mongolian parliament. And a second list is being prepared for 39 mineral deposits discovered by state-financed exploration.

The Ministry's website is www.mmre.energy.mn.

2.2B.020.b: Production volumes

Score: A B C D E

References:

Ministry of Mineral Resources and Energy publishes such data on a monthly basis.

The Ministry's website is www.mmre.energy.mn.

2.2B.020.c: Information on prices

Score: A B C D E

References:

Ministry of Mineral Resources and Energy publishes such data on a monthly basis.

The Ministry's website is www.mmre.energy.mn.

2.2B.020.d: Value of resource exports

Score: A B C D E

References:

Ministry of Mineral Resources and Energy publishes such data on a quarterly basis.

The Ministry's website is www.mmre.energy.mn.

2.2B.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

Ministry of Mineral Resources and Energy publishes data on exploration projects. They are mostly state financed programs. But, the data is not detailed enough.

The Ministry's website is www.mmre.energy.mn.

2.2B.020.f: Production costs

Score: A B C D E

References:

Ministry of Mineral Resources and Energy (www.mmre.gov.mn)

2.2B.020.g: Names of companies operating in country

Score: A B C D E

Comments:

Ministry of Mineral Resources and Energy does not publish names of the operating companies. However, Ministry of Finance does have data that contains the name of the operating companies.

References:

Ministry of Finance - www.mof.gov.mn

2.2B.020.h: Production data by company and/or block

Score: A B C D E

Comments:

Ministry of Mineral Resources and Energy (www.mmre.gov.mn) does not publish such information. However, Ministry of Finance published quantities of exported goods by resource company. It is available at www.mof.gov.mn.

References:

Ministry of Mineral Resources and Energy (www.mmre.gov.mn)
Ministry of Finance

2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

Ministry of Mineral Resources and Energy (www.mmre.gov.mn)

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue

streams?

2.2B.020.j1: Production streams value

Score: A B C D E

References:

Ministry of Mineral Resources and Energy (www.mmre.gov.mn)

2.2B.020.j2: Government s share in PSC

Score: A B C D E

Comments:

No PSC in the mining sector.

References:

Ministry of Mineral Resources and Energy (www.mmre.gov.mn)

2.2B.020.j3: Royalties

Score: A B C D E

References:

Ministry of Mineral Resources and Energy publishes data on royalties.

Its website is www.mmre.energy.mn.

Peer Review Comments:

No information was available from Ministry of Mineral Resources and Energy. This information is available from MoFinance and EITI.

2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

This information is published by Ministry of Finance in detail. However, Ministry of Mineral Resources and Energy does publish information on total production and exported goods.

Ministry of Finance website: www.mof.gov.mn

Ministry of Mineral Resources and Energy website: www.mmre.gov.mn

Peer Review Comments:

I would choose answer D.

2.2B.020.j5: Dividends

Score: A B C D E

Comments:

No information was available.

References:

Ministry of Mineral Resources and Energy (www.mmre.energy.mn)

2.2B.020.j6: Bonuses

Score: A B C D E

Comments:

N/A

References:

Ministry of Mineral Resources and Energy (www.mmre.energy.mn)

2.2B.020.j7: License fees

Score: A B C D E

References:

Ministry of Mineral Resources and Energy (www.mmre.energy.mn)

2.2B.020.j8: Acreage fees

Score: A B C D E

References:

Ministry of Mineral Resources and Energy (www.mmre.energy.mn)

2.2B.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

Ministry of Mineral Resources and Energy (www.mmre.energy.mn)

2.2B Quality of reports

2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?

Score: A B C D E

References:

Ministry of Mineral Resources and Energy

www.mmre.gov.mn

Peer Review Comments:

Statistical information showing the value and quantity of exports is an example.

2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?

