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# Report for the Government Working Group

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SECRETARIAT OF THE GOVERNMENT OF MONGOLIA

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## PART ONE

OVERVIEW AND DRAFT METHODOLOGY  
FOR SOCIAL IMPACT ASSESSMENT

## PART TWO

LEGAL REVIEW REPORT AND  
RECOMMENDATIONS FOR SOCIAL  
IMPACT ASSESSMENT

Ulaanbaatar, Mongolia  
Oxford, United Kingdom  
2020

Overview and draft methodology for social impact assessment and the legal review report and recommendations for social impact assessment:

Report for the needs of the working group of the Government of Mongolia

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Ulaanbaatar, Mongolia  
Oxford, United Kingdom

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We trust that this report will be the first step in contributing to the development of a 'Social Impact Assessment' methodology for the Mongolian mining sector. This draft Social Impact Assessment methodology and its legal review and recommendations were developed and adapted to the Mongolian context in collaboration with Mongolian national consultants, researchers from the University of Oxford, and international experts, in accordance with the specifics of Mongolia.

The Cabinet Secretariat established a working group on February 14, 2020 to implement Article 7 of the Law on Environmental Impact Assessment and develop a methodology for conducting the Social Impact Assessment. The Cabinet Secretariat of the Government of Mongolia and the University of Oxford are aiming at developing a methodology for conducting an independent and evidence-based social impact assessment in accordance with international standards, focusing on achieving the Sustainable Development Goals and inclusive development, through active collaboration between the Gobi Framework Project of the School of Geography and the Environment of the University of Oxford and Steps Without Borders NGO.

This report has been prepared for the needs of the working group and is the beginning of the future work that will be improved and finalised through the stakeholder inputs, discussions and testing.

I would like to express my sincere gratitude to Ms. Münkhtseren.Sh., Head of the Sectoral Management and Coordination Department of the Cabinet Secretariat, Mr. Bayarsaikhan.N., Head of Steps Without Borders NGO, the Mongolian consulting team, the international experts, and the participants of the discussions and meetings, for their great efforts and contribution to making this work a reality.



Dr. Ariell Ahearn

School of Geography and the Environment,  
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## Acknowledgements

By order No.28 of the First Deputy Chief of the Cabinet Secretariat of Mongolia, Ganbat.B, dated February 14, 2020, a working group was established to study and develop proposals on issues related to the identification of the area of impact of mining and petroleum activities affecting the normal life of the population and urban areas, as well as resettlement and compensation, and Münkhtseren.Sh, Head of the Sectoral Management and Coordination Department of the Cabinet Secretariat, was appointed as the leader; Münkhtür.B, Head of the Geology and Mining Policy and Coordination Department of the MMHI, Tsogtsaikhan.P, Head of the Environment and Natural Resources Management Department of the MoET, Batbayar.N, Head of the Environment, Geology and Mining Inspection Department of the GASI, and Bayarsaikhan.N, representative of the Gobi Framework Project and Head of Step Without Borders NGO were appointed as members; and Bold.D, an officer of the Sectoral Management and Coordination Department of Secretary of the Cabinet Secretariat was appointed as the secretary. In the course of its collaboration with the University of Oxford, the Gobi Framework Project (Говийн Загвар төсөл) and Steps Without Borders NGO, the working group concluded that Social Impact Assessment is a comprehensive set of measures and processes, and that the resettlement and compensation measures are only one part of the Management Plan, which is developed after the Social Impact Assessment Methodology is finalised, to take measures to prevent negative impacts of a project on individuals, families and society, to support positive impacts, and to restore violated rights.

Based on this conclusion, the University of Oxford and the Gobi Framework Project selected a team of national consultants, and from May 25, 2020, a support team consisting of researchers from the University of Oxford and the University of Zurich, as well as researchers working in the field of Social Impact Assessment, was formed to work for a total of four months. We submitted our final report to the Cabinet Secretariat on September 25. We would like to thank the Cabinet Secretariat working group that collaborated with Steps Without Borders NGO to provide support in organising an online training on social impact assessment in Mongolia through the University of Oxford, dispatching the consulting team to rural areas, and organising meetings and discussions with ministries and agencies.

Through a total of 12 meetings and discussions with the participation of representatives from the MoET, MMHI, MoLSP, MRPAM, GASI, authorised ESIA companies, mining license holder EEOs, experts from the ESIA Technical Committee of the MoET, residents of the area of impact, local government officials, and civil society organisation, the consulting team listened to the comments and suggestions from over 200 people, compiled 136 comments and suggestions, and included them in 1) the draft methodology for social impact assessment and 2) the legal review and recommendations for social impact assessment (see the list of comments and suggestions for more details).

Social impact assessment is one of the innovative regulations that have been developing as part of environmental impact assessment at the international level for about 50 years. This work is being done to some extent in Mongolian practice, but there is no detailed legal regulation or clear assessment methodology. Considering that Mongolian researchers, policy makers, and assessment companies are all new to this field and are still learning about social impact assessment, the consulting team followed the following principles in drafting the methodology. These include, **first**, reviewing current regulations of relevant national laws, regulations, and methodologies and developing legal recommendations for further improvement; **second**, considering both negative and positive changes and impacts when assessing social impacts; **third**, learning from international standards and best practices, and complying with internationally recognised common values of human rights and business ethics; **fourth**, developing a methodology that is compatible with the national characteristics of the harmonious development of minerals sector businesses and nomadic culture and heritage in

the same field and that can serve as a regulatory basis with a clear and easy-to-use methodology; **fifth**, focusing on the continuous improvement of the methodology, reflecting the views and recommendations of a number of stakeholders, such as governmental and professional organisations in the sector, companies, local communities, local governments, international and national researchers, civil society representatives and experts.

The Consulting Team emphasises that the draft Social Impact Assessment Methodology needs to be further improved without compromising the existing framework, as recommended by the legal environment review. The consulting team developed the methodology based on its own research and experience, discussions with stakeholders, and individual and focus group meetings, in addition to conducting the following activities: (1) A detailed study of national legal documents, procedures and methodologies related to assessment, as well as a desk review of international best practices, legislation, methodology, and related research articles and works. At this stage, options appropriate to the Mongolian context were identified by reviewing internationally accepted methodologies and identifying their strengths and weaknesses. (2) The review of research papers and best practices provided a general model for the Social Impact Assessment Methodology, but the content and accuracy of literatures varied. Therefore, based on their joint research, the team members further developed the model, adhering to the recommendations and methodologies from the International Association for Impact Assessment, as well as basic principles of human rights and international treaties and conventions on social, environmental and trade issues. (3) In order to assist and facilitate the work of stakeholders in conducting a Social Impact Assessment in Mongolia, a suitable and usable methodology for the assessment has been identified and included in this report. We presume that the social impact assessment will be conducted by an authorised economic entity registered in Mongolia, in collaboration with local representatives. Moreover, we have sought to ensure that the stages of the assessment and the corresponding methods are appropriately understood by all parties, taking into account the different capacities of the parties to conduct the impact assessment. Furthermore, at this stage, the general and operational principles to be followed in conducting a social impact assessment have been explored in detail, and the principles and framework that must be followed in Mongolia have been identified.

We would like to express our sincere gratitude to Dr. Ariell Ahearn, Course Director of the MSc/MPhil in Nature, Society and Environmental Governance and Departmental Lecturer at the School of Geography and the Environment, the University of Oxford, Dr. Byambabaatar.I, Senior Lecturer at the Department of Social Anthropology and Cultural Studies, the University of Zurich, Gobi Framework project team and researcher Stephen Lezak, Dr. Emma Wilson, Consultant at the Institute of Consulting, the UK, Prof. Dawn Chatty, Bayarsaikhan.N, head of Steps Without Borders NGO, who provided invaluable guidance in organising and managing the day-to-day operations of the consulting team, adapting it to national characteristics and the heritage of nomadic herders, and turning it into a human rights-based and gender-sensitive methodology, and Mönkhzul.L, an employee of the Steps Without Borders NGO. We would also like to express our sincere gratitude to the participants of the Social Impact Assessment training held on June 8-9 and July 28 with the support of the Oxford Policy Engagement Network (OPEN) fellowship programme, and to the Oxford faculty members, professors, and experts who provided the training.

Members of the Consulting Team

# **Part One**

OVERVIEW AND DRAFT  
METHODOLOGY FOR SOCIAL IMPACT  
ASSESSMENT

# **Part Two**

LEGAL REVIEW REPORT AND  
RECOMMENDATIONS FOR SOCIAL  
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# **PART ONE**

## **SOCIAL IMPACT ASSESSMENT METHODOLOGY**

**FOR THE MINERALS SECTOR**

**AND**

**RELATED INFRASTRUCTURE PROJECTS**

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## **Explanation of Abbreviations**

BCM	Bagh Community Meeting
SIBA	Social Impact Baseline Assessment
DESIA	Detailed Environmental and Social Impact Assessment
DSIA	Detailed Social Impact Assessment
EEO	Economic Entities and Organisations
ESIA	Environmental and Social Impact Assessment
ESIMP	Environmental and Social Impact Management Plan
EGDT	Environment, Green Development and Tourism
FGM	Feedback and Grievance Mechanism
GASI	General Agency for Specialised Investigation
GSIA	General Social Impact Assessment
LEIA	Law on Environmental Impact Assessment
MMHI	Ministry of Mining and Heavy Industry
MoET	Ministry of Environment and Tourism
MoLSP	Ministry of Labour and Social Protection
MRPAM	Mineral Resources and Petroleum Authority of Mongolia
SIA	Social Impact Assessment
SIMP	Social Impact Management Plan
UEE	University Entrance Examination

## Definitions of Terms

- *Minerals sector (Эрдэс баялгийн салбар)* means a comprehensive activity covering exploration and mining activities related to the exploration, extraction, and exploitation of metals, raw materials, minerals, and mineral mixtures in the ground, processing and concentrating minerals, petroleum, natural gas, radioactive minerals, and common minerals, and small-scale mining.
- *Social impact assessment (Нийгмийн нөлөөллийн үнэлгээ)* means a process that includes a general social impact assessment and a detailed social impact assessment that analyses, monitors, and manages the positive, negative, direct, and indirect impacts of a policy, programme, plan, or project on society over the medium and long term.
- *Area of impact (Нөлөөллийн бүс)* means an area where, as a result of project activities, the activities of individuals, households, social groups, entrepreneurs, small and medium-sized enterprises, government and other organisations undergo social and economic changes or impacts, in terms of the living environment, conditions, culture, traditions, religion, employment, income, human rights, etc.
- *Direct impact (Шууд нөлөөлөл)* means the direct (not assumed) impact of project activities on the local community, including noise, dust, environmental pollution, etc.
- *Indirect impact (Дам буюу шууд бус нөлөөлөл)* means indirect changes in quality of life, income, livelihood, economy, religion, culture, traditions, and human rights due to environmental and habitat changes resulting from project activities.
- *Compensation (Нөхөн олговор)* means monetary and non-monetary compensation paid by the project implementer to citizens, households, and the public in the affected community in the event that the adverse impacts of the project cannot be avoided.
- *Feedback and grievance mechanism (Санал, гомдол хянан шийдвэрлэх үйл ажиллагаа)* means a process for obtaining information and expressing opinions about the project and other activities related to the project, as well as a non-judicial process for reviewing and resolving complaints from citizens, employees, civil society and other organisations whose rights and interests have allegedly been violated. This does not preclude citizens or organisations from taking legal action to defend their rights, and it is important to ensure that no costs are incurred by those seeking information, expressing opinions, or filing complaints.
- *Social license to operate (Үйл ажиллагаа явуулах нийгмийн зөвшөөрөл)* means obtaining a formal license required by law and recognised at the level of local people and relevant organisations to implement a project.

## **OVERVIEW OF THE SOCIAL IMPACT ASSESSMENT METHODOLOGY FOR THE MINERALS SECTOR AND RELATED INFRASTRUCTURE PROJECTS**

The minerals sector is understood as a comprehensive activity covering exploration and mining activities related to the exploration, extraction, and exploitation of metals, raw materials, minerals, and mineral mixtures in the ground, processing and concentrating minerals, petroleum, natural gas, radioactive minerals, and common minerals, and small-scale mining.

Article 7.7 of the Law on Environmental Impact Assessment, which was amended in 2012, states that “The Government shall approve the procedure and methodological guidelines for conducting impact assessments, and the procedure and methodology shall govern the issues concerning the environmental impact assessments, appraisal and review of assessments, terms of reference of the Technical Committee, and regulations for social and health impact assessments”. In accordance with this provision, the social impact assessment of the ESIs conducted after 2012 included only a) the number of jobs to be created by the project; b) national and local taxes paid by the project; and c) an assessment of occupational safety and health measures in the workplace, and such a report has been prepared and approved as a SIA by the Technical Committee of the Ministry of Environment and Tourism. This process can be considered wrong since the social impact assessment methodology has not been approved and it is not possible for an environmental expert to assess the social impact.

In addition, Article 41.1 of the Minerals Law states, “In the case of wells, winter quarters [ovoljoo], private and public dwellings, and other buildings as well as historical and cultural monuments are damaged during the exploration or mining operation, the licence holder shall fully reimburse the owners or possessors and, if necessary, shall be responsible for the costs incurred in relation to relocating them”. This is exactly what is reflected in the Law on Petroleum, the Law on Nuclear Energy, and the Law on Common Minerals. However, to date, the provisions of these laws have not been implemented and the potentiality to implement them has been limited. This is because a social impact assessment must be conducted prior to deciding whether or not to relocate or compensate, and failure to do so has resulted in forced resettlement, displacement of indigenous people, and loss of pastures, and thus has been a major cause of violation of all kinds of civil, economic, social, cultural, and political rights. In general, the government is still unable to protect the sustainable development and social protection of the population from the minerals sector businesses.

The first step in determining the principles of compensation and resettlement, and in establishing clear regulations for eliminating adverse impacts and restoring violated rights, is to develop and implement a comprehensive measure to conduct a social impact assessment in accordance with international standards, and thereby avoid or eliminate the adverse impacts for project implementers.

Thus, in developing this methodology, we focused on creating a methodology that identifies and assesses the lifestyles and needs of local communities and nomadic herders, as well as the positive and negative impacts of project activities, draws objective conclusions, decides whether the project should be implemented, and proposes specific practical measures to avoid the negative impacts.

We recommend that the social impact assessment be conducted in parallel with the environmental impact assessment and that an ‘Integrated Environmental and Social Impact

Assessment Report' be prepared. Therefore, we have included in this methodology a solution in which the State Central Administrative Body in charge of Population Development and Social Welfare, in cooperation with the State Central Administrative Body in charge of Environmental Affairs, develops and approves a comprehensive environmental and social impact assessment, and ensures and monitors its implementation.

It was not possible to develop and revise this methodology in a sufficiently regulated legal environment, as none of the current environmental assessment laws and regulations adequately provide for the assessment, review, and approval of social impacts. In addition, we focused on designing this methodology to provide for an assessment that ensures that minerals sector projects and programmes contribute to the realization of core international human rights principles and the SDGs, and that creates a mechanism that can hold business owners accountable.

In our country, we have conducted environmental impact assessments of projects and programmes, gained certain experience and lessons learned, and improved our legal regulations several times. Assessment governance and systems are also developing. However, social impact assessment of minerals sector projects and related infrastructure projects requires a relatively new understanding, new approaches, capacity, resources and 'living' cross-sectoral coordination.

As a result, the process of developing and approving the Social Impact Assessment Methodology and Procedure has been delayed by 9 years. Although this social impact assessment methodology calls for a joint environmental and social impact assessment and the development and implementation of a single report, management plan and monitoring programme, the Social Impact Assessment Methodology, which has been neglected to date, has been highlighted in this draft methodology.

This social impact assessment methodology includes the main purpose, principles and scope of the assessment, as well as the stages of the assessment, methodologies to be used, the methods of determining the intensity of risk, planning for the response to adverse impacts, and the method of estimating and reporting the results. Changes and impacts are designed to be assessed in terms of the probability of impacts on individuals, households, and local communities.

The right to conduct social impact assessments will be granted on the basis of certain criteria, and risks will be assessed with the participation of professional organisations, sectoral research institutes, independent experts, specialists and citizens in the area of impact, and social impacts will be assessed before the project implementation.

# **SOCIAL IMPACT ASSESSMENT METHODOLOGY FOR THE MINERALS SECTOR AND RELATED INFRASTRUCTURE PROJECTS**

## **ONE. PURPOSE AND PRINCIPLES OF THE SOCIAL IMPACT ASSESSMENT**

### **1.1. Purpose of the social impact assessment**

The purpose lies in determining the criteria for assessing the positive and negative impacts of the minerals sector and related infrastructure projects (heavy industry projects and infrastructure development projects) on society, in assessing these impacts with the participation of citizens, and in determining measures to be taken to prevent or eliminate the consequences (mitigation measures fall under environmental impact assessments, whereas prevention and elimination measures fall under social impact assessments).

The impact, its scope and intensity on local communities will vary depending on the differences of each project, such as geographical location, type of mineral mined, specifics of the mining technology, and scope of operations. Moreover, depending on the specifics of the sector, the methodology for identifying and assessing social impacts and the measures to prevent, avoid and eliminate their negative consequences will vary. Therefore, this methodology includes the minimum requirements for objectively assessing the impact of the project and preparing a Social Impact Assessment (SIA) report.

The fundamental requirement for planning, conducting and reporting the SIA of a minerals sector project is the use of a scientific methodology based on factual information and consistent with the concept of sustainable development goals, international human rights principles, and internationally accepted assessment norms and standards.

### **1.2. Principles to be followed in assessing social impacts and preparing SIA report**

The following basic and operational principles shall be followed at all stages of a social impact assessment.

#### **1.2.1. Basic principles to be followed by an assessment company when conducting an assessment**

- Respecting the rule of law; not infringing on the right to live in a safe and healthy environment to the extent possible; and respecting the legitimate rights and interests of citizens and legal entities;
- Recognising differences in age, gender, language, ethnicity, occupation, profession, religion, wealth, social status, and special needs, and respecting their human rights and dignity;
- Respecting and ensuring the right of all permanent and temporary residents of the area and those affected by the project to participate in any government decision that affects their lives, to receive information and to develop;
- The SIA report and plan shall be a consensus document involving the local population, authorities, researchers and other interested stakeholders, ensuring equal and inclusive participation of all parties. Being free from any discrimination, such as

harassment, intimidation, use of force, misleading information, or defamation resulting from participation in the project, project activities, or project-related decisions;

- Respecting the unique national characteristics of nomadic and traditional pastoralists, such as remote and scattered residence, involving citizens in decision-making processes that affect their lives by providing accurate, objective and accessible information in a timely manner, providing opportunities for early management of household enterprises by anticipating and preventing risks that may arise from the project;
- Specifically recognising and respecting the fact that nomadic herders are not only bearers of national tradition and cultural heritage, but also suppliers of national industrial raw materials and producers of strategic foods and food products; and
- All assessment and decision-making processes shall be fair, impartial, transparent and open.

