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**WWF Mongolia
Programme Office**

Amar str-4,
SBD,khoroo-8,
P.O.Box-115
Ulaanbaatar-210620A
Mongolia

Tel: +976 11 311 659
Fax: +976 11 310 237
E-mail: Chimed@wwf.mn
Barbara@wwf.mn
Website: www.wwf.mn

Application for ADB Small Grant to Civil Society Initiatives Against Corruption

(ADB - Partnership For Transparency Fund)



Project Name:	Public Monitoring of Corruption in the Mongolian Mining Sector
Project Location:	Mongolia
Project Goal:	Primary goals of the project are to monitor the implementation status of the recently revised Mongolian laws on mineral resources and anti-corruption, to inform the public, and make advocacy for further improvements in the legislation of the mining sector.
Originator of Proposal:	Chimed-Ochir and Barbara Schichler
Department and Organisation:	WWF Mongolia Programme Office
Project period:	1 year
Total budget:	21'500 US Dollars
Proposal submission date:	15 November 2006

A. INSTITUTIONAL BACKGROUND INFORMATION

Mission of our Organization:

It is WWF Mongolia's mission to protect Mongolia's nature by ensuring a safe home for wildlife, and for Mongolia's people to enjoy a quality of life for generations to come and live in harmony with nature.

WWF Mongolia implements its conservation programme, focusing on two eco-regions or global hot-spots identified by the Eco-regional approach (Global 200 Eco-regions): one is the Altai-Sayan mountain region in western Mongolia, and the other is the Daurian Steppe in eastern Mongolia. In order to achieve the goals and objectives specified in the conservation program, WWF Mongolia applies integrated and holistic approaches, such as establishing exemplary Integrated River Basin Management (IRBM) sites, increasing and strengthening the coverage of protected areas that are habitats for endangered species (snow leopards, argali, and saiga antelope), breaking open the chain of illegal trade and poaching for wildlife, practically demonstrating community-based natural resource management concepts on argali trophy hunting, improving Environmental Impact Assessment (EIA) procedures, promoting nation-wide advocacy of environmentally sound mining practices (with the concept of 'Responsible Mining') and supporting local environmental movements through participatory approaches for improved environmental governance.

Legal status:

WWF Mongolia Programme Office is a branch of WWF International. The launch of WWF Mongolia conservation projects in Mongolia dates back to 1992, with an official opening of the WWF Project Office at the request of the Mongolian Ministry for Nature and Environment. With subsequent upgradings in 1997 and 2003, WWF Mongolia has since obtained a status of an independent international NGO operating in Mongolia, steadily gaining a positive reputation throughout the country.

Organization and management:

With a main office located in Ulaanbaatar (capital city of Mongolia) and a field-office in Khovd (western Mongolia), WWF Mongolia Programme Office strives to optimize its organizational structure for effective delivery of conservation program outputs. Altogether, WWF Mongolia Programme Office is staffed with 18 professionals.

The WWF main office in Ulaanbaatar is engaged in the overall management of conservation programme in Mongolia by providing expertise in conservation policy, project management, fundraising and communication, and management of human and financial resources. The WWF field office is staffed with six local community representatives that have a high-level understanding of local specifics. WWF Mongolia's on-ground field conservation projects reaching out to a critical mass of people who are supposed to safeguard their environment and nature is of major significance for the conservation work carried out by WWF Mongolia.

Please consult our website for additional information on WWF Mongolia Programme Office, at: www.wwf.mn

B. DESCRIPTION OF PROPOSED PROJECT - including OBJECTIVES AND ACTIVITIES

Background and Challenge

Mining has become a major source of employment, foreign exchange, and a steadily increasing percentage of the GDP in Mongolia. Mining is believed to make up 80% of the GDP in Mongolia presently (2006). The rapid expansion of the mining sector combined with the lack of regulatory enforcement, however, has resulted in the violation of many laws designed to protect Mongolia's natural resources. In areas where mining has been initiated, numerous social impacts emerge and the devastating effect on the environment is great. The rapid expansion in the mining sector has increasingly become a major source of corruption (Assessment of corruption in Mongolia, USAID final report, 2005). In order to mitigate negative impacts of mining and to decrease corruption in the mining sector, proper implementation of the recently revised mineral and anti-corruption laws (June 2006) are extremely important.