Score: A B C D E

Comments:

Ministry of Mineral Resources and Energy (www.mmre.energy.mn)

References:

Ministry of Mineral Resources and Energy (www.mmre.energy.mn) does publish production data on major mineral goods, and export quantities on a monthly basis.

Peer Review Comments:

Not only export quantity, but value as well.

2.2C.020 Does a Regulatory Agency publish information on revenue generation?

2.2C.020.a: Reserves

Score: A B C D E

Comments:

Information published by the Ministry of Mines.

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)

Peer Review Comments:

The answer would be D since the agency does not publish such information.

2.2C.020.b: Production volumes

Score: A B C D E

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)

2.2C.020.c: Information on prices

Score: A B C D E

References:

Mineral Resources Authority of Mongolia does publish prices on selected commodities. Its website is www.mram.gov.mn.

2.2C.020.d: Value of resource exports

Score: A B C **(D)** E

References:

This information is published by Ministry of Finance and Ministry of Mineral Resources and Energy, and their websites are www.mof.gov.mn and www.mmre.gov.mn.

2.2C.020.e: Estimates of investment in exploration and development

Score: A **(B)** C D E

References:

Mineral Resources Authority of Mongolia publishes annual reports which include data on exploration and development financed by government. It also contains limited data on private sector investment too.

2.2C.020.f: Production costs

Score: A B C **(D)** E

References:

Mineral Resources Authority of Mongolia does not publish such data.

www.mram.gov.mn

2.2C.020.g: Names of companies operating in country

Score: A **(B)** C D E

References:

Mineral Resources Authority of Mongolia publishes a list of effective license holders, which contains the names of the companies. However, Ministry of Finance has data on the names of active companies. Their websites are respectively: www.mram.gov.mn and www.mof.gov.mn.

2.2C.020.h: Production data by company and/or block

Score: A B C **(D)** E

References:

Mineral Resources Authority of Mongolia does not publish such data. However, Ministry of Finance does produce this information.

2.2C.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C **(D)** E

References:

Mineral Resources Authority of Mongolia does not publish such data.

www.mram.gov.mn

2.2C.020.j Does a Regulatory Agency publish information on disaggregated revenue streams?

2.2C.020.j1: Production streams value

Score: A B C D E

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)

2.2C.020.j2: Government s share in PSC

Score: A B C D E

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)

2.2C.020.j3: Royalties

Score: A B C D E

References:

This information is published in the annual reports of the Regulatory agency - Mineral Resources Authority of Mongolia.

www.mram.gov.mn

2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

This information is not published by the Regulatory agency.

www.mram.gov.mn

2.2C.020.j5: Dividends

Score: A B C D E

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)

2.2C.020.j6: Bonuses

Score: A B C D E

References:

Mineral Resources Authority of Mongolia (www.mram.gov.mn)

2.2C.020.j7: License fees**Score:** A B C D E**References:**

Mineral Resources Authority of Mongolia publishes a list of special license holders, and it contains data on license fees.

www.mram.gov.mn

2.2C.020.j8: Acreage fees**Score:** A B C D E**References:**

This information is not published by the Mineral Resources Authority of Mongolia. However, it was published by Ministry of Finance, which can be found at www.mof.gov.mn.

2.2C.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**

Mineral Resources Authority of Mongolia - www.mram.gov.mn.

Peer Review Comments:

I would answer D. For instance, information on tax prepayments, carried interest for government equity etc. could have been published by the authority.

2.2C Quality of reports

2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?**Score:** A B C D E**References:**

Mineral Resources Authority of Mongolia - www.mram.gov.mn

2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?**Score:** A B C D E**References:**

Mineral Resources Authority of Mongolia (www.mram.gov.mn) does publish an annual report on its activities, and it contains some data on revenue generation including royalties collected.

2.2D.020 Does the Central Bank publish information on revenue generation?

2.2D.020.a: Reserves**Score:** A B C D E**Comments:**

No information is published on the mineral sector by the Central Bank.