#### **1.2.2. Operational principles /social impact assessment, development, approval, implementation and monitoring of plans, and reporting/**

- Providing information about the project to local communities that are or are likely to be directly or indirectly affected by the positive and negative impacts of the project and related activities, as well as to other interested parties, at all stages from the preparation of the SIA report to its approval; and creating sufficient opportunities for expression of opinions, adequate time to submit opinions and suggestions, and meaningful participation;
- Establishing a continuous improvement process that allows for participatory monitoring by all stakeholders throughout the SIA process, from plan development, approval, implementation and monitoring to reporting;
- A joint team of project implementers and the SIA team will make efforts to ensure meaningful participation by employing trained professionals with the appropriate knowledge, skills and experience to conduct the SIA, and by strengthening the capacity of citizens;
- Ensuring gender equality at all stages of the SIA, and considering the different needs of men and women, and the fact that the potential risks they may face may affect them differently;
- Respecting the importance of the existence of livestock as a source of livelihood and economy for herders, as local people have long lived and adapted to their homeland and environment for generations; and guiding the policy and planning of the project implementing organisations to prevent negative impacts on herders' livelihoods, incomes, religions, beliefs and other intangible assets as much as possible;
- As resettlement should be the last resort, the project should be implemented without relocating local people as much as possible, and if necessary, a programme with the best possible compensation will be implemented within the framework of relevant legislation and international standards;

- The SIA should require each project implementing entity to develop a Resettlement Plan and to establish and operate an effective and transparent, publicly accessible and user-friendly Feedback and Grievance Mechanism (FGM) that is responsible for resolving any complaints related to project activities and project suppliers, contractors and employees, as well as residents of the affected area;
- The management plan to be developed in accordance with the SIA to prevent, avoid and respond to adverse impacts must be consistent with internationally recognised principles and standards, national legislation and programmes, and the development programmes of the *aimag* (province), capital city, *soum* (county) and districts; and efforts of businesses not to violate human rights must be supported;
- The project implementer should take initiatives to increase the benefits of the project to the local community, and develop mutually beneficial partnerships and collaborations with local people and local governments;
- The project implementer should develop and implement programmes that support local livelihoods. In doing so, the principle of not worsening but improving people's livelihoods in the long run and supporting sustainable development must be followed.

Compliance with the above principles will be the main criterion for the general expert's opinion and the Technical Committee's approval of the Detailed Environmental and Social Impact Assessment (DESIA) report.

Terms used in this Methodology should be understood as defined in the Social Impact Assessment Procedure.

## TWO. SOCIAL IMPACT ASSESSMENT

### 2.1. Projects that require Social Impact Assessment

Article 4.1 of the Law on Environmental Impact Assessment specifies that environmental impact assessment shall include strategic environmental assessment, environmental baseline assessment, environmental impact assessment, and cumulative impact assessment. The annex to the law indicates that the first category of projects that require a general environmental impact assessment is **mining projects**, the second is **heavy industry projects**, and the fifth is **infrastructure development projects**.

This methodology is intended to assess the potential social impacts of the minerals sector and related infrastructure projects (buildings, roads, power plants, dams, etc.) set out in the Annex to the Law on EIA.

The minerals sector and related infrastructure projects (heavy industry projects, infrastructure development projects) have the potential to cause serious harm to society, human health and the environment. Therefore, the need for early identification and assessment of these risks is becoming increasingly urgent. In addition, the minerals sector contributes significantly to the implementation of the “Leave No One Behind” principle set out in the Global Sustainable Development Goals and Mongolia’s Vision 2050 policy, which was formulated in accordance with the Sustainable Development Goals. Moreover, as a natural resource-based business sector owned by all people, the minerals sector plays a key role in supporting human development, increasing Mongolia’s contribution to climate change mitigation and effectively implementing green growth policies. For all these reasons, there has long been a need for establishing a practice of conducting Social Impact Assessments.

### 2.2. Scope of Social Impact Assessment

The Social Impact Assessment consists of the following components:

- Social Impact Baseline Assessment (SIBA)
- General Social Impact Assessment (GSIA)
- Detailed Social Impact Assessment (DSIA)

In addition to the above assessments, the Social Impact Assessment is a comprehensive set of measures that includes mechanisms such as developing, approving, and implementing the Social Impact Management Plan (SIMP), monitoring its implementation, resolving complaints, and taking action in case of non-compliance.

This Social Impact Assessment Methodology is a methodology for social impact assessment that will be conducted in parallel with the assessment specified in Annex 2 of Order No.A-117 of the Minister of Environment and Green Development of 2014, “Methodology for Environmental Impact Assessment”. Therefore, this assessment should be seen as the social impact strand of the environmental impact assessment methodology, and each part of the Social Impact Assessment should be conducted according to this methodology, as shown in Figure 1.



The scope of the Social Impact Assessment of a minerals sector project and related infrastructure projects is determined by various factors, such as the nature of the project, its technological solutions, the scope of its activities, the duration of its implementation and the characteristics of the local ecosystem. The positive and negative impacts of project activities on **a) individuals, b) households, and c) local communities** will be assessed separately, and at least the following social issues must be identified and assessed:

### **1. Current or potential changes and impacts on lifestyle**

- On the types and forms of income sources, and the process of earning income;
- On the employment status of family members, and the division of labour;
- On traditional forms and styles of livestock herding, and the opportunities lost or potentially lost;
- On lifestyle due to changes such as moving away from traditional and adapted areas and neighbours;
- On the cost of living and quality of life;
- On family planning and reproductive rights;
- On child labour;
- On women's employment;
- On daily household workload and time spent per unit of work, etc.

### **2. Current or potential changes and impacts on personal and family property rights**

- On the guarantee of land possession and pasture rights and certification (winter and spring shelter lands);
- On traditional land use rights in the form of 'otor' camps;
- On the standard of living and quality of life of the population, and the right to sustainable development;
- On land, pasture, water, forest, forest resources, medicinal and food plant resources, and the forms and possibilities of their use;
- On the number, structure and quality of livestock after displacement from their habitat;
- On access to consumer goods market and the possibility of sustainable living in winter and spring shelters; and
- On market prices for livestock and livestock raw materials.

### **3. Current or potential changes and impacts on opportunities to participate in local decision-making**

- On the right of local people to receive information about the minerals sector projects planned to be implemented in their local area;
- On the right of local people to participate in decision-making that affects their lives;
- On hearings and discussions of the *bagh*<sup>1</sup> governor, *bagh* community meetings, *aimag* (province) and *soum* (county) Citizens' Representatives' Councils, governors and civil servants to listen to the views of citizens and legal entities and to provide information to citizens; and
- On the opportunity, capacity, time and resources available to citizens to express their feedback and grievances to local governments and project implementers, and to restore their violated rights.

### **4. Current or potential changes and impacts on values, culture and beliefs**

- On the confidence in the future, community relations and collective development of local people, their families and local colleagues living in dependence on nature and livestock husbandry;
- On language, dialect and local idioms (whether this results in loss or damage);
- On national holidays and celebrations, and their forms, styles, customs and heritage;
- On clothing culture as an expression of national, ethnic and herders' heritage;
- On traditional and strategic food, food security, production, preparation and availability of food;
- On the preservation, development and inheritance of lifestyles and values such as customs, traditions and shared values;
- On religions and beliefs: their intangible objects, risks and changes (beliefs such as but not limited to the ideas that ancestral lands have sacred protection, 'ovoo' worship brings rains, and worship of horse 'ovoos' preserves the lineage of fast horses); and
- On the preservation and security of tangible and intangible cultural heritage: local customs such as singing, whooping and whistling in the pastures to delight and rejuvenate the local mountains and water, the feeding of salt to livestock to fatten them, and the strengthening of the body in the manual processing of livestock hides and skins.

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<sup>1</sup> Bagh is a sub-district of a soum (county); it is the smallest administrative unit in rural areas.

## 5. Current or potential changes and impacts on the access to and delivery of public services in terms of quality, accessibility and cost

- On citizens' access to information: The strengths and weaknesses of traditional forms of knowledge acquisition and information exchange will be examined, and ways to overcome their weaknesses will be identified. Then, changes will be calculated in two components, including the number of people/hours and the cost of providing public services and the services that citizens will receive from the government;
- On health services: The costs of soum's general and veterinary hospital and pharmacy budgets are allocated as variable costs. Thus, changes and impacts such as those on healthcare organisations, differences in costs for local people, especially herders, to go to private hospitals and private pharmacies, and the increased distance to go around a licensed area to call an ambulance must be considered in terms of the basic and operational principles of conducting the SIA;
- On quality and access to education services: Education services are not just about children from affected herder families attending schools and universities. It is about ensuring continuous, accessible and quality life skills education for local people to maintain their livestock husbandry and livelihoods during the mining project and its activities;
- On household members with special needs: Current or potential changes and impacts on the livelihoods and sources of income of the elders, children, single parents and low-income people will be assessed on a one-to-one basis. The project implementer should never arrange a one-on-one meeting with a person with special needs to obtain permission or enter into a contract. Sufficient time and opportunity for legal assistance and consultation must be provided;
- On crime, conflict and accidents: Population growth as a result of mining projects increases crime and accidents, as well as social conflicts such as theft and fraud. It should be noted that this increases the workload of government organisations. There is also an increase in inter-communal conflict between displaced persons and local population over the benefits of the project. When herders who have lost their pastures and water to the mine move to another bagh or soum, conflicts over pasture and water can put their lives at risk, but this is a conflict between citizens, not with the mining companies. This section discusses how to assess and study these impacts;
- On domestic violence records and informal information: This is associated with increased stress and depression in men, as the land and water they revere are put at risk. It is considered a brutal act of civil disobedience to one's family and property. Therefore, it is important to consider this risk as a preliminary/potential impact of all projects, and the ways to empower and educate the people in the affected area, provide information about the project as early as possible, help people manage their household enterprises and participate in regular meetings and discussions without anger and stress, and hold regular hearings should be included in the Social Impact Management Plan (SIMP); and
- On communication between the local people and local authorities: In addition to conducting a SWOT analysis of the situation at the time of the SIA, the forms of dissemination, reception and communication of information will be assessed. With the

participation of the 'joint team', a new communication strategy will be developed and the roles and responsibilities of the parties will be clarified in order to ensure the citizens' right to participation and development in an inclusive, high-quality and credible manner (This includes activities such as concluding cooperation agreements, regularly making project information transparent, including sufficient advanced notice on the timing of *bagh* community meetings, *bagh* events, etc. to ensure meaningful participation).

**6. Current or potential changes and impacts on the workload and quality of life of citizens due to the reduction and degradation of ecosystem services and the acceleration of climate change due to environmental changes caused by the project**

- The types, quality and quantity of natural resources (pasture, medicinal and nutrient plants, mineral water, forests, forest resources, wildlife, etc.) will be estimated from ESIA reports and other sources. This should be based more on the knowledge of local herders;
- The current situation will be mapped based on local traditions, customs, and experiences as well as other sources on how local people have used their natural resources;
- Based on the above two mappings, current or potential changes, impacts and burdens on household enterprises and the quality of life of citizens due to environmental changes, including land/soil degradation, depletion of vegetation cover and quality, water resource depletion and pollution, depletion of vegetation cover caused by dust, decrease in natural biomass yields due to fencing, digging ditches and heavy trucks driving on pastures creating many forked roads, shrinkage of fertile area, and water scarcity, as well as how actual changes in the economy affect or likely to affect people's lives will be estimated;
- Pasture carrying capacity: The risk of increased type and amount of costs to herders due to the loss of species, quantity and quality of pasture plants will be studied and assessed in advance. Ways to provide knowledge and information to citizens, warn them in advance, inform them sufficiently in advance to prepare them psychologically, and provide them with knowledge and skills to cope with the impact at low risk should be included in the Social Impact Management Plan (SIMP);
- Food quality, adequacy and safety: The Social Impact Management Plan (SIMP) should include alternative measures to address issues such as dust, resource depletion, temporary and permanent loss of opportunity, and consumption of unsafe food, ways to identify and assess the amount of knowledge, skills, resources and technology that may be required, resources to be required from the project implementer, and support and participation to be required from the local government; and
- Noise, dust, chemicals and waste odours: The project's mining, production, transportation, and traffic volumes will be determined based on the feasibility study, and the level of risk will be identified to determine the impact of the project on the local population and society.

## **7. Current or potential changes and impacts on health and well-being**

- On social peace;
- On physical and mental health of local people;
- On the safety of the population, livestock and animals;
- On the health of animals and livestock;
- On infectious and non-communicable diseases in the population;
- On trust, relationship, unity and cooperation among people; and
- On income disparities and indicators of social inequality.

## **8. Current or potential changes and impacts on aspirations and confidence in the future**

- On individual, family and social security and peace;
- On aspirations and hopes for the future and the future of children;
- On fear of loss of homeland and pasture for livestock;
- On assumptions, risks and fears related to family and individual livelihoods and income;
- On uncertainty related to employment;
- On future desires, aspirations and life plans; and
- On fears, anxieties and pressures related to the direct impact of the project.

## **9. Others**

- Human rights violations resulting from the project activities; and
- Other positive and negative changes and impacts.

The Social Impact Assessment should consider and identify the current or potential changes and impacts on the above mentioned factors **at the individual, household and social levels.**

## 2.3. Stages of Social Impact Assessment

The Social Impact Assessment will be integrated with all stages of the environmental impact assessment and will be conducted simultaneously according to the following structure.

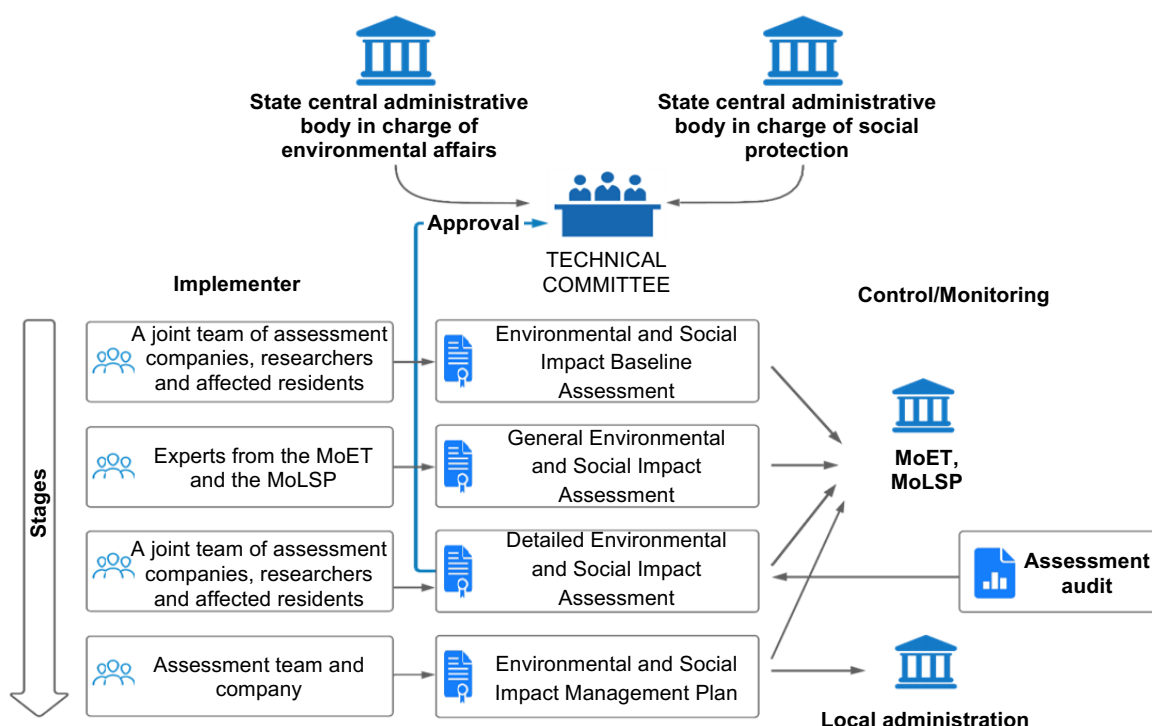


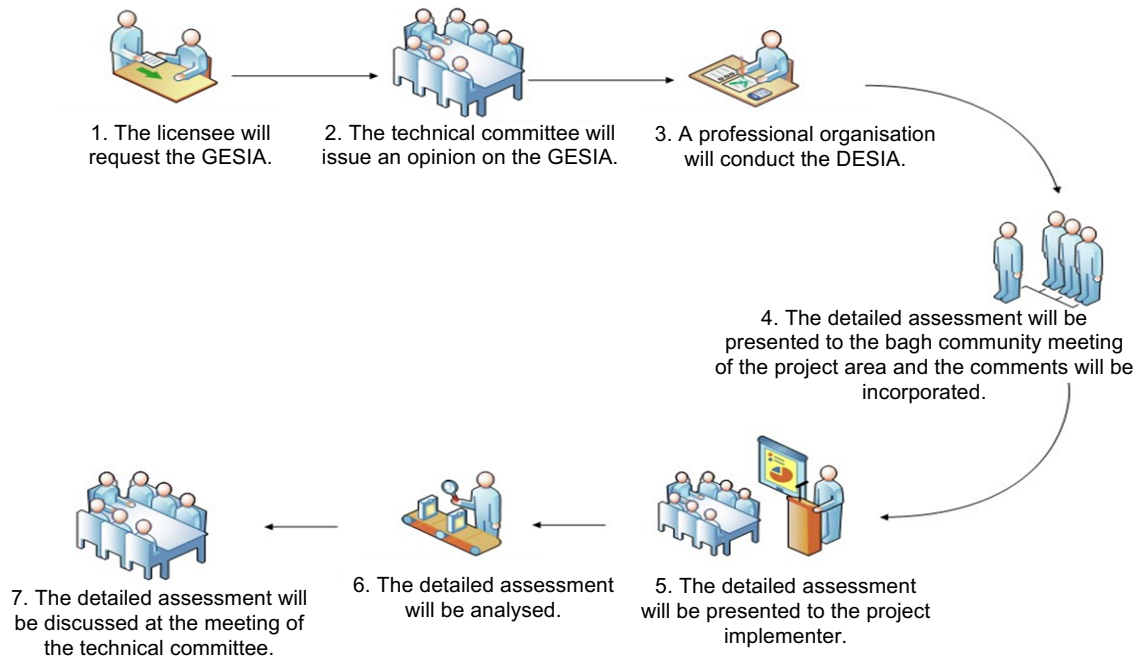
Figure 1. Correlation between the Social Impact Assessment and the Environmental Impact Assessment

The state central administrative bodies in charge of population development and social protection, and environmental affairs will take the following measures in accordance with this methodology:

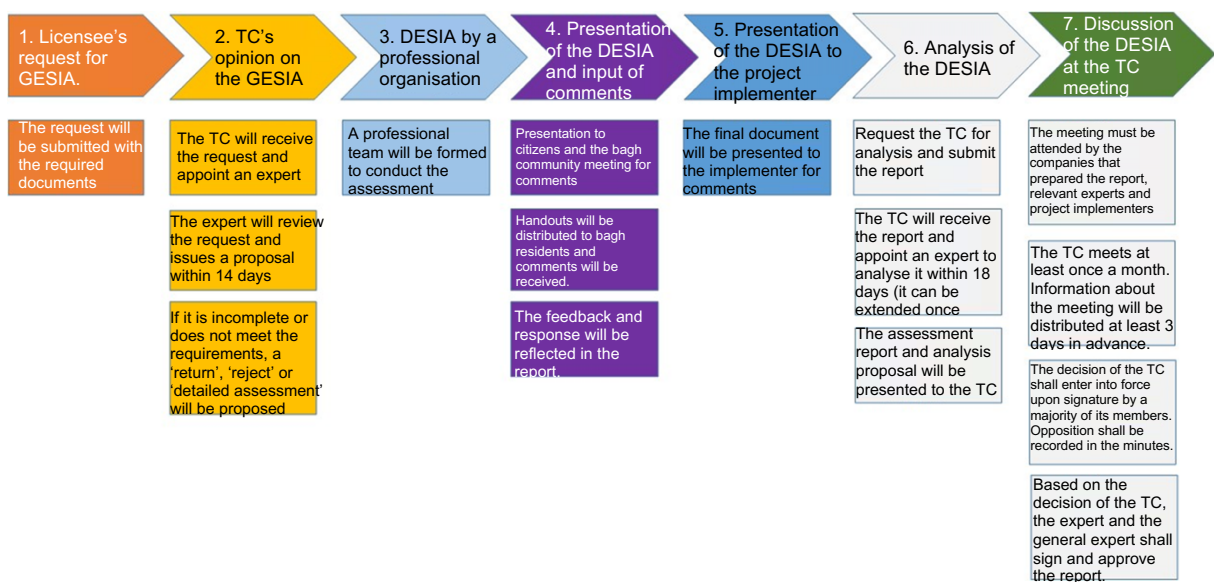
- To verify that the **Detailed Environmental and Social Impact Assessment (DESIA)** includes in details, the potential positive social impacts and negative impacts and risks identified by the General Environmental and Social Impact Assessment (GESIA), as well as the principle of not worsening the human rights and dignity of the population in the area of impact, and quantitative and qualitative information and research; and
- To verify that the **Environmental and Social Impact Management Plan (ESIMP)** includes annual management planning and costing that covers all measures to increase the positive social impacts, and eliminate, prevent and avoid the negative impacts identified by the Detailed Environmental and Social Impact Assessment (DESIA) and not worsen human rights. The implementation of the plan will be monitored by the central and other administrative bodies, local administration and local citizens.