Joined forces for Responsible Mining

WWF Mongolia Programme Office supports and co-operates with the *Alliance of the River Movements* (including 15 organizations) and the *Center of Human Rights and Development (CHRD)* (see annex 1: partner organizations). Jointly, we advocate for *responsible mining* practices and basic principles in the mining sector. This includes transparency and public participation in decision-making process (i.e. as regards licenses for exploitation and exploration of mineral resources, licenses for almost half of the country's area have already been issued), open access to information for the public (public control), increasing responsibilities of mining companies for environmental damages, improved Environmental Impact Assessment (EIA) procedures, etc. The past has shown that some of our suggestions have been taken into consideration as proves the recent revision of some mineral resource laws in Mongolia. Our common striving for *responsible mining* in Mongolia, led WWF Mongolia together with the Alliance of River Movements and the CHRD to jointly sign a cooperation agreement for the next three years on the introduction of a *Framework for Responsible Mining* in Mongolia. (For more info: www.frameworkforresponsiblemining.org).

Corruption in the Mining Sector - Revised Laws call for proper Implementation

Most of the corruption happening in the mining sector can be found in the license system (the way mining concessions are issued) and in the resource allocation of companies for regeneration activities (money reserved for reclamation). Compared to the old law (1997), new amendments made in the mining law have improved in terms of public participation and access to information. This project aims at registering these licenses and examine how these licenses are issued for mineral resource exploration in selected areas. Thereby, a special focus on gold mining will be given (selection of 3 major gold mining areas) and all procedures that are required for a company to get a mining license according to the law will be documented. In case of irregularities (corruption), more detailed assessments to exactly detect failures in the system will be conducted, and further steps to try and prevent them will be initiated.

Collaboration with the Government

The government issued the anti-corruption law, and it also ratified the UN convention on anti-corruption. For this proposed project indeed, it is very important and necessary to work together with some government agencies, especially with the Ministry for Nature and Environment (MNE). The MNE is responsible for the Environmental Impact Assessment (EIA). (The law on EIA regulates regeneration

activities and resource allocation for regeneration). Also, this projects involves collaboration with the Professional Inspection Agency, which is responsible for the monitoring and inspection of the implementation of laws, and with the National Authority for Anti-corruption (will be established in November 2006).

Goals and Objectives

Primary goals of the project are to monitor the implementation status of the recently revised Mongolian laws on mineral resources and anti-corruption, to inform the public, and make advocacy for further improvements in the legislation of the mining sector. In order to achieve these goals, the project has three major objectives:

Objective 1: Knowledge of the public on the revised mineral resource and anti-corruption laws is increased and public monitoring strategy developed.

In order to achieve this objective, we are preparing information materials (hand-outs, teaching kits and video materials) on legislation acts, including information on mineral resource exploration and exploitation, and anti-corruption. These materials will be disseminated to the public through mass media and at public meetings, where River Movement organizations are active. Also, we will train 5 resource people of three selected River Movement organisations (three gold-mining sites) during a 1-week workshop. An exact public monitoring strategy will thereby be developed together with these people who are actively involved and have local knowledge in their respective mining areas. These resource people will give seminars, hold meetings and disseminate information on mineral resources and anti-corruption.

Objective 2: Implementation status of both mineral resource and anti-corruption laws are actively monitored through the public.

In order to achieve this objective, we will establish an effective public monitoring system at local and national level that includes active involvement of the public. The exact monitoring strategy will be worked out during a workshop with 5 selected resource people from three different River Movement organisations/sites (see objective 1). The monitoring process will be carried out at a local level in three selected mining areas where these respective organizations of the Alliance of the River Movements are active. These organizations will take necessary actions (media campaign, inform relevant authorities and legal processes) if cases of violation against these laws occur.

Objective 3: Recommendation for improved implementation of legislations on mineral resources and anti-corruption is developed and disseminated.

In order to achieve this goal, we will collect information allowing for the justification of the desired legislative improvements, conduct necessary advocacy work, and develop actual recommendations that shall be submitted to the authorities for approval.