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.b: Production volumes**Score:** A B C D E**Comments:**

No information was published by the Central bank.

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.c: Information on prices**Score:** A B C D E**Comments:**

Prices only on gold and silver were published by the Central Bank. No other prices were available.

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.d: Value of resource exports**Score:** A B C D E**References:**

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.e: Estimates of investment in exploration and development**Score:** A B C D E**References:**

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.f: Production costs**Score:** A B C D E

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.g: Names of companies operating in country

Score: A B C D E

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.h: Production data by company and/or block

Score: A B C D E

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

2.2D.020.j1: Production streams value

Score: A B C D E

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.j2: Government s share in PSC

Score: A B C D E

References:

Central Bank of Mongolia - www.mongolbank.mn

2.2D.020.j3: Royalties

Score: A B C D E

References:

Central Bank of Mongolia (www.mongolbank.mn)

2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)Score: A B C D E**References:**Central Bank of Mongolia - www.mongolbank.mn**2.2D.020.j5: Dividends**Score: A B C D E**References:**Central Bank of Mongolia (www.mongolbank.mn)**2.2D.020.j6: Bonuses**Score: A B C D E**References:**Central Bank of Mongolia (www.mongolbank.mn)**2.2D.020.j7: License fees**Score: A B C D E**References:**Central Bank of Mongolia (www.mongolbank.mn)**2.2D.020.j8: Acreage fees**Score: A B C D E**References:**Central Bank of Mongolia (www.mongolbank.mn)**2.2D.020.j9: Other (Explain in 'comments' box.)**Score: A B C D E**References:**Central Bank of Mongolia (www.mongolbank.mn)

2.2D Quality of reports

2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?

Score: A B C D **E**

References:

Central Bank of Mongolia (www.mongolbank.mn)

2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?

Score: A B C D **E**

References:

Central Bank of Mongolia (www.mongolbank.mn)

2.2E.020 Does any other government agency or entity publish information on revenue generation?

2.2E.020.a: Reserves

Score: A **B** C D E

Comments:

EITI Report 2010 says about reserves: "Mongolia has rich natural resources and the country's gold and copper reserves are believed to be among the largest in the world. The estimated value of total reserves in Mongolia is US\$1.3 trillion, including 1,170 mineral deposits and 7,654 occurrences that have been identified to date. These occurrences include over 60 types of minerals, primarily including copper, gold, coal, molybdenum, iron ore, uranium, tin, tungsten, silver, zinc and fluorspar."

References:

The Mongolian EITI reports will be assessed in this section. Mongolia has published 5 EITI reports covering data from 2006 to 2010. The last report was published in May 2012, covering data for the year 2010.

<http://eiti.org/mongolia-2010-eiti-report>

Peer Review Comments:

Tax office publishes historic information on aggregate mining related payments such as royalties. Also, it provides current information on prices of key mining products. It has also published EITI report for Mongolia. However, there is no information on reserves.

2.2E.020.b: Production volumes

Score: **A** B C D E

Comments:

No other agencies publish information on revenue generation.

References:

Mongolia's EITI report. Mongolia has published 5 EITI reports covering data from 2006 to 2010. The last report was published in May 2012, covers data for 2006-2010 and estimates for 2011.

<http://eiti.org/mongolia-2010-eiti-report>
Government of Mongolia (<http://www.pmis.gov.mn/>)

Peer Review Comments:

EITI reports contain information on production, but this information is not complete. However, EITI is not a government entity. National Statistical Committee (reports to the parliament - outside executive) provides information on production quantities in its annual reports.

2.2E.020.c: Information on prices

Score: A B C D E

References:

Mongolia's EITI report. The last report published in May 2012 covers data for 2010.
<http://eiti.org/mongolia-2010-eiti-report>

Government of Mongolia (<http://www.pmis.gov.mn/>)

Peer Review Comments:

Tax office publishes information on prices of minerals for tax collection purposes on a regular basis.