The Detailed Environmental and Social Impact Assessment will be developed within 90 days after the issuance of the general expert's opinion on the GESIA.

**GENERAL PROCESS OF CONDUCTING THE DETAILED ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT OF MINERALS SECTOR PROJECTS AND RELATED INFRASTRUCTURE PROJECTS**



*Figure 2. Environmental and Social Impact Assessment Process*



*Figure 3. Performance diagram of Environmental and Social Impact Assessment*

## THREE. SOCIAL IMPACT BASELINE ASSESSMENT

The Social Impact Baseline Assessment (SIBA), which is the first stage of the SIA, studies and documents the socio-economic conditions of the area prior to the implementation of a project, predicts the future changes in the area of impact, its population, population groups, households, and their civil, political, social, economic and cultural rights due to the impact on the ecosystem, and determines the local development trends in advance.

The social impact baseline assessment will be conducted together with the environmental baseline assessment, with the participation of authorised professional organisations and research institutions in accordance with the Social Impact Assessment Procedure, and if necessary, a direction may be obtained from the state central administrative body in charge of relevant affairs.

The social impact baseline assessment process consists of the following steps:

1. Defining the primary goal, rationale and scope of the Social Impact Assessment;
2. Collecting and processing other research data and information, and conducting additional research necessary to determine the social impact baseline; and
3. Compiling the research data and developing the Social Impact Baseline Assessment report.

### **3.1. Defining the primary goal, rationale and scope of the social impact baseline assessment**

The goal, rationale and scope of the social impact baseline assessment will be defined as follows:

- In line with the environmental baseline assessment, the boundaries of the area of impact that may be directly or indirectly affected depending on the project activities, direction and scope will be determined;
- Indicators to identify the socio-economic information of the identified area, territories and administrative units of impact, and the social impact and consequences of the project will be determined according to the methodology;
- Based on the specifics of the project activities and the issues identified by the citizens in the area of impact, it is necessary to plan the measures to increase the positive social impacts, and eliminate, prevent or avoid the potential negative impacts, and determine the appropriate details;
- The land rights of the population in the project area, the general land plan of the administrative unit, the organisational plan, and its implementation and development trends will be studied and reflected; and
- The baseline of the population, population groups, households in the project area and their civil, political, social, economic and cultural rights will be identified.

At this stage, the project implementer, together with the entity responsible for the Social Impact Assessment, will prepare and submit a brief presentation of the project in advance for



the citizens, state and local administrative organisations, and legal entities of the area of impact.

### **3.2. Conducting additional research necessary to determine the social impact baseline;**

A detailed research plan will be developed at this stage, and baseline information will be collected from government bodies and other sources of information using the criteria to determine the social impacts and consequences of the area of impact identified in accordance with the plan. Additional work will be done to fill in gaps in the baseline.

The following criteria should be used to identify missing or omitted information in the preparation of a social impact baseline report:

- Necessary for meeting the requirements of relevant legislations and the Social Impact Assessment Procedure;
- Necessary for fully identifying potentially affected areas and territories, depending on the nature of the activity;
- Whether it is possible to conduct the assessment based on accurate information using the latest methodologies of scientific research in the field; and
- Availability of information that meets international standards and requirements;

The social impact baseline assessment will provide a comprehensive picture of the social situation in the affected area prior to the start of the project.

### **3.3. Compiling the research data and developing the Social Impact Baseline Assessment report**

By summarizing the baseline information on the social impact, a comprehensive report will be provided on the current or potential impact on the baseline of the community's society, economy, human health and human rights as a result of the project's impact on the local ecosystem.

The professional organisation to prepare the social impact baseline report will conduct a document review and environmental/situational survey of the project area and territory. The report will include the methodology for determining the area of impact based on these studies and the research methodology used.

The social impact baseline assessment report will have the following structure:

- Brief introduction of the project;
- Scope of the project area and the area of impact of the project and its rationale;
- Development policies, land plans and programmes of administrative units in the project area and the area of impact, and the correlation between environmental baseline, biomass access and use, and the livelihoods of the local population;
- Social impact baseline determined by a rights-based approach:
  - Basic social and economic indicators of the project area and the area of impact;

- Baseline of civil, political, social, economic and cultural rights of the population in the project area and the area of impact;
  - Current overview of the social impact of similar minerals sector projects in the project area and the area of impact; and
  - Others.
- Potential impacts:
    - Positive impacts from the project; and
    - Potential negative impacts and risks from the project.
  - Summary:
    - Summary of the project's social impact baseline assessment; and
    - Attachments: maps, illustrations, photos and other forms of evidence and documentation.
  - Information used and sources; and
  - Detailed profile of the professional organisation that conducted the baseline assessment, profile of the experts, list of works of the social impact baseline assessment by the professional organisation.

The authorised professional organisation that conducted the social impact baseline assessment and prepared the report shall submit the prepared Social Impact Baseline Assessment Report (SIBA Report) to the Assessment Technical Council under the State Central Administrative Body in charge of Population Development and Social Affairs for review.

## FOUR. GENERAL SOCIAL IMPACT ASSESSMENT

The General Social Impact Assessment (GSIA) will be conducted on the basis of the conclusions of the project's Environmental and Social Impact Baseline Assessment. The General Social Impact Assessment (GSIA) will be conducted in conjunction with the General Environmental Impact Assessment and a single report will be issued. The GSIA is conducted at the initial stage of planning, based on legislations, research materials, techniques, technologies, standards, norms and regulations, primary data and quantitative data. It is a process of predicting the negative social impact of a project and identifying the need for detailed study through a Detailed Social Impact Assessment in the future.

### 4.1. Contractor in charge of General Social Impact Assessment

The general expert of the social impact assessment will be appointed by the decision of the State Central Administrative Body in charge of Population Development and Social Affairs, taking into account the expert's professional skills and work experience.

The General Social Impact Assessment will be conducted by a General Expert appointed by the State Central Administrative Body in charge of Population Development and Social Affairs and will be based on the opinion of the General Expert of the State Central Administrative Body in charge of Environmental Affairs and the project feasibility study.

### 4.2. Requesting a General Social Impact Assessment of the project

The project implementer shall collate a feasibility study approved by the relevant authority, design drawing, description of the current environmental and social baseline of the project area, proposal from the soum or district governor and other relevant documents, and submit a request to the State Central Administrative Body in charge of Population Development and Social Affairs for a General Social Impact Assessment. The request includes:

- The project implementer's request for general assessment (official letter);
- Description and overview of the project;
- On the basis of the spatial mapping of regions, basins, and territories developed in accordance with the recommendations of the Geographic Information System, a map showing the location of winter and spring shelters, 'otor' camp and hayland, human and livestock drinking water sources, mineral springs, wells, sacred mountains, ovoos, and historical and cultural monuments in the project area with both official and unofficial names commonly used by the locals (mapping);
- Feasibility study and design drawing approved by the relevant authority. The feasibility study shall include measures, budgets and plans to eliminate the negative social impacts reflected in the Social Impact Baseline Assessment;
- Definition of social impact baseline of the project area, report and conclusion of the Social Impact Baseline Assessment;
- Reference from the soum or district governor;
- Copy of the economic entity' state registration certificate;

- License and cadastral maps;
- Land permits and cadastral maps;
- In case of a XV license holder, an approved exploration report and a decision approving the reserve;
- In case of an MV license holder, a feasibility study approved by the competent authority and a decision approving the reserve; and
- Overview of the negative social impacts to be addressed by the agreement with the local government and risk management plan.

#### **4.3. Requirements for General Social Impact Assessment**

The following issues should be considered by the expert during the General Social Impact Assessment:

1. Whether the map of the area of impact identified by the baseline assessment is consistent with other official sources;
2. Whether the mappings of the project complies with the requirements of Mongolian law and other legislation;
3. If the mappings of the project shows that the project affects the human and livestock drinking water, wells, springs, winter and spring shelters, 'otor' camp and haylands, sacred mountains and ovoos in the project area, the nature of change in ensuring the civil, political, social, economic and cultural rights of the population should be identified;
4. If the mappings of the project shows that the project affects the human and livestock drinking water, wells, springs, pasture, 'otor' camp land, sacred mountains, ovoos and historical and cultural monuments in the project area, whether the feasibility, duration and conditions of the plan, budget and measures reflected in the feasibility study to eliminate the consequences and restore the violated rights meet the relevant legislation, legal requirements and expectations of local citizens should be considered;
5. Whether the documents of the economic entity or organisation implementing the project comply with laws in force and legal requirements;
6. It should be determined whether there is a regional cumulative impact on the project area, and if two or more projects cover the area included in the mapping, a cumulative impact assessment should be conducted;
7. Other necessary information and documents depending on the specifics of the project;
8. An explanation of compliance with the basic principles of social impact assessment; and
9. An explanation of compliance with the operational principles of social impact assessment.

The General Expert who conducted the General Social Impact Assessment will take these issues into account and summarise the results of the assessment in accordance with

the General Social Impact Assessment Performance Sheet. The performance sheet of the General Social Impact Assessment shall be approved by the Technical Council.

**Appendix 1. Receipt form for request for General Social Impact Assessment and documents**

Project implementer: .....  
 Project location and teams: .....  
 Project phases: ..... (exploration, mining, construction, etc.) .....  
 Phone number and e-mail: .....  
 Registered address of the project implementer: .....

<b>Documents</b>	<b>Required or not</b>	<b>Satisfactory or not</b>	<b>Notes</b>
The project implementer's request for general assessment (official letter)			
Brief description of the project			
In addition to spatial mapping of regions, basins, and territories developed in accordance with the recommendations of the Geographic Information System, a map showing the location of pastures, human and livestock drinking water, wells, sacred mountains, ovoos, and historical and cultural monuments in the project area with both official and unofficial names commonly used by the locals.			
Feasibility study and design drawing approved by the relevant authority			
Definition of social impact baseline of the project area			
Overview of the negative social impacts to be addressed by the local agreement and risk management plan			
Governor's reference			
Copy of the economic entity' state registration certificate			
Copy of license and cadastral map			
In case of a XV license holder, an approved exploration report and a decision approving the reserve			
In case of an MV license holder, a feasibility study approved by the competent authority and a decision approving the reserve			
Land permit and cadastral map			

**Number of pages of materials received: .....**

**Received by:**  
**Full name:**  
**Position:**  
**Signature:**

**Submitted by:**  
**Full name:**  
**Position:**  
**Signature:**

**Date:**

## Appendix 2. General Social Impact Assessment performance sheet

Project implementer: .....

Project location and teams: .....

Project phases: ..... (exploration, mining, construction, etc.) .....

Phone number and e-mail: .....

Registered address of the project implementer: .....

Criteria		Met	Not met	Detailed assessment is needed	Notes	
Compliance with laws on basic human rights	International treaties and conventions in force in Mongolia and relevant provisions of the Constitution					
Compliance with government policies and decisions	Relevant provisions of government policy documents, strategic assessment conclusions and recommendations					
Project location and relevant criteria	Whether 2 or more similar projects have been implemented in the team and a cumulative impact assessment has been conducted					
	Whether an assessment has been made on the cumulative impact of the project					
Whether the explanation of compliance with the basic principles of social impact assessment is valid						
Whether the explanation of compliance with the operational principles of social impact assessment is adequate						
Preliminary social impact assessment.  How the project will affect the civil, political, social, economic and cultural rights of the affected population	<b>Changes and impacts on lifestyle</b>					
	Changes in the way of livelihood					
	Changes in income sources					
	Increase in cost of living.					
	Changes in family work schedules					
	Forced resettlement					
	Increase in human rights violations					
	Shortage of local labour force					
	<b>Changes and impacts on personal and family property rights</b>					
	Changes in land use rights					
	Changes in the number of livestock in the household					
	Changes in livestock weight, quality and health					
	Water quality and availability					
	<b>Changes and impacts on opportunities to participate in local decision-making</b>					
	Changes in the opportunity of local people to participate in decisions that affect their lives					

<b>Changes and impacts on values, culture and beliefs</b>				
Changes in the language and communication of local people				
Changes in holidays and celebration				
Changes in clothing				
Changes in customs and traditions				
Changes in religion				
<b>Changes and impacts on communication among citizens and the access to and delivery of public services in terms of quality, accessibility and cost</b>				
Changes in people's relationships, trust and unity				
Changes in the quality and accessibility of health and education services				
Changes in the quality and accessibility of public services				
Changes in the type and frequency of crime				
Increase in misunderstandings and disputes between herders and local authorities				
<b>Changes and impacts on the environment</b>				
Changes in food quality and availability				
Changes in population and livestock safety				
Changes in availability and usage type of natural resources and resources (pastures, water, forests, accompanying resources of the forest, wildlife, fish)				
Increase in ambient noise and dust				
<b>Changes and impacts on health and peace of citizens</b>				
Communicable and non-communicable diseases in the population				
Changes in mental health				
Increase in morbidity due to chemical and environmental pollution				
Injuries, fatalities and deterioration of health due to violations of occupational safety and health (OSH) regulations.				
<b>Changes and impacts on aspirations and confidence in the future</b>				
Increase in fear of uncertainty and longing for one's own security,				



	and future and the future of their children				
	Increase in fear of employment and job insecurity				
	Conflicts and mistrust of foreign nationals working on the project				
<b>Others</b>					
	Changes in court proceedings				
<b>Overall conclusion:</b>					
<b>Points to pay special attention to:</b>					
<b>General assessment conducted by:</b>			<b>General assessment results accepted by:</b>		
Full name:			Full name:		
Position:			Position:		
Signature:			Signature:		
Date:			Date:		

## FIVE. DETAILED SOCIAL IMPACT ASSESSMENT

A Detailed Social Impact Assessment (DSIA) will be conducted if the General Social Impact Assessment concludes that it is necessary. The general expert appointed by the State Central Administrative Body in charge of Population Development and Social Protection shall clearly indicate the purpose, direction, scope and time of the Detailed Social Impact Assessment in the conclusion of the General Social Impact Assessment.

The Detailed Social Impact Assessment is a part of the Detailed Environmental Impact Assessment and is carried out jointly to prepare a single DESIA (Detailed Environmental and Social Impact Assessment) report.

The Detailed Social Impact Assessment of the minerals sector projects and related infrastructure projects will be carried out by a joint team of social sector researchers and local community representatives. In doing so, the team will work closely with a professional organisation that conducts a Detailed Environmental Impact Assessment using the conclusions of the experts of environmental baseline assessment and the general environmental assessment.

Organisations conducting Detailed Social Impact Assessment and Detailed Environmental Assessments will participate in and if necessary, organize, meetings, discussions, and research activities to ensure the participation of citizens in the area of impact, communicate with local governments, and provide information and feedback. Informing the public, especially those in the affected areas, about the impact of the project on the healthy and safe living environment of the local population and ecosystems, and how to prevent, avoid, and mitigate the impact on the ecosystem is important. In the event of any violation of land rights such as loss, alteration, replacement, relocation or fencing of ecosystems, it is important to provide information on whether a resettlement plan will be developed, what compensation policy and measures will be implemented.

A professional organisation to conduct the Environmental Impact Assessment cannot conduct a social sector impact assessment on its own. The Detailed Social Impact Assessment shall be conducted by a professional organisation that meets the professional requirements set by the State Central Administrative Body in charge of Population Development and Social Affairs, is licensed in accordance with the Law on Licensing of Business Entities and has adequate human resources.

The Detailed Social Impact Assessment will identify potential positive and negative impacts of the project and the response to them at the individual, household, and societal levels.

The whole process of conducting the Detailed Social Impact Assessment requires full and strict adherence to the principles of social impact assessment set out in Part One.

**The stages of conducting the detailed assessment.** (It is forbidden to skip or combine any of these stages.)

The following steps should be followed in conducting a Detailed Social Impact Assessment:

Stage I:	Preparation and joint team building;
Stage II:	Collating baseline data;
Stage III:	Data processing;
Stage IV:	Formal consultation and discussion with the citizens and residents of the area of impact; <sup>2</sup>
Stage V:	Assessing positive and negative impacts;
Stage VI:	Developing a social impact management plan;
Stage VII	Providing information to citizens in the area of impact and ensuring their participation; <sup>3</sup>
Stage VIII	Preparation of assessment report;
Stage IX	Organising hearings and bagh community meeting discussions on the draft DESIA report and receiving comments; and
Stage X	Disclosure of approved ESIA reports, management plans and monitoring programmes to the public.

### **5.1. Stage I: Preparation and joint team building**

The preparation stage of a Detailed Environmental and Social Impact Assessment will be based on the results of the General Social Impact Assessment. This stage will be planned as follows:

1. Define the goals and objectives of the assessment, and develop an overall plan and schedule;
2. Develop guidelines for assessment and form a team of researchers and a joint team to perform the assessment;
3. Prepare the equipment required for the assessment and identify stakeholders;
4. Define the scope of the assessment and identify local communities, vulnerable groups and local decision-making stakeholders in the area of impact; and
5. Develop a detailed work plan, choose the methods and methodologies to be used, and develop criteria and research questionnaires.