D. MONITORING PLAN

Outputs	By when	Means of verification
Resource materials are available for resource persons and the public	End of M1	Published resource and hand-outs
Strategy of effective monitoring is elaborated and agreed with partner organizations (CHRD, river movements and their lawyers)	End of M1	Strategy and detailed activity plan including clear role and responsibilities of all involved institutions
Selected resource persons on the sites are trained for the monitoring of mining and anti-corruption law enforcement	End of M1	5 people from three selected areas (River Movement organisations) have been trained (altogether approx. 15 people)
Monitoring of law enforcement through river movement organizations in 3 selected sites (Tob Aimag, Selenge Aimag, Arkhangai Aimag)	every three months (end of M3, M6, M9, and M12)	Quarterly progress reports
Public knowledge on mining and anticorruption laws is increased (also on national level - through TV broadcasting)	1 st survey after M1, and 2 nd survey after M11	Questionnaire survey in 3 target areas (Tob Aimag, Selenge Aimag, Arkhangai Aimag)
Recommendation for improvements are elaborated and disseminated to decision-makers	M12	Recommendations to Decision-Makers and national seminar

D. REPORTING AND AUDIT

WWF Mongolia Programme Office will be responsible for the overall management of the project, which includes financial management, writing quarterly and final reports and conducting audits through an independent audit company. A short description including role and responsibilities of WWF Mongolia's partner organizations are given in Annex 1.

WWF will submit technical and financial reports at the end of every quarter according to an agreed format and standard to the Partnership for Transparency Fund. Also, we will provide final technical and financial reports, including audit reports to the donor within one month after termination of the project.

Contact

details:

WWF

Mr. B.Chimed-Ochir, Director of WWF Mongolia Programme Office;
Phone: 976-11-311659, 318447; Fax: 976-11-310273; Email: chimed@wwf.mn

CHRD

Ms. G.Urantsooj, Executive Director of Center for Human Right and Development;
Phone/Fax: 976-11-325721; Email: urantsooj@mongolnet.mn

ANNEX 1: SHORT DESCRIPTION OF PARTNER ORGANIZATION, AND THEIR ROLE AND RESPONSIBILITIES IN THE PROJECT IMPLEMENTATION

The Center for Human Rights and Development (CHRD):

The Center for Human Rights and Development (CHRD) was established in 1998 by a group of human rights activists and lawyers. It is an independent non-governmental, non-partisan and non-profit organization registered under the Mongolian law on NGOs. The mission of CHRD is to contribute in promotion and protection of human rights and promoting social justice in Mongolia.

Current activities are:

Combating against trafficking in Mongolia, promoting the establishment of effective mechanism for promoting human rights and protecting economic social and cultural rights; One example of the competence of the organization in mineral sector is that CHRD is providing legal assistances for River Movements in justice (public court) cases in Arkhangai and Dornod provinces.

For more information on the CHRD, please consult the following website:
<http://www.chrd.org.mn>

CHRD's role and responsibilities in the proposed project:

- They develop education materials and conduct trainings for selected resource people of three selected River Movement organisations;
- they provide legal assistance and documentation in cases where violation of laws occur; and
- they provision of legal expertise in seminars and workshops.

Alliance of River Movements:

There is growing public concern that environmental issues are not taken into consideration and that man, livestock and wildlife suffer from toxic waste and habitat destruction, resulting from badly managed mining operations. In order to stop or change irresponsible mining practices, several civil movements were established in mining areas, such as "Onggi-River Movement", "Zaamar-Toson", and "Ariunsuvraga", etc. with the objective to stop, or change current operations into environmentally acceptable practices. Recently, these movements have joined and established an *Alliance of River Movements* for a joined effort to protect nature and environment. Meanwhile, the Alliance includes 15 different community river movements from 14 provinces of Mongolia.

The Alliance of River Movements' role and responsibilities in the proposed project:

- Each organization of the Alliance of River Movements conducts public-awareness and education activities on legislations of mineral resources and anti-corruption among the public in their respective geographic area of work;
- they work as 'public watch' in their regions and mobilize the public to monitor the laws;
- they collect means of evidence and inform authorities in case corruption and violation of laws occur; and
- they protect public interests in court if necessary.