2.2E.020.d: Value of resource exports

Score: A B C D E

References:

Mongolia's EITI report. The last report published in May 2012 covers data for 2010.
<http://eiti.org/mongolia-2010-eiti-report>

Government of Mongolia (<http://www.pmis.gov.mn/>) Government of Mongolia
(<http://www.pmis.gov.mn/>)

Peer Review Comments:

Customs office publishes general information on the value of exports of minerals. Also, National Statistical Committee publishes such information, including disaggregation by key commodity exports.

2.2E.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

Mongolia's EITI report. The last report published in May 2012 covers data for 2006-2010.
<http://eiti.org/mongolia-2010-eiti-report>

Government of Mongolia (<http://www.pmis.gov.mn/>)
Government of Mongolia (<http://www.pmis.gov.mn/>)

2.2E.020.f: Production costs

Score: A B C D E

References:

Mongolia's EITI report.
<http://eiti.org/mongolia-2010-eiti-report>
Government of Mongolia (<http://www.pmis.gov.mn/>)

2.2E.020.g: Names of companies operating in country**Score:** A B C D E**Comments:**

EITI report mentions that 150 companies were asked to submit information, of which 128 complied. The report mentions those that facilitated the process and those companies that were slow, but doesn't provide a comprehensive list of companies operating in Mongolia nor provides further information about their activities.

References:

Mongolia's EITI report. The last report published in May 2012 covers data for 2006-2010 and forecast for 2011.

<http://eiti.org/mongolia-2010-eiti-report> Government of Mongolia (<http://www.pmis.gov.mn/>)

Peer Review Comments:

EITI reports have the list of companies operating in Mongolia.

2.2E.020.h: Production data by company and/or block**Score:** A B C D E**References:**

Mongolia's EITI report.

<http://eiti.org/mongolia-2010-eiti-report>

Government of Mongolia (<http://www.pmis.gov.mn/>)

2.2E.020.i: Cost of subsidies or social investments paid by mineral revenue**Score:** A B C D E**Comments:**

EITI report mentions Social and Health Insurance payments paid by companies. No further explanation.

References:

Mongolia's EITI report. The last report published in May 2012 covers data for 2006-2010 and forecast for 2011.

<http://eiti.org/mongolia-2010-eiti-report>

Government of Mongolia (<http://www.pmis.gov.mn/>)

2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

2.2E.020.j1: Production streams value**Score:** A B C D E**References:**

Mongolia's EITI report. Last report published in May 2012 provides data for 2010.

<http://eiti.org/mongolia-2010-eiti-report>

Government of Mongolia (<http://www.pmis.gov.mn/>)

2.2E.020.j2: Government s share in PSC

Score: A B C D **E**

References:

Government of Mongolia sources (<http://www.pmis.gov.mn/>)

Peer Review Comments:

In oil sector PSCs are used, and the government's share is not published. Since the current study covers mining sector, i would agree with the answer.

2.2E.020.j3: Royalties

Score: A **B** C D E

References:

Mongolia's EITI report May 2012 provides data for Taxes, fees and charges, which includes royalty payments known as fee for mineral exploitation, for 2010.

<http://eiti.org/mongolia-2010-eiti-report>

General Department of Taxation (www.mta.mn) published some information on the royalties paid by mining companies.

Peer Review Comments:

National Statistical Committee and National Tax Office provide information on total royalties. EITI provides information on royalties company-by-company, but as noted, EITI is formally outside the government, even if assessed here.

2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A **B** C D E

References:

Mongolia's EITI report. The last report published in May 2012 covers data for 2010.

<http://eiti.org/mongolia-2010-eiti-report>

Government of Mongolia (<http://www.pmis.gov.mn/>)

Peer Review Comments:

Information published in the EITI report 2010.

2.2E.020.j5: Dividends

Score: A **B** C D E

References:

Mongolia's EITI report. The last report published in May 2012 provides data for 2010.