The impact should be considered extensively as project activities are likely to expand in the future. The community and management representatives to be included in the impact assessment team will be selected through a poll of all residents of the affected soums. The local people working in the impact assessment team should be able to represent all local groups (for example, the elderly, women, single-parent households, vulnerable households,

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<sup>2</sup> Article 18.4. of the Law on EIA: During the process of preparing report, the legal body, that is undertaking project detailed impact assessment shall organise meeting and collect official feedback from the local authority and community who will be affected by the project.

<sup>3</sup> Article 18.5. of the Law on EIA: The community involvement affair shall be regulated by regulation; and the regulation shall be approved by the Cabinet Member in charge of environmental affairs. The regulation was approved by Order No.A-03 of 2014 of the Minister of EGDT.

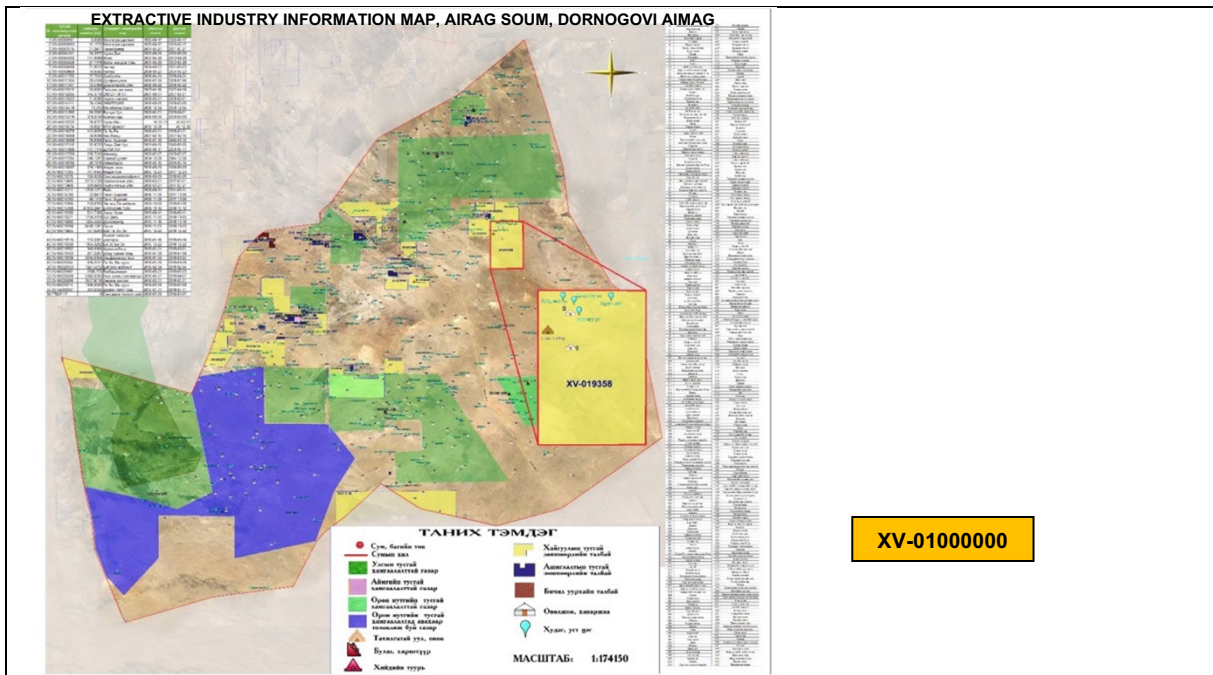
herders, employees, businesses, etc.) and have lived in the community for a certain period of time. Affected communities may, by consensus, select and appoint a representative of an independent civil society organisation that has been active in the field of human rights, economic and social equity.

## **5.2. Stage II: Collating baseline data**

The purpose of this stage is to verify that the scope of the area of impact predetermined in the social impact baseline assessment corresponds to the project's area of impact, and that it fully covers the social impact on the environment and local people, households and communities. In addition, at this stage, the baseline data needed to identify the local people and other stakeholders who are or could be directly or indirectly affected by the project, both positively and negatively and to fully identify potential human rights and social issues will be collated. The work is carried out as follows:

1. Collating baseline data and identifying missing information;
2. Approving the project's pre-identified area of impact, and expanding or reducing it with the proper justification;
3. Clarifying and updating the identified social baseline and features of the project implementation environment;
4. Identifying local people and other stakeholders who are or could be directly or indirectly affected by the project, both positively and negatively;
5. Mapping areas that are likely to be directly or indirectly affected by the project, both positively and negatively;
6. Generally identify other projects to be implemented in the area of impact and, if necessary, develop cumulative impact predictions.

<i>Mapping (example)</i>
Signs and markings of the licensed area XV-010000 (sample model)



### 5.3. Stage III: Data processing

The purpose of this stage is to analyse the baseline information collated, validate the information, and provide other necessary additional information. The work is performed as follows:

1. Provide relevant information, such as the project overview, impact on ecosystem and detailed environmental assessment report, to local authorities, citizens in the area of impact, and other stakeholders, and validate the information and identify missing information;
2. Identify in detail the human rights and social issues that may arise due to changes in the project's impact on ecosystem for each of the 8 impact types proposed in this methodology;
3. Estimate the negative social impact, potential exposure and consequences of the project; and
4. Demonstrate how legitimate mechanisms can be used to harness the project's positive impacts on local development

Data processing is an important part of the study and the following methodologies, listed in Table 1, can be used at this stage.

At this stage, the first drafts of the Detailed Social Impact Assessment Report and the Social Impact Management Plan (SIMP) are prepared. These will be developed in conjunction with desk review and field studies within the framework of detailed environmental assessment.

*Table 1. Standard data processing methodology*

No.	Social impact	Indicators and measurement frequency	Methodologies of use	Information to use
<b>Changes in lifestyle</b>				
1	Changes in the way of livelihood	Number of people that stopped herding livestock, annually	One-on-one and focus group discussion	Soum, aimag and state statistics
		Number of people moved to soums, aimags and cities, annually		
		Number of people employed by mining companies and their contractors	Statistical analysis	Interviews with the herders and local authorities
2	Changes in income sources	Changes in total household income, annually	Statistical analysis	Soum, aimag and state statistics  Interviews with the stakeholders
		Number of family members employed by the project and related organisations on a full-time, part-time, and shift basis, annually	One-on-one and focus group discussion	
		Changes in the number of household livestock, annually	Situation prediction methodology	
3	Increase in cost of living.	Changes in average cost of living, annually	Statistical analysis	Soum, aimag and state statistics  Interviews with the stakeholders
		Changes in food prices, annually		
		Changes in the prices of housing, apartments, land and cars, annually	One-on-one and focus group discussion	
		Changes in the prices of clothing and consumer goods, annually	Situation prediction methodology	
		Changes in the prices of medical services and medicines, annually		
		Changes in education services, and their prices, annually		
4	Changes in family work schedules	Changes in the work schedule of children in the household, every 3 years	Statistical analysis	Soum, aimag and state statistics  Interviews with the stakeholders
		Changes in the work schedule of male and female household members, every 3 years	One-on-one and focus group discussion	
5	Forced resettlement	Number of migrations due to on pasture and water availability, annually	Statistical analysis	Soum, aimag and state statistics  Interviews with the herders and local authorities
		Number of wells whose water level has dropped or is depleted every 3 years.	One-on-one and focus group discussion	
		Number of households that lost their winter and spring camps, annually	Situation prediction methodology	

		Number of households that could not use their wells and pastures in the past, annually	Impact modeling methodology	
		Number of households relocated due to mining dust and noise, annually		
6	Increase in human rights violations	Number of complaints received by the staff of the National Human Rights Commission in the aimag, annually	Statistical analysis	Soum, aimag and state statistics
		Number of complaints related to crimes and violations received by local police officers, annually	One-on-one and focus group discussion Analysis of secondary information sources	Report and information from National Human Rights Commission
7	Shortage of local labour resources	Changes in local people professions, every 3 years	Statistical analysis	Soum, aimag and state statistics
		Changes in local employment, annually	One-on-one and focus group discussion Analysis of secondary information sources	Reports and information of employment and career choice
<b>Changes and impacts on personal and family property rights</b>				
8	Changes in land use rights	Number of households that have lost/will lose winter/spring land, annually.	Statistical analysis	Soum, aimag and state statistics related to land use, pastures and wells Interviews with the stakeholders Other relevant reports and articles
		Number of land users in baghs, soums and aimags, every 3 years	One-on-one and focus group discussion	
		Types of land use in baghs, soums and aimags, every 3 years	Analysis of secondary information sources	
		Pasture use rate, every 5 years		
		Pasture availability, every 5 years	Situation prediction methodology	
		Number of displaced households, every 3 years		
		Number of households covered by the compensation programme, every 3 years	Impact modeling methodology	
Number of households that traditionally own land (without a certificate), annually				
9	Changes in the number of livestock in the household	Number of livestock, annually	Statistical analysis	Soum, aimag and state statistics related to livestock number, weight,

10	Changes in livestock weight, quality and health	Livestock weight, quality, health, every 2 years	One-on-one and focus group discussion Analysis of secondary information sources	quality and health Interviews with the stakeholders Quality study information
11	Water quality and availability	Number of wells dried up and not dried up, every 3 years.	One-on-one and focus group discussion	Quantitative and qualitative study information
		Water quality, volume, annually	Analysis of secondary information sources	
<b>Changes and impacts on opportunities to participate in local decision-making</b>				
12	Changes in the opportunity of local people to participate in decisions that affect their lives	Frequency of bagh, soum and khoroo meetings and public hearings, annually	One-on-one and focus group discussion	Interviews with the stakeholders
		Number of comments and complaints received and resolved by local authorities in writing and orally, annually		Other relevant reports
		Number of locally established and active civil society organisations, every 3 years		Reports of human rights and governance organisations
<b>Changes and impacts on values, culture and beliefs</b>				
13	Changes in the language and communication of local people	Changes in speech, new vocabulary, every 3 years	One-on-one and focus group discussion	Interviews with the stakeholders Other relevant reports and research articles Data of quality research in the field
14	Changes in holidays and celebration	Number of new holidays and anniversaries, every 5 years	Analysis of secondary information sources	
15	Changes in clothing	Changes in local people clothing, every 5 years		
16	Changes in customs and traditions	Changes in horse tying and grooming customs, every 5 years	Situation prediction methodology	
		Changes in weddings and haircutting ceremonies, every 5 years	Impact modeling methodology	
17	Changes in religion	Changes in local religions, every 5 years		
<b>Changes and impacts on communication among citizens and the access to and delivery of public services in terms of quality, accessibility and cost</b>				
18	Changes in people's relationships, trust and unity	Clarify by questionnaire	One-on-one and focus group discussion	Soum, aimag and state statistics related to these
19	Changes in the quality and accessibility of health	Local children's entrance exam performance, annually	Analysis of secondary information sources	Interviews with the stakeholders
		Number of complaints, applause and comments from citizens		



	and education services	related to education and medical services, annually	Situation prediction methodology Impact modeling methodology	Other relevant reports and research articles Data of quality research in the field
		Local hospital human resources, number of teaching staff, specialization, every 3 years		
		Changes in the professional and educational level of local people, every 3 years		
20	Changes in the quality and accessibility of public services	Number of complaints, applause and comments from citizens regarding the quality and availability of public services, annually		
21	Changes in the type and frequency of crime	Number of crimes and violations recorded, and their resolution state, annually		
22	Increase in misunderstandings and disputes between herders and local authorities	Number of disputes between herders and management, registration status and reasons, annually		
<b>Changes and impacts on the environment</b>				
23	Changes in food quality and availability	Types of food consumed by local people on a daily basis, every 3 years	One-on-one and focus group discussion	Soum, aimag and state statistics related to these Interviews with the stakeholders
		Number of cases of disease due to food quality, every 3 years	Analysis of secondary information sources	
24	Changes in population and livestock safety	Changes in livestock health, type and number of cases of diseases, every 2 years	Situation prediction methodology	Other relevant reports and research articles Data of quality research in the field
		Changes in people's health, type and number of cases of diseases, every 2 years		
25	Changes in availability and usage type of natural resources and resources (pastures, water, forests, accompanying resources of the forest, wildlife, fish)	Number of complaints related to pasture and forest use, annually	Impact modeling methodology	
		Number of crimes related to pasture and forest use, annually	Public hearing methodology	
		Pasture and forest users, forms of use, annually	Gender impact assessment methodology	
26	Increase in ambient noise and dust	Number of people who fell ill, were treated or complained due to ambient noise and dust, annually		
<b>Changes and impacts on health and peace of citizens</b>				
27	Communicable and non-communicable diseases in the population	Number of cases, annually	One-on-one and focus group discussion	Soum, aimag and state statistics related to these
		Changes in local health, number of health programmes implemented by the project implementer, number of people involved, annually	Analysis of secondary	

28	Changes in mental health	Number of people receiving psychiatric treatment, annually	information sources	Interviews with the stakeholders
		Number of people physically and mentally ill as a result of project blast noise, every 2 years	Situation prediction methodology	Other relevant reports and research articles
29	Increase in morbidity due to chemical and environmental pollution	Number of cases, annually	Impact modeling methodology	Data of quality research in the field
30	Injuries, fatalities and deterioration of health due to violations of occupational safety and health (OSH) regulations.	Number of people injured or killed by project machinery, falling into dug holes, etc., annually	Public hearing methodology	
		Number of animals lost due to being hit by project machinery or falling into a dug holes, annually		
<b>Changes and impacts on aspirations and confidence in the future</b>				
31	Increase in fear of uncertainty and longing for one's own security, and future and the future of their children	Percentage of local people who believe that the project activities will contribute to local development in the long run, annually	One-on-one and focus group discussion	Soum, aimag and state statistics
32	Increase in fear of employment and job insecurity	Number of parents who do not want their children to become herders in the future, regardless of the project activities, every 3 years	Analysis of secondary information sources	Interviews with the stakeholders
		Number of parents who do not want their children to become herders in the future due to the project activities, every 3 years	Situation prediction methodology	Other relevant reports and research articles
33	Conflicts and mistrust of foreign nationals working on the project	Number of permanent and temporary foreigners working on the project, annually	Impact modeling methodology	Data of quality research in the field
		Number of crimes committed by project workers, annually		
<b>Other</b>				
34	Complaints	Number of complaints filed with the court, court decision at each stage, number of dismissed complaints, annually	Comparative study methodology	Soum, aimag and state statistics
		Number, content, resolution of complaints and information submitted to non-judicial organisations, annually		Interviews with the stakeholders

#### 5.4. Stage IV: Formal consultation and discussion with the citizens and residents of the area of impact

The purpose of this stage is to organise meetings and receive feedback from the local administration and affected citizens in the project area on the baseline data identified during the detailed social impact assessment, as well as the processing and analysis of the information provided therein, in the presence of the legal entity that conducted the detailed

impact assessment of the project and members of the joint team, to organise discussions in order to identify missing information, to respond to the various needs of the social groups and to guarantee the participation of the different social groups.

This will be organised together with the meeting set forth in Article 18.4 of the Law on EIA (18.4 During the process of preparing report, the legal entity, that is undertaking project detailed impact assessment shall organise meeting and collect official feedback from the local authority and community who will be affected by the project.).

This work will be organised in the form of a separate meeting and discussion separate from the *bagh* community meeting.

At this stage, the following will be done in consultation with the residents in the area of impact and local governments:

1. Detailed Environmental and Social Impacts Assessment, information collected/produced during its development, especially those related to impacts on the environment and society, including potential negative impacts, shall be explained in simple and clear text. These are presented in detail for each 8 main types of social impact (Table 1).
2. If there are leaders of the local administration and *bagh* community meetings, as well as organised cooperatives and groups of citizens, one extended meeting with their leaders and one meeting with the citizens of the area of impact will be held and each meeting minutes will be attached to the DESIA report. A copy of each minutes shall be left with the local authority and shall be open to the public.
3. If necessary, training and advocacy on mineral legislation, environmental and social impact assessments, and citizen participation legislation may be provided to the parties, and the costs shall be borne by the project implementer.

Local governments can support the meetings and discussions with dissemination of advertisements and the provision of accommodation.

## **5.5. Stage V: Assessing positive and negative impacts**

The implementation of minerals sector projects and related infrastructure projects inevitably leads to environmental change and degradation. Hence, they have impacts on the environment of the project area, as well as negative impacts on incomes, livelihoods, natural resource use, and other natural resource-based sectors of the region (livestock husbandry, crop farming, tourism, etc.). In particular, traditional nomadic herding and nomadic culture and traditions are likely to be directly and negatively affected. Changes in the environment and ecosystems and the degradation of biomass benefits affect the basic human rights and fundamental freedoms of individuals, families and local people in the project area and the area of impact. Therefore, their impact on society must be assessed in a consistent manner, identifying negative impacts through a human rights based and gender sensitive approach.

Therefore, at this stage, experts conducting detailed environmental and social impact assessments need to work closely together. In other words, when the social impact assessment is jointly defined and accepted by the environmental expert, the quality and feasibility of the Environmental and Social Impact Management Plan and the Environmental Monitoring Programme will be optimal and the project will be successful.

The following will be done as part of a Detailed Social Impact Assessment:

1. Identifying the potential direct and indirect social impacts of the project;
2. Identifying how the environmental and social impacts of the project will affect different social groups; and
3. Determining the duration and intensity of environmental and social impacts and their residual impacts on the sustainable development of the population in the area of impact, its future impact, and the impact after the mine closure, and defining the monitoring and measurement criteria.

Identifying the direct and indirect social impacts of a project is important to increase the positive impact, and avoid or eliminate potential risks and negative impacts. Once the social impacts of the people in the area of impact have been identified, they will be ranked and a decision will be made on whether to take measures to avoid the most serious impacts or to stop/continue the project.

Direct and indirect social impacts will depend on the assessment criteria and the classification of impacts will be determined as shown in Table 1b below. Depending on the nature of the project and the activities, the classification may change, and if so, comments should be made.

**Table 1b. Impact classification**

<b>Impact classification</b>	<b>Scope</b>
<b>Direct impact</b>	1. Changes and impacts on lifestyle 2. Changes and impacts on personal and family property rights 7. Changes and impacts on health and well-being 6. Changes and impacts caused by environmental change
<b>Indirect impact</b>	3. Changes and impacts on opportunities to participate in local decision-making 5. Changes and impacts on communication among citizens and the access to and delivery of public services in terms of quality and accessibility 4. Changes and impacts on values, culture and beliefs 8. Changes and impacts on aspirations and confidence in the future

At this stage, the researchers may study the potential social impacts of the project on the community and, based on the views of the affected communities, consider the total scope or part of the impact and classify it as direct or indirect, or both. The methodologies proposed in Appendix 1 to this methodology will be used to identify and assess the positive and negative social impacts. If an alternative methodology is used, it must be no less effective than the ones proposed here.

The identified impacts will be ranked using the assessment matrix method shown in Table 3. Please note that prior to ranking the impacts, the company conducting the social impact assessment and stakeholders need to work together to agree on a detailed definition of each probability and consequence level.