<http://eiti.org/mongolia-2010-eiti-report>Government of Mongolia (<http://www.pmis.gov.mn/>)

Peer Review Comments:

Published in EITI report 2010.

2.2E.020.j6: Bonuses**Score:** A B C D E**References:**Government of Mongolia (<http://www.pmis.gov.mn/>)**Peer Review Comments:**

For oil sector, bonuses exist, but they are not published. However, since the study focuses on mining, I would agree with the researcher.

2.2E.020.j7: License fees**Score:** A B C D E**References:**

Mongolia's EITI report. May 2012 covers data for 2010.

<http://eiti.org/mongolia-2010-eiti-report>Government of Mongolia (<http://www.pmis.gov.mn/>)**Peer Review Comments:**

National Statistical Committee publishes such information. EITI reports also contain this information.

2.2E.020.j8: Acreage fees**Score:** A B C D E**References:**

Mongolia's EITI report.

<http://eiti.org/mongolia-2010-eiti-report>Government of Mongolia (<http://www.pmis.gov.mn/>)**Peer Review Comments:**

National Statistical Committee and Tax Office publish information on land fees, but not traceable to mining sector.

2.2E.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**Government of Mongolia (<http://www.pmis.gov.mn/>)

2.2E Quality of reports

2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?**Score:** A B C D E

Comments:

The answer depends on each agency. EITI reports are comprehensive and understandable while the reports published by the National Statistical Office and Tax Office list items without explanation, references or comparisons.

References:

Mongolia's EITI report. The last report published in May 2012 covers data for 2006-2010 and forecast for 2011, provides ample explanation of methodology and background information for the mining sector.
<http://eiti.org/mongolia-2010-eiti-report>
 Government of Mongolia (www.pmis.gov.mn)

2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?

Score: A B C D E

Comments:

Frequency of publication depends on the agency.

References:

Mongolia's EITI report. The last report published in May 2012, reports have been published covering data for 2006-2010.
<http://eiti.org/node/76/reports>
<http://eiti.org/mongolia-2010-eiti-report>
 Government of Mongolia (www.pmis.gov.mn)

2.2 Public sector balance

2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C D E

References:

Ministry of Finance (www.mof.gov.mn)

Peer Review Comments:

The government prepares two reports at the end of the fiscal year, one on budget, and the other on financial position of the government. The latter includes information on SOEs. However, this report is not made public, and only the report of the auditor on the financial position of the government is made public by the national audit office.

2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C D E

Comments:

No natural resource fund.

References:

Ministry of Finance (www.mof.gov.mn)

2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?

Score: A B C

References:


Ministry of Finance (www.mof.gov.mn)

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2.3 Legal Framework and Practices

2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score: A B C D E

References:

General Department of Taxation (www.mta.mn)
Ministry of Finance (www.mof.gov.mn)

Peer Review Comments:

Some smaller payments such as license fees are collected by minerals agency.

2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score: A B C D E

References:

General Department of Taxation (www.mta.mn)
Ministry of Finance (www.mof.gov.mn)

2012 Budget Proposal (www.iltod.gov.mn)

2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or projects?

Score: A B C

Comments:

Although these officials are not required to disclose information on their interests in extractive sector, they have to declare their income and assets to the Anti Corruption Agency.

References:

Anti-corruption law; Law of government employees (www.legalinfo.mn)

Peer Review Comments:

Most recently, from May 1, 2012, a new law on conflict of interest was adopted requiring disclosure of such conflicting interests.

2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?

Score: A B C D E

Comments:

According to the state audit law, the National Audit Office has the responsibility to review and conduct audits on use and disbursement of government revenue including that received from natural resource companies.

References:

National Audit Office (www.mnao.mn)

State Audit Law (www.legalinfo.mn)

2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?

Score: A B C D E

Comments:

National Audit Office conducts audits annually on government budget and its performance, where there is a section that deals with resource revenues and their use. This report is available for public view at the organization's website. However, there is no detailed audit report conducted solely focusing on the resource revenues.

References:

National Audit Office (www.mnao.mn)

Audit Report on 2010 Mongolia Government Budget Performance

2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?

Score: A B C D E

Comments:

The Budget Committee of the Mongolian Parliament reviews the audit report conducted by National Audit Office on state budget annually. It does not solely scrutinize resource only revenue, rather it reviews overall revenues.

References:

Budget Committee of the Mongolian Parliament (www.parliament.mn)

Law of Mongolian Parliament (www.legalinfo.mn)

Peer Review Comments:

Usually the review happens within one year period after the audit report was prepared.

2.3.032: Is this country an EITI candidate or compliant country?

Score: A B C D E

References:

EITI 13th Board Meeting, Dar Es Salaam, 19-20 October 2010

http://eiti.org/files/Minutes_of_the_13th_Board_Meeting.pdf

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Indicator		Score
3.1.1	Context	100 

3.1.1 Context

3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score: A B C D E

Comments:

Erdenes MGL is a state-owned company with a mission to operate as the special license holder for exploration and mining of the strategically important mineral deposits as well as deposits discovered and explored with state finances. It also aims to receive and administer the dividends made by corporations for the shares owned by the state.

References:

Website of Erdenes MGL LLC, the state owned company
Its website is www.erdenesmgl.mn.

3.1.1.034: How is government ownership of resource companies structured in this country?

Score: A B C D E

Comments:

Erdenes MGL is the 100% state owned company that is responsible for the ownership and management of the strategically important mines on behalf of the Mongolian government and present the state's interest in the large projects.

According to the Article 5.4 of the Minerals Law, the state may participate up to 50% jointly with a private entity in mining of strategically important mineral deposits, explored with state funds.

The Article 5.5 notes that the state may own up to 34% of the shares of an investment to be made by a special license holder in a strategically important mineral deposit, where proven reserves were determined through private financing. For instance, the government of Mongolia owns 34% of the Oyu Tolgoi Copper Project which is being implemented by Rio Tinto.

References:

Ministry of Mineral Resources (www.mrem.gov.mn);
Ministry of Finance (www.mof.gov.mn)
Mineral Resources Authority of Mongolia (www.mram.gov.mn)
Minerals Law

3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score: A B C

Comments:

There are several state owned companies operating in mining, for instance Erdenet (Mongolian-Russian Joint Venture), Baganuur (coal mine, majority owned by the government), Monrosvetmet (another Mgl-Russian joint venture), Erdenes Tavan Tolgoi (coal). The government wants to consolidate all the govt's shares in strategic mines in Erdenes MGL – kind of a holding company.

References:

Erdenes MGL LLC - <http://erdenesmgl.mn/>

Ministry of Mineral Resources & Energy - www.mrem.gov.mn

Mineral Resources Authority of Mongolia - www.mram.gov.mn

3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social expenditures (quasi-fiscal activities)?

Score: A B C






References:

Erdenes MGL - www.erdenesmgl.mn

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Indicator		Score
3.2.1	Comprehensive reports	0 
3.2.2.038	Does the SOC publish information on revenue generation?	0 
3.2.3.038.j	Disaggregated Revenue Streams	0 
3.2.4	Quality of reports	0 
3.2.5.043	Audited reports	0 

3.2.1 Comprehensive reports

3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score: A B C D E

References:

Erdenes MGL - www.erdenesmgl.mn

3.2.2.038 Does the SOC publish information on revenue generation?

3.2.2.038.a: Reserves

Score: A B C D E

References:

Erdenes MGL - www.erdenesmgl.mn

Ministry of Mineral Resources and Energy - www.mmre.mn

No information was available.