**Table 2. Impact probability and consequence matrix (example)**

		CONSEQUENCE				In the event of a violation of human life, health, safety or fundamental human rights, the impact shall be considered <b>NEGATIVE</b> or <b>DANGEROUS</b> .
PROBABILITY		1	2-3	4	5	
		Low	Moderate	High	Extreme	Positive and negative CONSEQUENCES (example)
5	<b>Frequent:</b> Occurs frequently (e.g. once a week)	6	7-8	9	10	If it is life-threatening, it is considered to have the highest impact and risk, regardless of the frequency. On the contrary, positive outcomes are prioritised in terms of their importance to protect human health and improve human rights.
4	<b>Common:</b> Occurs occasionally (e.g. probably once a month)	5	6-7	8	9	Negative impacts on the life or health of one or more family members, such as injury, illness, or incapacity to work, are considered negative. Changes to a certain level, such as job creation and income generation, are considered positive.
2-3	<b>Sometimes:</b> (e.g. probably once a year)	3-4	4-6	6-7	7-8	If circumstances may arise that can be resolved only through relocation or compensation due to the possibility of an accident or injury, then the circumstances should be assessed. Opportunities to improve social services can be considered positive.
1	<b>Very rare:</b> (e.g. it can occur once every 9 years or more)	2	3-4	5	6	The project will not have a significant impact on local people, families and businesses, and even if it does, the consequences will not be felt.

**Note:**

Low	Moderate	High	Extreme
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**Note:** The joint team established to develop the SIA should agree on the following prior to the assessment, develop the assessment standard, and conduct the assessment accordingly:

1. Tolerable and intolerable levels of social impact;
2. Requirements to create, increase, or prevent, avoid or restore the impact, etc.; and
3. Rationale for the impact that will result in the termination or continuation of the project.

The next step in identifying the social impact in details is to identify the indirect and cumulative potential impacts of the project, using the Impact Probability and Consequence Assessment shown in Table 4. The most effective way to do this is to study the experience of other similar sites and projects. In addition, stakeholders will use a combination of methods to map potential impacts and make situation predictions.

The social impacts of a project will be different for each social group, with different intensity and frequency, for men, women, children, the elderly, and households with all levels of income. Therefore, at the project impact assessment stage, it is important to assess how the identified impacts are likely to affect different social groups in each project cycle, and what the consequences will be. Gender impact assessment and other methodologies should be used.

The implementation of the detailed social impact assessment will be audited every three years in conjunction with the Environmental Audit and the findings will be made public.

Project implementer: .....

Project location and teams: .....

Project phases: ..... (exploration, mining, construction, etc.) .....

**Table 3. Impact Probability and Consequence Assessment Table**

No.	Scope	Impact											
		Individual				Household				Society			
		Low	Moderate	High	Extreme	Low	Moderate	High	Extreme	Low	Moderate	High	Extreme
<b>1</b>	<b>Changes and impacts on lifestyle</b>												
1.1	Types and forms of income sources												
1.2	Employment status of family members												
1.3	Traditional forms and styles of livestock herding												
1.4	Traditional and adapted lifestyle												
1.5	Cost of living												
1.6	Family planning												
1.7	Child labour												
1.8	Women's employment, daily household workload and time spent per unit of labour												
<b>Overall results</b>	<b>CHANGES AND IMPACTS ON LIFESTYLE</b>												

Note: This assessment will be conducted for each of the 8 areas of social impact scope using the table above.

## 5.6. Stage VI: Developing a social impact management plan

The purpose of this stage is to develop a Social Impact Management Plan (SIMP) that identifies ways, with the participation of the parties, to increase the positive impact of project activities on society, economy and human rights, to prevent or avoid potential negative impacts, to eliminate their consequences, to relocate people in the area of impact, and to provide compensation.

The methodology used to develop a plan to avoid negative impacts and eliminate their consequences varies in each project cycle. Measures to prevent or avoid negative impacts that may affect each social group now or in the future, eliminate their consequences, restore rights, and increase positive impact should be assessed and planned using a matrix as outlined in Table 5.

The Detailed Social Impact Assessment Management Plan defines the roles and responsibilities of government agencies, project implementers, local communities and other stakeholders over the life of the project, and manages the potential negative impacts, positive outcomes and opportunities of the project during its construction, operation and closure. In developing the plan, the local government and relevant experts will need to provide the necessary information and support to the assessment team.

The implementation of the management plan will be monitored in accordance with the monitoring programme. In doing so, a comprehensive plan will be developed to monitor the timing, budget, and resources to prevent and avoid the negative impacts, eliminate the consequences, determine the cycle of reassessing the impacts, and appoint a responsible official.

The social impact management plan is an integral part of the environmental management plan. However, the concept of 'mitigating' impacts can only be used in Environmental Assessment and should not be included in the Social Impact Management Plan. Social impact should be 'eliminated'. This is because if the project continues to have a certain level of social impact, people's lives, customs, values, beliefs and future living conditions will gradually be lost, human livelihoods and the benefits and opportunities of nature will deteriorate in the long run, and eventually, all will be completely lost. In other words, allowing social impact means guaranteeing the risk of losing all of this altogether and forcing people to accept the situation. Therefore, there should be no such concept as 'mitigating' social impact.

Project implementer: .....

Project location and teams: .....

Project phases: ..... (exploration, mining, construction, etc.) .....

**Table 4. Determination of responses**

Level of impact	Tolerance limit		Measures to eliminate / increase the impact
	Negative	Positive	
<b>Extreme</b>	<b>Will not accept; and will not produce</b>	<b>Maintain or increase the impact</b>	The issue of whether to implement the project will be discussed. Must bear the responsibility of not creating the negative impact. This may require detailed research and planning, and the responsibilities for monitoring should be clarified, as partial or complete monitoring of the risk situation is required. The principle of liability in case of loss of control shall also be defined.

			A periodic plan to maintain or increase the positive impact can be developed.
<b>High</b>	<b>Will not accept; and prevent or avoid</b>	<b>Maintain or increase the impact</b>	<p>The necessary measures will be taken immediately to prevent or avoid the negative impact from the outset, without taking 'mitigation after occurrence' measures. The impact should be informed at the decision-making level, and controlled; and whether in-depth research and planning is needed, as well as whether it is necessary to stop the project and conduct additional research should be determined.</p> <p>A periodic plan to maintain or increase the positive impact must be developed.</p>
<b>Moderate</b>	<b>Eliminate or avoid</b>	<b>Increase the impact</b>	<p>The roles and responsibilities of executives and managers should be defined, preventive and corrective action plans should be developed, impacts should be re-evaluated by line departments, remedial action should be taken, and, to a certain extent, remedial and avoidance measures should be taken and reported to management. It is necessary to discuss at the executive management level and take measures to prevent, correct, regularly control, actively manage, and monitor at regular intervals.</p> <p>A periodic plan to increase the positive impact must be developed.</p>
<b>Low</b>	<b>Eliminate</b>	<b>Increase the impact</b>	<p>Regular monitoring is not required, but after the elimination, remedial action should be taken to ensure that it does not recur. Risks need to be monitored and managed in accordance with established procedures.</p> <p>A periodic plan to maintain or increase the positive impact must be developed.</p>

The indicators of the Monitoring Programme of the Environmental and Social Impact Management Plan will be developed jointly by the assessed experts, local citizens, citizens in the area of impact and local governments. In addition to the citizens in the area of impact, the monitoring programme should identify groups that may be impacted by the project, such as migrant workers and people living along the road, and must include criteria for monitoring changes. Moreover, the development of a monitoring programme should focus on how to monitor and measure unpredicted impacts. In addition to direct impacts, indirect and cumulative impacts will also be monitored by the project monitoring programme. Impact monitoring indicators need to be clear, measurable and consistent with project activities.

Following a detailed social impact assessment, a consolidated registry will be maintained in accordance with the Integrated Impact Control Registry shown in Table 6, and the implementation of the response will be regularly reviewed and evaluated, and monitoring will be open to affected citizens and other parties. Because each project may have different impacts and monitoring programmes, the reference tables in this methodology will be modified to suit the specifics of the project.

The management plan, which is a response plan based on the results of the Detailed Social Impact Assessment of the project, has the following structure:

- Summary of detailed social impact assessment;
- Positive impact enhancement plans and its costs;



- Negative impact avoidance plans and its costs;
- Negative impact elimination measures and its costs;
- Monitoring programme and its costs;
- Stakeholder engagement plan; and
- Grievance mechanism, and control and accountability.

The project implementer and the assessment company shall respect the right of local citizens and citizens in the area of impact to receive legal and technical assistance in the development of the monitoring programme and, if necessary, to participate in the training, and the project implementer will bear the necessary costs. This will be reflected in the plan developed in Stage 1.

**Table 5. Standard indicators for social impact monitoring**

No.	Social impact	Indicators and measurement frequency	Methodologies of use	Information to use
<b>Changes in lifestyle</b>				
1	Changes in the way of livelihood	Number of people that stopped herding livestock, annually	One-on-one and focus group discussion	Soum, aimag and state statistics  Interviews with the herders and local authorities
		Number of people moved to soums, aimags and cities, annually		
		Number of people employed by mining companies and their contractors	Statistical analysis	
2	Changes in income sources	Changes in total household income, annually	Statistical analysis	Soum, aimag and state statistics  Interviews with the stakeholders
		Number of family members employed by the project and related organisations on a full-time, part-time, and shift basis, annually	One-on-one and focus group discussion	
		Changes in the number of household livestock, annually	Situation prediction methodology	
3	Increase in cost of living.	Changes in average cost of living, annually	Statistical analysis	Soum, aimag and state statistics  Interviews with the stakeholders
		Changes in food prices, annually		
		Changes in the prices of housing, apartments, land and cars, annually	One-on-one and focus group discussion	
		Changes in the prices of clothing and consumer goods, annually	Situation prediction methodology	
		Changes in the prices of medical services and medicines, annually		
		Changes in education services, and their prices, annually		

4	Changes in family work schedules	Changes in the work schedule of children in the household, every 3 years	Statistical analysis	Soum, aimag and state statistics
		Changes in the work schedule of male and female household members, every 3 years	One-on-one and focus group discussion	Interviews with the stakeholders
5	Forced resettlement	Number of migrations due to on pasture and water availability, annually	Statistical analysis	Soum, aimag and state statistics
		Number of wells whose water level has dropped or is depleted every 3 years.	One-on-one and focus group discussion	
		Number of households that lost their winter and spring camps, annually	Situation prediction methodology	Interviews with the herders and local authorities
		Number of households that could not use their wells and pastures in the past, annually	Impact modeling methodology	
		Number of households relocated due to mining dust and noise, annually		
6	Increase in human rights violations	Number of complaints received by the staff of the National Human Rights Commission in the aimag, annually	Statistical analysis	Soum, aimag and state statistics
		Number of complaints related to crimes and violations received by local police officers, annually	One-on-one and focus group discussion Analysis of secondary information sources	Report and information from National Human Rights Commission
7	Shortage of local labour resources	Changes in local people professions, every 3 years	Statistical analysis	Soum, aimag and state statistics
		Changes in local employment, annually	One-on-one and focus group discussion Analysis of secondary information sources	Reports and information of employment and career choice
<b>Changes and impacts on personal and family property rights</b>				
8	Changes in land use rights	Number of households that have lost/will lose winter/spring land, annually.	Statistical analysis	Soum, aimag and state statistics related to land use, pastures and wells
		Number of land users in baghs, soums and aimags, every 3 years	One-on-one and focus group discussion	
		Types of land use in baghs, soums and aimags, every 3 years	Analysis of secondary information sources	Interviews with the stakeholders
		Pasture use rate, every 5 years		
		Pasture availability, every 5 years		

		Number of displaced households, every 3 years	Situation prediction methodology Impact modeling methodology	Other relevant reports and articles
		Number of households covered by the compensation program, every 3 years		
		Number of households that traditionally own land (without a certificate), annually		
9	Changes in the number of livestock in the household	Number of livestock, annually	Statistical analysis One-on-one and focus group discussion	Soum, aimag and state statistics related to livestock number, weight, quality and health
10	Changes in livestock weight, quality and health	Livestock weight, quality, health, every 2 years	Analysis of secondary information sources	Interviews with the stakeholders Quality study information
11	Water quality and availability	Number of wells dried up and not dried up, every 3 years.	One-on-one and focus group discussion	Quantitative and qualitative study information
		Water quality, volume, annually	Analysis of secondary information sources	
<b>Changes and impacts on opportunities to participate in local decision-making</b>				
12	Changes in the opportunity of local people to participate in decisions that affect their lives	Frequency of bagh, soum and khoroo meetings and public hearings, annually	One-on-one and focus group discussion	Interviews with the stakeholders
		Number of comments and complaints received and resolved by local authorities in writing and orally, annually		Other relevant reports
		Number of locally established and active civil society organisations, every 3 years		Reports of human rights and governance organisations
<b>Changes and impacts on values, culture and beliefs</b>				
13	Changes in the language and communication of local people	Changes in speech, new vocabulary, every 3 years	One-on-one and focus group discussion	Interviews with the stakeholders
14	Changes in holidays and celebration	Number of new holidays and anniversaries, every 5 years	Analysis of secondary information sources	
15	Changes in clothing	Changes in local people clothing, every 5 years		Other relevant reports and research articles
16	Changes in customs and traditions	Changes in horse tying and grooming customs, every 5 years	Situation prediction methodology	Data of quality research in the field
		Changes in weddings and haircutting ceremonies, every 5 years	Impact modeling methodology	

17	Changes in religion	Changes in local religions, every 5 years		
<b>Changes and impacts on communication among citizens and the access to and delivery of public services in terms of quality, accessibility and cost</b>				
18	Changes in people's relationships, trust and unity	Clarify by questionnaire		
19	Changes in the quality and accessibility of health and education services	Local children's entrance exam performance, annually	One-on-one and focus group discussion  Analysis of secondary information sources	Soum, aimag and state statistics related to these  Interviews with the stakeholders  Other relevant reports and research articles
		Number of complaints, applause and comments from citizens related to education and medical services, annually		
		Local hospital human resources, number of teaching staff, specialization, every 3 years		
		Changes in the professional and educational level of local people, every 3 years		
20	Changes in the quality and accessibility of public services	Number of complaints, applause and comments from citizens regarding the quality and availability of public services, annually	Situation prediction methodology  Impact modeling methodology	Data of quality research in the field
21	Changes in the type and frequency of crime	Number of crimes and violations recorded, and their resolution state, annually		
22	Increase in misunderstandings and disputes between herders and local authorities	Number of disputes between herders and management, registration status and reasons, annually		
<b>Changes and impacts on the environment</b>				
23	Changes in food quality and availability	Types of food consumed by local people on a daily basis, every 3 years	One-on-one and focus group discussion	Soum, aimag and state statistics related to these  Interviews with the stakeholders
		Number of cases of disease due to food quality, every 3 years	Analysis of secondary information sources	
24	Changes in population and livestock safety	Changes in livestock health, type and number of cases of diseases, every 2 years	Situation prediction methodology	Other relevant reports and research articles
		Changes in people's health, type and number of cases of diseases, every 2 years		
25	Changes in availability and usage type of natural resources and resources (pastures, water, forests, accompanying resources of the forest, wildlife, fish)	Number of complaints related to pasture and forest use, annually	Impact modeling methodology	Data of quality research in the field
		Number of crimes related to pasture and forest use, annually	Public hearing methodology	
		Pasture and forest users, forms of use, annually	Gender impact assessment methodology	

26	Increase in ambient noise and dust	Number of people who fell ill, were treated or complained due to ambient noise and dust, annually		
<b>Changes and impacts on health and well-being</b>				
27	Communicable and non-communicable diseases in the population	Number of cases, annually	One-on-one and focus group discussion  Analysis of secondary information sources	Soum, aimag and state statistics related to these  Interviews with the stakeholders
		Changes in local health, number of health programs implemented by the project implementer, number of people involved, annually		
28	Changes in mental health	Number of people receiving psychiatric treatment, annually	Situation prediction methodology	Other relevant reports and research articles  Data of quality research in the field
		Number of people physically and mentally ill as a result of project blast noise, every 2 years		
29	Increase in morbidity due to chemical and environmental pollution	Number of cases, annually	Impact modeling methodology  Public hearing methodology	
30	Injuries, fatalities and deterioration of health due to violations of occupational safety and health (OSH) regulations.	Number of people injured or killed by project machinery, falling into dug holes, etc., annually		
		Number of animals lost due to being hit by project machinery or falling into a dug holes, annually		
<b>Changes and impacts on aspirations and confidence in the future</b>				
31	Increase in fear of uncertainty and longing for one's own security, and future and the future of their children	Percentage of local people who believe that the project activities will contribute to local development in the long run, annually	One-on-one and focus group discussion  Analysis of secondary information sources	Soum, aimag and state statistics  Interviews with the stakeholders
32	Increase in fear of employment and job insecurity	Number of parents who do not want their children to become herders in the future, regardless of the project activities, every 3 years	Situation prediction methodology	Other relevant reports and research articles  Data of quality research in the field
		Number of parents who do not want their children to become herders in the future due to the project activities, every 3 years	Impact modeling methodology	
33	Conflicts and mistrust of foreign nationals working on the project	Number of permanent and temporary foreigners working on the project, annually	Public hearing methodology	
		Number of crimes committed by project workers, annually		
<b>Other</b>				
34				

The following indicators can be used to monitor the social impacts of minerals sector projects and related infrastructure projects. These are included as a benchmark as they may

vary from project to project. The monitoring team will develop criteria based on the specifics of the project.

After a detailed social impact assessment, a consolidated registry will be maintained in accordance with the Integrated Impact Control Registry shown in Table 6, and the implementation of the response will be regularly reviewed and evaluated, and monitoring will be open to affected citizens and other parties.

Table 6. Integrated Impact Control Registry (template)

Company Name:				Probability	Consequence	PROJECT IMPACT RECORD						RISK COMPARISON	
Project phase:						Tolerance limit	Actions to take	Budget	Responsible officer	Supervisor	Approving officer	Explanation of the initial risk assessment	Updated risk assessment
Location, aimag, soum, team:													
Registration date:													
Registration update date:													
No.	Scope	Situations and activities causing impacts	Positive / Negative										
1													
2													
3													
4													
5													

### **5.7. Stage VII: Providing information to citizens in the area of impact and ensuring their participation**

The purpose of this stage is, first, to ensure consistency between the Detailed Environmental Assessment and the Detailed Social Impact Assessment, and second, to ensure that the Management Plan and the Monitoring Programme are consistent and realistic. In addition, this stage will provide adequate understanding to local communities, including those in the area of impact. Moreover, this stage will create a basis for knowledge-based intergenerational monitoring that protects household enterprise, pasture use and land rights, and allows accurate information to be passed on to future generations.

In accordance with the “Ensuring Public Participation in Environmental Impact Assessment” procedure approved by Order No.A-03 of 2014 of the Minister of Environment, Green Development and Tourism pursuant to Article 18.5 of the Law on EIA, full citizen input on the draft Social Impact Assessment report, the draft Management Plan and the draft Environmental Monitoring Programme should be received through community meeting and participatory assessment methods; public participation should be ensured in the impact assessment stages through consultations, discussions and polls; direct and indirect impacts of the project should be assessed and people's livelihoods and social issues should be addressed in the assessment; measures to ensure public participation in the development of the management plan and its implementation criteria should be tailored to the views of those affected by the project; and methods to ensure public participation should be clarified.

The works at this stage will be performed, verified, documented as follows; and attached to the ESIA report:

1. Draft Social Impact Assessment Report;
2. Draft Social Impact Management Plan;
3. Draft Social Impact Management Monitoring Programme;
4. Detailed information and explanations on how the citizens' comments were reflected in Stage 4 should be printed and disseminated to the citizens of the area of impact 10 working days in advance, and made available to the public;
5. Citizens in the area of impact should be given sufficient time to read and understand the above three documents and to receive legal and professional advice; and
6. Citizens and the public in the area of impact will submit their written comments and criticisms on the DESIA report to the assessment company, local government and bagh community meeting within 10 working days after receiving the draft report documents.

### **5.8. Stage VIII: Preparation of assessment report;**

The purpose of this stage is to collate and process the information collected during the assessment into the form of a report, to present the draft DESIA report that is in the structure and format of the report that meets the regulations and requirements of the state authority to the project implementer, and make them understand the positive and negative social impacts, as well as the issues for the affected communities, and make them committed to implementing the proposed measures and recommendations. Suggestions and criticisms from citizens of the



area of impact will be formally recorded, handed over to the project implementer and attached to the DESIA report.

The report will be prepared as follows:

1. Collate the processed information into the structure and format of a report;
2. Present the report to the project implementer;
3. Submit the report to government authorities;
4. If necessary, review and incorporate the recommendations from the state authorities and submit the report to the project implementer.

Although the Detailed Social Impact Assessment Report is a component of the Detailed Environmental and Social Impact Assessment Report, it will have the following independent structure:

1. Non-technical summary of the report;
2. Introduction;
3. Legal scope;
4. Project description;
5. Joint team;
6. Social and economic baseline of each administrative unit where the project is implemented;
7. Estimates and research results identifying the potential and key negative impacts of the project on society, its intensity, distribution and consequences;
8. Recommendations for prevention, avoidance and elimination of potential and key negative impacts of the project;
9. Risk assessment of human health and environmental impact from project activities, if the general environmental and social impact assessment requires risk assessment;
10. Objectives, scope and criteria of the environmental and social impact management plan;
11. Proposals from the local administration of the project area and community meetings in the area of impact, and meeting minutes and attendance records;
12. Materials and methods used;
13. Appendix; and
14. Work list of the assessment company and profile of the team members.

### **5.9. Stage IX: Organising hearings and bagh community meeting discussions on the draft DESIA report, receiving comments, and having decisions made**

The purpose of this phase is for the project to be discussed at the primary administrative unit meeting where the project is implemented, for decisions to be made whether to support the project or not, for the final version of the DESIA report to be discussed, and for a final decision to be made; and to protect the parties from any future risks, to develop long-term mutual oversight and responsible partnership, and to ensure mutually sustainable development.

The works of this stage will be carried out and documented as follows and the documents will be approved and attached to the DESIA report:

1. The company that has conducted the Detailed Social Impact Assessment shall submit a request for discussion of the draft DESIA report to the community meeting of the bagh where the project will be implemented. If the project covers the territory of more than 2 baghs, the request shall be submitted to the bagh community meeting of each bagh.
2. The draft DESIA report will be presented and discussed at the bagh community meeting in the presence of the project implementing economic entity.
3. Attendance, minutes and decisions of bagh community meetings shall be attached to the DESIA report. The fact that it was presented and discussed at the bagh community meeting is only a matter of ensuring citizen participation and does not mean that the project has been authorised or approved.

### **5.10. Stage X: Disclosure of approved ESIA reports, management plans and monitoring programmes to the public**

The purpose of this stage is to provide the public with access to the approved Detailed Environmental and Social Impact Assessment Report, informed monitoring, and opportunity to demand accountability; and to enable the public to objectively evaluate the roles and responsibilities of the parties.

The works at this stage are carried out as follows:

1. Five copies of the approved DESIA report shall be prepared and submitted to the project implementer, the local administration of the area where the project will be implemented, the state central administrative bodies in charge of population development and social protection and environment, respectively. The assessment company retains one copy to itself. If the project covers more than 2 soums or districts, a copy shall be submitted to each local administrative organisation.
2. The assessment company shall be obliged to upload the complete report of the DESIA to the electronic environmental information system as soon as it is approved.
3. The project implementer, soum and district governors, bagh and khoroo community meetings, and aimag and capital city environmental departments shall be responsible for keeping the DESIA reports open to the public.
4. The project implementer shall ensure public participation in the development and implementation of the approved DESIA report and Management Plan, introduce and

receive feedback on the implementation of the project to the local community and the public by November 20 of each year, and make appropriate improvements.

## SIX. FEEDBACK AND GRIEVANCE MECHANISM

As part of a detailed social impact assessment, the assessment team should establish an easy-to-use and accessible mechanism for stakeholders to comment on project activities and planning, and to file complaints and have them resolved when necessary. Recommendations should be made to oblige project implementers to keep the mechanism operational and accountable. In addition, the project implementers have a duty to respect the stakeholders' right to protection of their rights and freedoms through the courts.

In establishing a feedback and grievance mechanism, the structure of the joint team established to conduct the social impact assessment should be activated and continued, or a new joint structure without conflicts of interest of companies, citizens and government organisations should be established. Under no circumstances should a company be a sole decision-making mechanism without the involvement of affected citizens. Each member of the feedback and grievance team should be able to obtain and review general information and details submitted by citizens and legal entities. In resolving complaints, the project implementer shall be responsible for the organisational work and expenses, such as providing advance information to the structure, delivering relevant documents in accordance with the information, convening the meeting, and ensuring participation in relevant decisions. All information related to the operation of the feedback and grievance mechanism must be made public.

The feedback and grievance mechanism can take the following forms, but it is possible to determine in advance the location, the distribution of citizens, and the technological possibilities, and to select as many alternatives as possible:

- **Facebook Page.** The page is designed to provide information to affected people, to conduct polls and discussions, and to create a channel for feedback and complaints, transparently showing the remaining time required to resolve them, the official in charge, and whether they have been resolved.
- **Hotline for receiving complaints and suggestions.** If information is obtained through this system, the registration number of the complaint or suggestion received, the remaining time required to resolve them and the official in charge will be notified back via text message.
- **Website.** If citizens' complaints, suggestions and information are to be received on the organisation's website, the above Facebook page and the telephone hotline channel must also be created. The website should have a menu for receiving feedback or complaint that is easy to find and easy to understand. The website should have link to email address or Facebook account, and notify back the feedback and grievance registration number, the person in charge, and the time remaining to resolve them.
- **Reception point for written complaints.** This requires a stationary point and staff, and the advantage of this form is that the grievance is documented on paper. In the future, paper documents can be used as evidence in court cases.
- **Others.** The project implementer may develop other appropriate alternatives for receiving and reviewing feedback and grievances, and may include joint alternatives in

the development of the SIA. In any case, the above Facebook page and the telephone hotline channel for complaints should also be created.

Each feedback and grievance should be registered and archived. The timeframe for resolution shall not exceed 30 calendar days, and in order to take the necessary measures, a request may be made to the public administration or local government, to increase participation, and to issue guidelines and recommendations, with the participation of all members. There are no grounds to extend the deadline for the elimination of negative social impacts and violations of fundamental human rights, and if the consent or guarantee of a government agency is required, the activities related to the violated rights should be stopped until then.

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## SEVEN. APPENDICES

### Appendix 1.

#### a. Social Impact Assessment methodology

There are a number of methods that can be used in Social Impact Assessment (SIA). Depending on the scope, type and duration of the project, stakeholder interests, risk mitigation measures, resources and skills of the assessment team, and other factors the assessment team may choose to use any of the methods, individually or in combination. Selection will be made to identify direct and indirect social impacts, both positive and negative.

Using a combination of methodologies without using a single methodology is important to generate the necessary information. In addition, social impacts that cannot be identified by one methodology may be identified by another methodology, so methodologies should be used in combination.

Recommended methodologies:

1. Social mapping methodology
2. Questionnaire methodology
3. Methodology of using information from secondary sources
4. Methodology of legal and strategic analysis of social impact environment
5. Methodology of studying social baseline indicators
6. Methodology of identifying the impact pathways
7. Situation hypothesis methodology
8. Methodology for gender impact assessment
9. Public hearing methodology
10. Impact modeling methodology

See the table below for more details on the recommended methodologies.

**Table 7. Description of methodologies**

No.	Definition	Recommended methodology
1	Social mapping methodology	<p>This methodology is used to identify the interests and impacts of stakeholders in the project's area of impact and to determine the household's social and economic indicators (education level, skills, property and rights, household income, etc.). The methodology can be used to determine which households will or will not benefit from the project and how, and the following issues should be considered when using it:</p> <ul style="list-style-type: none"> <li>- At the preparation stage, after defining the purpose of the assessment and initially identifying the stakeholders, a list of all potential project stakeholders will be made, identifying primary and secondary stakeholders and prioritizing other stakeholders. The</li> </ul>

		<p>primary stakeholders are those who will directly benefit from the project (such as employment) or who will be directly affected by the project (such as resettlement), while the secondary stakeholders are the indirect project participants (project suppliers, project contract workers, residents of new settlements, etc.);</p> <ul style="list-style-type: none"> <li>- All households in the project's area of impact should be included in the survey;</li> <li>- Opportunities will be provided for each household to assess their own well-being. Prior to this, the household members to be surveyed should be identified and consents should be taken, and the purpose and significance of the survey should be explained. If local people deem it necessary, they should be provided with training and capacity building, several internships, and consultations by human rights experts and NGOs.</li> <li>- The answer to each question will have a different intensity of impact and the required indicators will be selected from the assessment. For example, red colour indicates "Children's school attendance" and yellow colour indicates "Access to education". Each colour will have its own number and category within the colour, in order to reflect the changes in the household's livelihood over time.</li> </ul> <p>The mapping shows the living conditions and quality of life of each household on an annual basis and assesses how they will change as a result of the project implementation. In addition, it provides an opportunity to identify, with a prepared questionnaire, how a number of indicators change as a result of the project implementation.</p>
2	Questionnaire methodology	<p>Questionnaire is a methodology of collecting, processing, and analysing quantitative and qualitative information. This methodology should aim to cover all households in the project's area of impact. The methodology is often used when large amounts of data need to be collected in a short period of time.</p> <p>When using the questionnaire methodology, appropriate designs and methods are selected according to the research and interview objectives, needs, and requirements, and the questionnaire will be taken and documented on a letterhead with pre-designed answer options (question, question and answer, question and choice, etc.) or with open questions.</p> <ul style="list-style-type: none"> <li>- <i>Standard interview</i>: A method in which the respondent thinks and answers a question developed for a specific purpose.</li> <li>- <i>Semi-standard interview</i>: This is an important method to get the necessary information within a strictly defined framework of the survey (semi-open questionnaire) without leaving out the opinions of the respondents on the topic.</li> <li>- <i>Free interview</i>: A flexible method in which the researcher asks questions on his or her own without being confined to a rigid set of questions, receives information, and records the answers in full (recorded on a tape recorder). Depending on the purpose of the study, the researcher may be able to identify issues that are within the scope of the study or beyond the objectives of the study, and make appropriate adjustments, which is an advantage of this method.</li> <li>- <i>Telephone survey</i>: This is a method of getting information from the respondents by phone and getting a quick answer at a low cost. While this method has the advantage of getting information from many people within a short period of time, it can have a disadvantage of being unable to fully control the representativeness of the survey sample because of the respondents' reluctance to participate in the survey for various reasons, as well as the telephone availability and network quality in rural areas. Therefore, it is suitable for obtaining a small amount of specific information through closed-ended questions from many people.</li> </ul>

		<ul style="list-style-type: none"> <li>- <i>One-on-one interview</i>: This is a method in which the researcher communicates directly with the respondents through face-to-face meetings and obtains research information. In this case, the researcher seeks to explore the respondent's views, attitudes, intentions and psychology about the impact, regardless of the content of the questionnaire (or without using a questionnaire at all). This method provides researchers with detailed information about the respondent's behaviour and attitudes toward the object of the research and the factors determining them. A one-on-one interview is conducted by a professional researcher who is able to notice the emotions expressed by the respondent during the interview and to be sensitive to how his or her thoughts are expressed. This interview can be done by talking freely about specific questions and specific topics.</li> <li>- <i>Focus group discussion</i>: Focus group discussions are conducted for a group of 6-10 people under the guidance of a facilitator in the form of a group discussion focused on the topic under discussion.</li> </ul> <p>People with common interests are interviewed as one focus group (for example, groups of herders, government employees and the self-employed). Within the scope of the research, the views, perceptions, and attitudes of the selected group on the issue are studied using a pre-designed questionnaire. The research is conducted in a specially prepared room using specific tools, and the detailed notes for research analysis, as well as video and audio recordings will be documented.</p>
3	Methodology of using information from secondary sources	<p>Methodology of using information from secondary sources can be used at the first stage of social impact assessment, which consists of collating baseline information about the project, identifying project stakeholders, and providing information to them.</p> <p>Information from secondary sources is often open to the public. Quantitative and qualitative information from the <a href="http://www.1212.mn">www.1212.mn</a> website of the National Statistical Office, administrative bodies, relevant research reports, books, bulletins and other sources are clear examples of secondary data sets. The use of secondary data has the advantage of saving resources and time, and allowing more time on data analysis, as well as allowing the use of professionally processed researches. In addition to official information from all levels of government, secondary data includes information from research and development institutions, project researches and reports. Information from secondary source needs to be processed and reported.</p>
4	Methodology of legal and strategic analysis of social impact environment	<p>The social impact assessment company will use this methodology to conduct a legal analysis on the project and draw appropriate conclusions.</p> <ul style="list-style-type: none"> <li>- In the first step, the domestic legal environment related to human rights, social and business principles relevant to the project is analysed. These include the Constitution, sectoral legislation, rules, regulations, methodologies, national, regional and local development programmes and policies, the level of administration (capital city/province, soum/district, bagh/khoroo) where the project is implemented, and decisions of relevant government agencies (Government, ministries, agencies, etc.).</li> <li>- International conventions and treaties on human rights, society and business principles to which Mongolia is a party will be identified.</li> <li>- Whether the project or its implementing company receive funding from international banks and financial institutions is identified, and then how the local laws and regulations are in accordance with the general requirements of those organisations related to human rights, society and business principles and the obligations they impose is determined, and a conclusion is drawn. If domestic law, rules,</li> </ul>

		regulations, or obligations under international treaties and conventions contradict with the requirements of the financiers, recommendations for compliance and remediation will be developed in consultation with the project implementer.
5	Methodology of studying social baseline indicators	<p>The assessment team will collect local statistics and data with the help of local people and government officials to identify key social baseline for the project. These baselines play an important role in determining the overall picture of the social, economic and cultural situation of the local people in the project area. The study of social baseline includes the following:</p> <ul style="list-style-type: none"> <li>- Demographic baselines include population size, density, place of residence, age, sex, etc.;</li> <li>- Population growth and change refers to the impacts of migration due to the project activities;</li> <li>- Social and cultural environment refers to culture, customs, tangible and intangible cultural heritage, cultural centres, buildings and their accessibility, etc.;</li> <li>- Socio-economic environment refers to factors affecting infrastructure, people's income and productivity, land and pasture lease, use and ownership; accessibility to efficient markets, and access to goods and products; family and neighbourhood structure; access to employment, education, skills that are valued and needed in the community; local business, trade and service systems; infrastructure that forms the basis of the economy; local development policies; small and medium-sized enterprise programmes, etc.; and</li> <li>- Social organisation refers to the opportunity, resources and capacity of affected communities to participate in the decision-making process of local governments and representative bodies, and access information and services, etc.</li> </ul>
6	Methodology of identifying the impact pathways	<p>Minerals sector projects are unique in inevitably causing environmental degradation. Since the project causes a negative impact on the local environment, it has a positive and negative impact on other natural resource-based sectors of the region (livestock husbandry, crop farming, tourism, etc.). In particular, it will have a direct impact on the development of the traditional nomadic livestock sector. This methodology can be used to determine the social impact of a project on a local community. In determining the conditions and cases of impact, the factors that may have an impact shall be identified in the general picture and then classified in detail. For example, a mining project may have a different impact in each of its cycles, and may be associated with changes in local customs due to mining, exploitation, and transportation of raw materials. It then details the activities to be included in the operation and identifies the potential impacts of each activity on each part of the scope. Such identification is likely to show at what stage of the project the impact will change.</p> <p>The impact classification will take into account the current situation and how it is likely to change in the future as the project progresses. The advantage of using this methodology is that all project stakeholders are involved in identifying the external and internal factors that may cause impacts on human rights and the society in the future, and the social impacts that may result from them.</p>
7	Situation prediction methodology	<p>This methodology is used to predict potential future situations and is more suitable for impact assessment of project activities. This method can be used primarily to determine the social impact of minerals sector and related infrastructure projects, as researchers first study the impacts of similar activities based on past practices and make predictions for the project to be implemented. The goal is to make general predictions over the long term (5-10 years) of any problem or impact change.</p>



		<p>The use of this methodology suggests an average of three approaches to the situation: first, the current situation with little or no change, second, sudden negative changes, and third, an optimistic scenario. However, past practice should be adequately taken into account and both the positive and negative impacts should be studied. When using this methodology, it is important not to focus too much on one scenario, but to consider all possible scenarios at the same level and strive for realistic analysis and conclusions.</p>
8	Gender impact assessment methodology	<p>Mining and its infrastructure projects can have different impacts on women, men, children, the elders and people with disabilities. It is therefore necessary to assess the gender impact of the project, especially on low-income women, children and people with disabilities. The following issues should be considered when conducting a gender impact assessment:</p> <ul style="list-style-type: none"> <li>- Gender and regional and national policy planning;</li> <li>- Gender and human rights issues;</li> <li>- Gender situation and changes in local, family and labour distribution;</li> <li>- Gender-based policies and participation in development planning;</li> <li>- Gender impacts of issues such as resettlement and compensation;</li> <li>- Construction, such as irrigation, electrification and roads, project opportunities and gender issues</li> <li>- Gender issues in access to information</li> <li>- Gender situation and other issues of institutions representing local communities affected by development projects and programmes.</li> </ul> <p>Gender and human rights-related impact assessment needs to be considered at the family, local, regional and national levels, and fundamental human rights issues such as rights related not only to the household but also to private property, access to information, rights to use and spend resources and to participate in decision-making, employment opportunities, and appropriate and fair remuneration should be addressed through a gender analysis.</p> <p>The gender impact assessment will be conducted in the following steps:</p> <ul style="list-style-type: none"> <li>- Collating baseline information;</li> <li>- Conducting a survey to identify the local characteristics and the roles of men and women in the families, neighbouring families and community, as well as their difference;</li> <li>- Identifying potential problems for women, men, children and people with disabilities due to mining and its infrastructure projects;</li> <li>- Identifying the needs and requirements of local women and people with disabilities;</li> <li>- Developing a gender-related strategy and recommendations, and incorporating them into the management plan; and</li> <li>- Regular monitoring.</li> </ul> <p>Gender impact assessments should take into account the activities and plans defined in relevant legislations<sup>4</sup>, national policies and programmes<sup>5</sup>, as well as their results, reports, recommendations, etc.</p>
9	Public hearing methodology	<p>A feature of this methodology is the implementation of the Law on Public Hearings and procedures for ensuring public participation in environmental impact assessments. This methodology should be used at all stages, from the establishment of a joint team and the discussion of the report to its submission to the central government. When developing a social impact assessment, how to ensure the participation of potentially affected citizens, households, business entities and public administration organisations in the plan to be developed should be carefully planned. Reaching out to local people, providing them with</p>

<sup>4</sup> Law on Ensuring Gender Equality, 2011

<sup>5</sup> National Programme for Gender Equality; Geology, Mining, Petroleum and Heavy Industry Sector Gender Responsive Policy /2019-2026/, etc.