3.2.2.038.b: Production volumes

Score: A B C D E

References:

Erdenes MGL www.erdenesmgl.mn

Ministry of Mineral Resources and Energy - www.mmre.gov.mn

Ministry of Finance - www.mof.gov.mn

3.2.2.038.c: Information on prices

Score: A B C **(D)** E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.2.038.d: Value of resource exports

Score: A B C **(D)** E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.2.038.e: Estimates of investment in exploration and development

Score: A B C **(D)** E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.2.038.f: Production costs

Score: A B C **(D)** E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.2.038.g: Names of companies operating in country

Score: A B C **(D)** E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.2.038.h: Production data by company and/or block

Score: A B C **(D)** E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.2.038.i: Quasi fiscal activities**Score:** A B C **(D)** E**References:**

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j Disaggregated Revenue Streams**3.2.3.038.j1: Production streams value****Score:** A B C **(D)** E**References:**

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j2: Government s share in PSC**Score:** A B C D **(E)****Comments:**

No PSC.

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j3: Royalties**Score:** A B C **(D)** E**References:**

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j4: Special taxes**Score:** A B C **(D)** E**Comments:**

No information was available.

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j5: Dividends

Score: A B C D E

Comments:

No information was available.

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j6: Bonuses

Score: A B C D E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j7: License fees

Score: A B C D E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j8: Acreage fees

Score: A B C D E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.3.038.j9: Other (Describe below)

Score: A B C D E

References:

Erdenes MGL www.erdenesmgl.mn
Ministry of Mineral Resources and Energy - www.mmre.gov.mn
Ministry of Finance - www.mof.gov.mn

3.2.4 Quality of reports

3.2.4.039: Are the reports published by the state owned company understandable?

Score: A B C D E

References:

Erdenes MGL www.erdenesmgl.mn

Ministry of Mineral Resources and Energy - www.mmre.gov.mn

Ministry of Finance - www.mof.gov.mn

3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?

Score: A B C D E

References:

Erdenes MGL www.erdenesmgl.mn

Ministry of Mineral Resources and Energy - www.mmre.gov.mn

Ministry of Finance - www.mof.gov.mn

3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?

Score: A B C

References:

Erdenes MGL www.erdenesmgl.mn

Ministry of Mineral Resources and Energy - www.mmre.gov.mn

Ministry of Finance - www.mof.gov.mn

3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?

Score: A B C

References:

Government of Mongolia - <http://www.open-government.mn/>

Ministry of Mineral Resources and Energy - www.mmre.gov.mn

Ministry of Finance - www.mof.gov.mn

3.2.5.043 Audited reports

3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?

Score: A B C D E

References:

Erdenes MGL - www.erdenesmgl.mn
National Audit Office - www.mnao.mn

3.2.5.043.b: Are SOC audited reports published?

Score: A B C **(D)** E


References:

Erdenes MGL - www.erdenesmgl.mn
National Audit Office - www.mnao.mn

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Indicator	Score
3.3.1 Legal Framework and Practice	40 

3.3.1 Legal Framework and Practice

3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

Score: A B C

References:

Article 12 of the Human Development Fund Law requires that the state owned company publish its activities and financial information through daily press bi-annually.

3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A B C

Comments:

No information was available.

References:

Erdenes MGL - www.erdenesmgl.mn
Ministry of Finance - www.mof.gov.mn

Peer Review Comments:

Mongolia is in the transition process to the international accounting standards.

3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

Score: A B C

Comments:

No information was available.

References:

Erdenes MGL
Ministry of Finance

3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B C

References:

Erdenes MGL (www.erdenesmgl.mn)
Anti corruption Law

Peer Review Comments:

A new law on conflict of interest is effective from may 1, 2012. According to this law, officials should prepare their conflict of interest statements.

3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?

Score: A B C

References:

Erdenes MGL Company (www.erdenesmgl.mn)

3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?

Score: A B C

References:

Erdenes MGL Company (www.erdenesmgl.mn)

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