		<p>information, and empowering them to participate in decision-making will be the biggest support for making government decisions accessible, open, transparent, fair, and equal. Consequently, ensuring that the process is conducted in accordance with the law should be a criterion for obtaining social consent. The public hearing will be open to all affected and interested citizens and parties involved in the project. According to the General Administrative Law, the State Administrative Body is obliged to hold a hearing before making a decision on a public issue, so it is possible to co-organise the implementation of this duty.</p> <p>The choice of venue, place and time for the public hearing will be organised in one or more locations and conditions that are accessible and participatory for the affected community, especially women, people with disabilities and the elders. In order to realistically and accurately determine the social impacts of the project on local communities, the impact assessment team will collect information using quantitative and qualitative methods during public hearings. Other activities such as developing mechanisms for questionnaires, interviews, and feedback and grievance can also be organised at the same time. The general principles and methodology set forth in the relevant laws<sup>6</sup> and regulations<sup>7</sup> shall be followed in conducting public hearings.</p>
10	Impact modeling methodology	<p>Various modeling methodologies can be used to identify the social impacts of minerals sector projects and related infrastructure projects on local communities. Although modeling is an effective methodology that considers all the impact factors, and develops estimates in a short period of time, the accuracy may vary depending on the quality of the data used. Incorporating input from local communities and experts in the use of impact modeling methodology will facilitate an objective assessment of the impact. The situation prediction methodology can be combined with this method. Impact assessment using modeling methodology can be carried out in the following steps:</p> <ul style="list-style-type: none"> <li>- Defining the scope of the modeling;</li> <li>- Holding meetings with and receiving comments from social impact experts on minerals sector and infrastructure projects, affected communities and other stakeholders;</li> <li>- Organising meetings and consultations with social impact experts on minerals sector projects and related infrastructure projects, affected communities and other stakeholders</li> <li>- Collecting data and information to be used in modeling</li> <li>- Develop a modeling scheme</li> <li>- The design can be tested, improved or finalised.</li> <li>- Collecting data and information to be used in the modeling;</li> <li>- Developing a modeling scheme; and</li> <li>- Testing, modifying, finalizing the model, etc.</li> </ul>

<sup>6</sup> General Administrative Law, 2015; Law on Public Hearing, 2015

<sup>7</sup> Procedure for Organising Public Hearings approved by Parliament Resolution No.12 of 2017

## b. Recommendations for conducting the Detailed Social Impact Assessment

### 1. Recommendations for the Detailed Social Impact Assessment Stage 1: Preparation and joint team building

*Recommendation:*

The main goal of the analysis is to obtain quantitative and qualitative information about each of the primary and secondary stakeholders in the project's area of impact identified by the DSIA, so it is important to first select the appropriate method of communicating with them and collecting information from them. In doing so, a list of some important information should be made in advance and included in the interview questionnaire. It is not possible to talk to each party in the same way or with the same questionnaire. Therefore, the following should be considered:

- Brief information on the stakeholders' standpoint, employment and the categories of impacts they face;
- Their knowledge of the project and its target results and expectations, and the results of the information disseminated by the project proponent;
- Identifying whether the parties identified as potentially affected by the project are opposed, supportive, or neutral in the project and related activities;
- Positions, beliefs, expectations of benefit, and fears of the parties about the project;
- Resources: Identifying resources (human, financial, technological, knowledge and skills) for each stakeholder;
- Political situation and trends;
- After interview questionnaires and guidelines have been developed, they must be tested and improved before being used for impact assessment; and
- Studying local development policies and programs and identifying their positive and negative impacts.

### 2. Recommendations for the Detailed Social Impact Assessment Stage 2: Collating baseline data

*Recommendation:*

Baseline information is obtained from open government sources, relevant research, reports, analysis, and local governments. Baseline information will be a) validated by bagh, soum, aimag (appropriate) citizens' meetings, public hearings, meetings and discussions, and b) missing information will be identified. Data will be collected from government agencies and open sources, and if information is not available, research data can be used with the source, and data from other projects of similar scale can be used.

The legal entity implementing the project and the company authorised to conduct the Detailed Social Impact Assessment will prepare a description of the project activities at this stage, including information on the brief history of the mine, project exploration, mining, technology, equipment, chemicals used, waste management, transportation, number of employees, planning and resources.

The area of impact of the project is identified in advance, on the basis of identification of parties, interest groups and authorities affected or could be affected by the project's social impact. Pastureland, 'otor' camp land, hayland, and seasonal shelters directly affect the livelihoods of herders who depend on livestock for their livelihoods, so special attention should be given to land rights and the need, supply, and availability of drinking water. Information related to land and drinking water must be obtained from a government authority, and other sources may also be used.

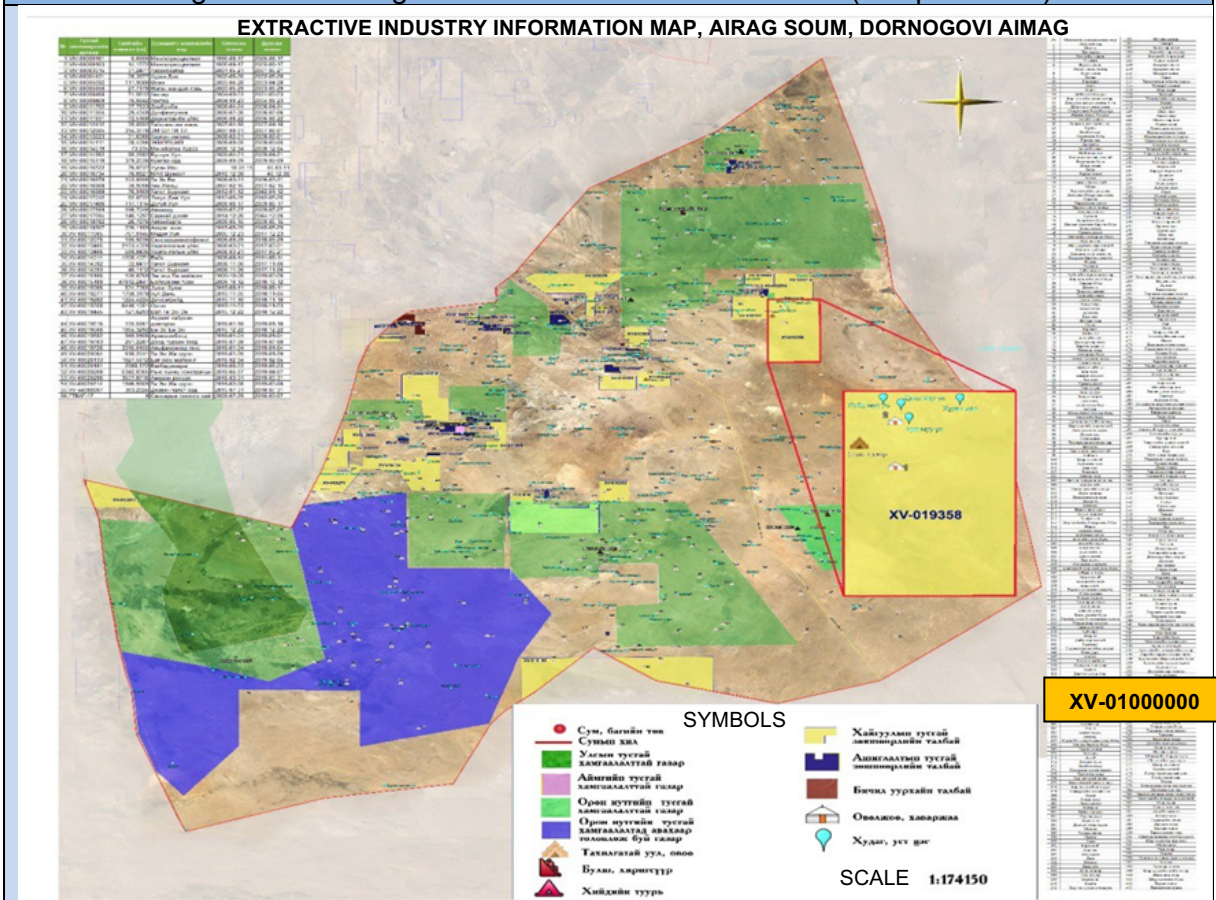
To identify local communities and other stakeholders who may be directly or indirectly affected by the project, a list of all potential stakeholders based on a pre-defined social area of impact map will be provided to determine whether they are primary or secondary recipients or stakeholders. All potential

stakeholders in the project's SIA area of impact are listed and identified whether they are a) primary recipient; b) secondary recipient; or c) stakeholders. The order of meetings and interviews will be established and stakeholders will be ranked. After the meeting and discussion, the a) primary recipient; b) secondary recipient; and c) stakeholder classifications may change. In this case, the most affected and high-risk parties will be reviewed and a prediction of negative impacts and cumulative impacts will be developed. Also note that participants may be removed or added.

In addition to spatial mapping of regions, basins, and territories in accordance with the recommendations of the Geographic Information System, the following licensed areas will be enlarged at Scale 1: 174150 to include pastures, human and livestock drinking water, rivers, wells, and shrines in the project area. The location of mountains, ovoos, and cemeteries should be indicated, as well as the official and unofficial names commonly used by local people. The map will be printed in A4 size, legible, coloured, and with full signs and markings, and distributed to citizens in the area of impact, and attached to the report.

*Mapping (example)*

Signs and markings of the licensed area XV-010000 (sample model)



3. Recommendations for the Detailed Social Impact Assessment Stage 4: Formal consultation and discussion with the citizens and residents of the area of impact

*Recommendation:*

When disseminating project information to local communities, authorities, citizens in the area of impact, and other stakeholders, the SIA company should obtain complete information from the client or project implementing legal entity regarding the project SIA and identify citizens affected by the project and other project stakeholders. After that, meetings will be held in accordance with applicable law and all relevant information will be provided to stakeholders. Discussions and interviews will be conducted to validate the information obtained and to identify missing information, and the minutes will be kept.

If it is necessary to interview or provide information to minors, permission must be obtained from their parents or guardians.

In identifying potential human rights and social issues that may arise as a result of the project, the SIA company will provide a general description, list, and scope of potential impacts on human rights and society as a result of the project.

Interviews with potential stakeholders and its notes should be in a simple and clear manner, without eccentric words or abbreviations. After the interview, the stakeholder information will be accurately and objectively identified and summarised in a pre-prepared spreadsheet. These include stakeholder positions (whether they are supporters, neutrals or opposers), direct information from stakeholders during the interview, information from other stakeholders, or indirect information from secondary sources (opinions of others). In doing so, the expert/specialist should strictly adhere to the researcher's ethics of not taking a subjective position.

The interview notes should be attached to the detailed social impact assessment, and the researcher/expert should make sure that the interviewer understands from the outset that he or she has a duty to keep personal reputation information confidential. Citizens interviewed may be coded.

When processing information based on baseline information and processed information, the following should be done:

- Accurately identify affected parties (primary, secondary, or stakeholder);
- Impact modeling (matrix of probability of positive and negative impacts, estimation of consequences);
- Identify key negative impacts;
- Predict the social changes that will occur as a result of the situation; and
- Based on the baseline information and processed information, develop proposals to eliminate key negative impacts, enhance positive impacts, and ensure that human rights are not worsened.

#### 4. Recommendations for the Detailed Social Impact Assessment Stage 8: Preparation of assessment report

##### *Recommendation:*

Content and format of the Detailed Social Impact Assessment report

1. **Non-technical summary of the report:** This section includes a brief overview of the current social baseline in the project area, which provides a comprehensive understanding of the project, its scope, direct and indirect project impacts, key impacts and elimination measures. The summary should meet the legal and project requirements, and highlight uncertain issues and their potential social and economic impacts. The appropriate permits required for the project must be stated in the summary, and the summary should be written in a simple and clear manner.
2. **Introduction:** The main goal of the detailed social impact assessment of the project, the works carried out within the framework of the detailed assessment, the main results of the assessment, and the issues to be considered by the project implementer, at local and decision-making levels should be clearly stated.
3. **Legal scope:** The current legal environment related to the project activities, the prohibitions and restrictions of the law that must be followed during the project implementation, the rules, regulations and standards issued by the state authorities, and relevant requirements of conventions to which Mongolia is a party should be clearly stated.
4. **Project Description:** The project's main goal, scope, size, implementation stages, use of raw materials and natural resources, energy, water and heat needs, technical and technological selection, production capacity, final and intermediate products, waste, emissions, and methods of recycling or disposal, the positive and negative social and economic impacts, the number of jobs to be created, the number of jobs to be created for the local people, the minimum amount

of local procurement (annually and mandatory), and the solutions to social problems will be clarified from the Feasibility Study Report, Design Parameters and Layouts, Project Affecting Area Mapping and other relevant documents

5. **Joint team:** Provides detailed information on the activities of forming the Joint Team to develop the Project Impact Assessment; information on how the plan, the measures taken accordingly, legislation and public participation arrangements have been implemented; information on the identification of the area of impact, selection of the joint team of the area of impact, monitoring, verification, consultation and verification of compliance; as well as the information and facts used, and document the reports and conclusions of the members' information, meetings, discussions and consultations. Documents on the activities of this section must be attached at the end of the report.
6. **Key and potential positive and negative impacts of the project:** The key and potential positive and negative impacts of the project on human rights, society and economy, historical and cultural monuments, as well as the social status and health of the people in the project area will be assessed in each strand of the scope of the positive and negative impact assessments. The intensity of these key and potential impacts will be identified by matrix methods, and their distribution and intensity will be identified by comparing them with other projects of similar scale, taking into account community interviews, meetings and their previous experiences. This section must indicate whether there are potential negative impacts that cannot be tolerated. If there is an intolerable negative impact, it should specify how measures to avoid or prevent the impact are identified and agreed upon, and the necessary measures, assets and resources to control the risk. According to the requirements of this methodology, the key and potential positive and negative impacts identified in the project should be systematically analysed, identifying possible options to enhance the positive impacts, and indicating the negative impacts and potential indirect and secondary impacts, and a comprehensive conclusions should be drawn. Elimination measures for the above identified key and potential negative impacts on historical and cultural monuments, human and animal drinking water, access to it, roads, buildings, as well as on the social, economic and health status of citizens in the project area should be defined along with its necessary costs, manpower, equipment, technology, management, timing, and stages, and indicated in the report along with recommendations for implementation. In the event of a serious violation of fundamental human rights or the failure to guarantee fundamental rights, it is prohibited to implement compensatory protection; and measures shall be taken to ensure that fundamental human rights are never worsened. Methodologies, models and estimations used in the assessment to identify and assess the key and potential impacts, and the final results should be explained in detail along with the rationale for the selection of those methodologies, models and estimations. The data collected during the assessment as well as the source of the measurements taken during the fieldwork should be clearly stated, and the original copy should be attached to the report and supported by photographs and recordings.
7. **Monitoring and management plan:** This section includes the main outcome of the Detailed Social Impact Assessment that is the identified key measures to prevent, eliminate or rehabilitate the violation of rights and interests, and key and potential negative impacts on the project area, its citizens, residents and transitors during the implementation of the project; the identified key measures to enhance the positive impacts; the identified entities responsible for resettlement, compensation and monitoring; and indicators to be used in the monitoring (Project Monitoring Programme); as well as the Management Plan to prevent, avoid or eliminate the project's negative social impact and its consequences, along with related recommendations. Management of resources to be used in enhancing the positive impacts of the project implementation, control of negative consequences, and plan to control the potential negative social impacts and risks such as danger, disaster and industrial accident shall be developed in accordance with the methodology approved and enforced by the relevant authorities, and measures to prevent them shall be identified and included in this section. Plans for who will control other risks and how should to be approved by the joint team, and information on how to meet these requirements shall also be included in this section. In addition, information on the status of the project implementer's participation in the consultation is also provided in this section.
8. **Materials used:** This section describes all the data and materials collected and used during the research, and their sources.

9. **Appendix:** Information on meetings and interviews conducted during the assessment will be attached to the report along with the date and time. In doing so, it should be noted in which part of the report it was used. The notation is also mentioned in the corresponding section of the report.

The development of the detailed social impact assessment report will start with the involvement of the primary bagh community to identify their suggestions, concerns, and issues. Once developed, it will be submitted to the community meeting of the project area, as well as to the local government or Citizens' Representative Council for suggestions, and the report will be accompanied by both bagh community meeting minutes and the council meeting minutes. Then, the report will be presented to the project implementer, and the positive and negative social impacts, as well as the issues and risks for the affected communities will be explained, and the proposals on measures and responsibilities set forth in the legislation to guarantee basic human rights will be jointly approved. In other words, the project implementer must be aware of its responsibilities after the report is approved.

## 5. Feedback and Grievance Mechanism (FGM)

### *Recommendation: Feedback and Grievance Mechanism (FGM)*

Formal feedback and grievance mechanisms provide additional, backup remedies for damages to the parties involved. In addition to signalling human rights issues related to the project, the commitment to an appropriate grievance mechanism will help build trust, support the acquisition of social consent, and reduce local and business losses.

**Project activities need to be open and accessible.** The project's local liaison officer should have a good relationship with the affected people and it should be easy for people to express their concerns. No matter how open and good the officer is, there are always people in the community who find it difficult to approach the project and complain that their issues are not taken seriously enough. Therefore, it is important to establish several types of formal feedback and grievance mechanism in the early stages of the project. Different types of mechanisms may be needed by different stakeholders, such as project staff and communities affected by the project.

**It is necessary to distinguish between opinions and complaints.** Opinions and comments include questions, requests for information, and general views related to or unrelated to specific events and influences. Failure to pay attention to such comments can lead to grievances and even loss of social consent. It is not necessary to record every opinion or comment as a formal complaint, but it is important to take into account people's attitudes, identify them with the participation of local people, take action and register them in a proper management system before they increase.

FGMs usually follow the below **steps**:

1. **Reception** - This step should be clear and simple. If someone's name is mentioned, the identity of the person who provided the information should be kept confidential and the complainant should be notified.
2. **Confirmation** - Confirmation must be realistic and on time.
3. **Assessment and Appointment** - Specialists to conduct scope assessments, rapid assessments, and inspections will be appointed.
4. **Investigation** – This step will clarify the process, build trust in the process, gather events, evidence, and documents, and maintain reliable communication throughout the process.
5. **Response** – This step identifies the person to respond, resolves in accordance with laws and regulations, responds, and negotiates solutions and documents. This step includes Protect and Remedy activities. If it is determined that rights and interests are violated as a result of project activities (livestock deaths due to project traffic, mining and other contractors' misconduct, such as sexual harassment by management or staff, and emotional and material damage caused by not accepting legitimate requests and suggestions from citizens, etc.), and if it is possible to resolve the violation out of court, the following measures shall be taken, in accordance with the amount of damages, to compensate and restore the rights. These include apologizing, reimbursing lost property in kind, reimbursing in cash, rehabilitating, and taking measures to prevent similar offenses, etc.

6. *Recourse or appeal* – In this step, context-sensitive recourse options will be provided. If it is considered that the rehabilitation measures taken in the previous step are insufficient, it is possible to apply for other measures, and if it is considered that the disputes should be resolved in court, it is possible to follow the procedures set forth in the relevant law if.
7. *Follow up and closure* – In this step, the results and the level of satisfaction are documented, the actions taken, their results and the satisfaction of the complainant are identified, and the case is closed.
8. If a citizen or economic entity still has a complaint against the resolution, the issue may be reviewed from the beginning, a written explanation must be provided, and a mediator may be appointed to settle the dispute or the court may take action.
9. A policy document that defines the FGM, its process, complaint conditions, mandatory issues and responsibilities must be approved prior to project implementation, and made available to the public and to the affected community.



## **PART TWO**

# **LEGAL REVIEW REPORT AND RECOMMENDATIONS FOR SOCIAL IMPACT ASSESSMENT**

# LEGAL REVIEW REPORT FOR SOCIAL IMPACT ASSESSMENT

## OVERVIEW

This report is intended for use by the Working Group (hereinafter referred to as Working Group) to develop a methodology for social impact assessment, established by the Order No.28 of the First Deputy Chairman of the Cabinet Secretariat of the Government of Mongolia dated February 14, 2020, for the purpose of studying issues related to identifying the area of impact of mining and oil extraction activities on the normal life of the population and urban areas, displacement and compensation, and developing a proposal, which is a methodology for Social Impact Assessment.

The purpose of this report is as follows:

1. To identify and assess the implementation of the laws, rules and procedures in force in Mongolia;
2. To identify the requirements of international standards to be considered in developing a methodology for social impact assessment;
3. To submit legal proposals and recommendations to be taken into account in developing and approving the social impact assessment methodology;
4. To submit proposals and recommendations for regulations that need to be amended, adopted or repealed in order to implement the social impact assessment methodology in practice; and
5. To submit proposals and recommendations to ensure the coherence of policy documents necessary for the effective conduct of the social impact assessment.

The working group, chaired by the Director of the Sectoral Management and Coordination Department of the Cabinet Secretariat of the Government of Mongolia and consisting of 6 people, will support the implementation of government policies and decisions.

The report was prepared by the Gobi Framework Project Consulting Team (hereinafter referred to as Consulting Team) with support from the University of Oxford.

## **Introduction to the draft methodology for social impact assessment**

- One. Legal basis
- Two. Practical need
- Three. Social, economic and legal consequences that may arise after the adoption of the social impact assessment methodology and measures to be taken to address them
- Four. Requirements to pass, amend or repeal legal regulations for approving and implementing the draft methodology for social impact assessment

## INTRODUCTION TO THE DRAFT METHODOLOGY FOR SOCIAL IMPACT ASSESSMENT

### One. Legal basis

Article 6.1 of the Constitution of Mongolia states that in Mongolia “The land, its subsoil, forests, water, fauna, and flora and other natural resources are subject to national sovereignty and state protection”, and Article 19.1 states that “The State is responsible to the citizens for the creation of economic, social, legal, and other guarantees ensuring human rights and freedoms...”

Article 1.1 of the “State Policy on the Mineral Resources Sector” approved by the State Great Khural Resolution No.18 of 2014 states that “The State Policy on the Mineral Resources Sector shall develop private sector-based, transparent and responsible mining ...”, Article 2.1.3 declares the principle of “Openness, transparency and accountability of government organisations and business entities in the development of the mineral resources sector” and Article 3.1.7 defines the policy direction as “International initiatives such as transparency and responsible mining, **social and economic impact assessments** shall be supported and developed.”

Although the Article 7.7 of the Law on Environmental Impact Assessment, which was amended in 2012, states that “The Government shall approve the procedure and methodological guidelines for the conduct of environmental impact assessments, and the procedure and methodology shall govern the issues concerning the environmental impact assessments, appraisal and review of assessments, terms of reference of the Technical Board, and regulations for social and health impact assessments”, the work was not carried out due to the absence of social impact assessment procedure.

The Annex to the Resolution No.02 of the State Great Khural of Mongolia on Adjusting the legislations to the amendments to the Constitution of Mongolia and measures to be taken in relation to it approved the schedule for bringing the legislations in line with the amendments to the Constitution of Mongolia, and Article 1.1.4 thereof stipulates that draft laws shall be developed to ensure the right of citizens to know about the environmental impact of using subsoil resources and to preserve the natural balance. In the brief description of the relations to be regulated by of the draft law, it is stated that the Law on Amending the Law on Environment, the Law on Environmental Impact Assessment and other relevant laws will be drafted by 2020, and “Regulations will be added in relation to the right of citizens to know about the environmental impact of using subsoil within the framework of their right to live in a healthy and safe environment.” This statement is directed at ensuring the coherence of the above legislations and public policy, and establishing a state regulation that determines the essential needs of the society.

## Two. Practical need

The mineral sector alone accounts for about 20-30 percent of Mongolia's GDP, has been a major source of economic growth, and has a significant impact on other sectors as well. Despite the positive impact on the economy, mining and exploration licenses have been issued in 330 soums of Mongolia, and subsequently large-scale development and infrastructure projects and programmes are being implemented, which have negatively affected the lives of local people, herders' nomadic pastoralism and agriculture, and led to a situation where fundamental human rights and legitimate interests are violated. There is a definite need to strengthen the national economy based on the activities of this sector, but on the other hand, we are facing an urgent need to create situations to keep the sector accountable, open and transparent, to reduce negative impacts on the environment and society, to stop human rights violations, to restore human rights, to resolve citizens' complaints related to adverse impacts on society, health and environment, and to monitor the decisions made by government organisations and mining companies.

International practice shows that social impact assessments are conducted in conjunction with environmental and health impact assessments, in accordance with sustainable development policies. Article 7.7 of the Law on Environmental Impact Assessment, approved by the Government of Mongolia, stipulates that "Procedure and Methodological Guidelines for Impact Assessments", which includes issues concerning the environmental impact assessments, appraisal and review of assessments, terms of reference of the Technical Board, and regulations for social and health impact assessments, shall be approved. Currently, only the "Environmental Impact Assessment Procedure" and the "Strategic and Cumulative Environmental Impact Assessment Procedure" have been approved by Government Resolution No.374 of 2013, the "Procedure for Ensuring Public Participation in Environmental Impact Assessment" has been approved by Order No.A-03 of the Minister of Environment and Green Development dated January 6, 2014, and the "Methodology for Health Impact Assessment" has been approved by Order No.413 of the Minister of Health in 2014, but the methodology for social impact assessment and its development has not been approved so far.

Works such as finalising the Environmental Management Plan and submitting for review and approval, and developing a preliminary feasibility study for the mineral deposit are carried out in the exploration phase of projects in the mining sector, and works such as developing and finalising the Feasibility Study, General Environmental Impact Assessment, Detailed Environmental Impact Assessment, and Environmental Management plans, and submitting for review and approval, and concluding the local development agreement are carried out in the mining phase. Although social impact issues are reflected to a certain extent in these documents, due to the lack of clear regulations and methodologies, environmental assessment companies develop them at their own discretion and without specific standards. Moreover, the Technical Board for Environmental Impact Assessment has not had a professional member to review and certify social impact assessments so far. Therefore, the negative impacts with potential social risks increase in the local community where a number of mining licenses is issued, and the so-called benefits of the mining sector to the economy do not contribute to the

local development, and livelihoods and well-being of the local herders and citizens, as evidenced and warned by human rights and environmental assessment reports.

During the Universal Periodic Review (UPR) of Mongolia at the 36<sup>th</sup> session of the UN Human Rights Council in May 2020, the UN Committee on Economic, Social and Cultural Rights (CESCR) stressed that the mining projects have negatively affected the economic, social and cultural rights of herders, the inherited herders' pastures, squares and fresh water resources have been depleted, prior information and consent have been inadequate, and compensation for herders has been insufficient. Therefore, the Commission required Mongolia to conduct human rights and environmental impact assessments prior to the issuance of a mining license, and to ensure that all stakeholders and associated parties to be affected or could be affected by the project activities are actively involved in the assessment.

In the report of the EU Special Incentive Arrangement for Sustainable Development and Good Governance ('GSP+') assessment of Mongolia on February 10, 2020, it was written that the UN Special Rapporteur on Human Rights and the Environment worked in Mongolia and emphasised that additional actions are needed in environmental standard and protection, and further action is needed to ensure an in-depth assessment of new major gold mining projects, as well as it is needed to appoint an Environmental Ombudsman. The Rapporteur recommended that Mongolia needs to make progress in protecting the environment, amend laws in order to reduce the severe impacts of mining and coal burning of Mongolia, make information more transparent, and set up a grievance mechanism for herders and citizens.

There is a pressing need to make the social impact assessment component more developed in the above-mentioned documents such as Environmental Management Plan, preliminary feasibility study for the mineral deposit, Feasibility Study, General Environmental Impact Assessment, Detailed Environmental Impact Assessment, and Local Development Agreement, and develop methodologies for the SIA, while ensuring the coherence of these documents and the establishment of oversight and accountability.

If the need is sufficiently addressed, the social impact assessment will be carried out in conjunction with each phase of environmental impact assessment according to international standards, environmental and social impact mitigation measures will be coordinated together, comprehensive system will be formed to accurately identify, assess, monitor and address the social needs of local people and herders, and it will be possible to provide real support to the society. This will ensure human rights and improve the social responsibility of the mining sector.

This draft Methodology for Social Impact Assessment was developed in accordance with the above-mentioned legal bases and practical needs.

### **Three. Social, economic and legal consequences that may arise after the adoption of the social impact assessment methodology and measures to be taken to address them**

By conducting the social impact assessments prior to the implementation of mining and related infrastructure projects, a number of positive results will be achieved in taking systemised and comprehensive actions to ensure human rights, implement international best practices and standards, implement the principles and requirements of international treaties, conventions and initiatives to which Mongolia is a party, improve the social responsibility of companies to operate in the mining sector, increase the responsibility of government and company management and decision-making staff, collect feedback from socially affected people such as citizens, herders, and economic entities and organisations, let them identify the social impacts by themselves, prevent from risks, and ensure opportunities for monitoring the company activities by the socially affected parties and resolving complaints.

### **Four. Requirements to adopt, amend or repeal laws and legal regulations for approving and implementing the draft methodology for social impact assessment**

The draft methodology for social impact assessment must comply with the Constitution of Mongolia and other relevant legislations. Also, it should be noted that a *Procedure and Methodology for Impact Assessment* governing the issues concerning the environmental impact assessments, appraisal and review of assessments, terms of reference of the Technical Board, and regulations for social and health impact assessments was legalised by the Article 7.7 of the Law on Environmental Impact Assessment. When approving the methodology, it is necessary to establish the procedure, ensure that the regulations for the procedure implementation are set and approved by amendments in relevant laws, and define the regulations on analysis and draft a law in accordance with the Law on Legislations.

See the Conclusions and Recommendations section (6) of the report for details on other issues that need to be considered in establishing a legal framework.

# **Report on the domestic legal regulations and basic concepts of international practices that need to be considered in the adoption and implementation of the social impact assessment methodology**

Introduction

## **ONE. GENERAL PROVISIONS**

Basic principles

Scope

## **TWO. STATE POLICY**

2.1. Long-term development policy

2.2. Medium-term target programme

2.3. Legislations, national programmes, and regulation by procedures

2.3.1. Relevant legislations

Directly relevant legislations

National Programme

Other relevant legislations

Procedures approved by the State Central Administrative Bodies and State Administrative Bodies

Methodologies

2.3.2. The need for impact assessment as specified by laws and regulations

2.3.3. Social Impact Assessment component in the Local Development Agreement

2.3.4. Ensuring public participation and right to know at the decision-making level

## **THREE. REQUIREMENTS FOR TECHNICAL BOARD AND ASSESSMENT COMPANIES**

3.1. Technical Board to approve social impact assessment

3.2. Minerals Council

3.3. Professional company to conduct environmental impact assessment

## **FOUR. COMPLAINT RESOLUTION AND REVIEW**

## **FIVE. MONGOLIA'S INTERNATIONAL ROLE AND RESPONSIBILITY, AND BASIC CONCEPTS TO ADOPT FROM INTERNATIONAL PRACTICE**

5.1. Basic international policies and principles aimed at estimating social impact

5.2. Relevant international standards for assessing social impact

5.3. Extractive industry and international human rights standards and principles to implement in practice

## **SIX. RECOMMENDATIONS**



Table 1. Goals and objectives related to social impact assessment reflected in the Vision 2050 Long-term Development Policy of Mongolia

Table 2. Goals and targets related to the social impact assessment reflected in the Implementation plan for the Mongolian Government Programme of 2016-2020

Table 3. Process Outline: Impact assessment component included in the implementation phase of mining and infrastructure projects

Table 4. List of comments and suggestions on the draft social impact assessment methodology being developed by the Gobi Framework project consultant team submitted by representatives of state central administrative bodies, state administrative bodies, affected local herders, citizens and entities authorised to conduct environmental impact assessment

Table 5. List of international human rights, environment, social standards and principles (*extractive industries*)

Table 6. Breakdown of international human rights, environmental and social standards and principles

# DOMESTIC LEGAL REGULATIONS and BASIC CONCEPTS OF INTERNATIONAL PRACTICES THAT NEED TO BE CONSIDERED IN THE ADOPTION AND IMPLEMENTATION OF THE SOCIAL IMPACT ASSESSMENT METHODOLOGY

## Introduction

This report is intended for use by the Working Group (hereinafter referred to as Working Group) established by the Order No. 28 of the First Deputy Chairman of the Cabinet Secretariat of the Government of Mongolia dated February 14, 2020, for the purpose of studying issues related to identifying the area of influence of mining and oil extraction activities on the normal life of the population and urban areas, displacement and compensation, and developing a proposal, which is a methodology for Social Impact Assessment.

The purpose of this report is as follows:

1. To identify the requirements of international standards to be considered in developing a methodology for social impact assessment;
2. To identify and evaluate the implementation of the laws, rules and procedures in force in Mongolia;
3. To submit legal proposals and recommendations to be taken into account in developing and approving the social impact assessment methodology;
4. To submit proposals and recommendations for regulations that need to be amended, adopted or repealed in order to implement the social impact assessment methodology in practice; and
5. To submit proposals and recommendations to ensure the coherence of policy documents necessary for the effective conduct of the social impact assessment.

The working group, chaired by the Director of the Strategic Management and Coordination Department of the Cabinet Secretariat of the Government of Mongolia and consisting of 6 people, will support the implementation of government policies and decisions.

The report was prepared by the Gobi Framework Project Consultant Team (hereinafter referred to as Consultant Team) with the support of Oxford University.

## ONE. GENERAL PROVISIONS

The Constitution of Mongolia defines and guarantees the enjoyment of fundamental human rights, for example, Article 16.2 states that the citizens of Mongolia have the "***The right to healthy and safe environment and to be protected against environmental pollution and ecological imbalance***", and Article 19.1 states that "***The State is responsible to the citizens***".

***for the creation of economic, social, legal, and other guarantees ensuring human rights and freedoms, for the prevention of violations of human rights and freedoms, and restoration of infringed rights.***" Article 6 of the Constitution of Mongolia<sup>8</sup> stipulates that "The land, its subsoil, forests, water, fauna, and flora and other natural resources are subject to national sovereignty and state protection", "The land, except for the property owned by the citizens of Mongolia, subsoil, its wealth, forests, water resources, and wildlife shall be state public property", "The State policy on the use of natural resources shall be based on a long-term development policy, and aim at ensuring the right of every citizen of the present and future generations to live in a healthy and safe environment, and ... distributing the benefits of subsoil resources equally and fairly", and "Citizens have the right to know about the environmental impact of the use of subsoil resources within the framework of their right to live in a healthy and safe environment." Moreover, Article 6.4 states that "The State has the right to ... confiscate the land if it is used in a manner adverse to the health of the population, the interests of environmental protection, or national security."

Thus, in order for citizens to properly exercise their right to life and health, they must live in a healthy and safe environment and be protected from environmental pollution and ecological imbalance. The main guarantee of the right to life and protection of health is a healthy and safe environment, and the state has a duty to protect its citizens from environmental pollution and ecological imbalance. In order to establish legal guarantees to ensure human rights and freedoms, the State has passed a package of environmental laws, which established the legal basis for ensuring the right of citizens to live in a healthy and safe environment, promoting sustainable development by linking social and economic development with environmental balance, and regulating the relations between the State, citizens, economic entities and organisations related to the proper use of natural resources and restoration of their natural potential. But the implementation of the package of environmental laws is directly connected with and interrelated with other social, health, economic, and educational legislations, policy documents, government decisions, activities, transparency, and accountability.

Therefore, development organisations have confirmed and recommended that it is effective to identify and assess their interrelationships and mutual influence, and to address issues comprehensively, in accordance with good international standards and future trends.

In recent years, the intensification of the mining industry and the subsequent implementation of major infrastructure projects and programmes have had a huge positive and negative impacts on people's lives, health, environment, society and economy. As a result, negative impacts on the environment and human health, especially the violation of the basic rights of local people, have increased, leading to significant protests. Although Mongolia has some legal guarantees for human rights and freedoms, further increasing transparency and accountability in the mining sector, taking into account the needs of the society, determining the scope of social impact and the consequences of the impact, effectively mitigating or eliminating the associated risks, and preventing from human rights violations are first and foremost the responsibility of our government to the international community.

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<sup>8</sup> <https://www.legalinfo.mn/law/details/367?lawid=367>

It is necessary to regularly develop social impact assessments and ensure human rights principles during the implementation of mining and related infrastructure projects, in order to prevent from human rights violations, eliminate or mitigate potential risks to human rights, society and the environment. To summarise the basic human rights principles enshrined in international treaties, conventions and initiatives to which Mongolia is a party:

### **Basic principles**

- **Ensuring equality.** Respect for human rights and human dignity, and ensuring equality and non-discrimination, regardless of differences such as age, gender, language, ethnicity, occupation, profession, religion, wealth, social status or disability;
- **Ensuring human rights.** Everyone has the right to live in a safe and healthy environment, to work, to choose their job, to receive social protection from the state, to have freedom of information and expression, to be free from any pressure, intimidation, violence or misinformation, to be able to exercise their right to property ownership and secure their intellectual property, **to be compensated for the damage caused by others**, and to be able to take an active part in any decision-making process that affects their lives; and
- **Creating a favourable environment for human rights.** A favourable environment to ensure the individuals' right to survival, health protection, safe living environment, inviolability, privacy and property inviolability, legal assistance, education, freedom of movement, conscience and religion, association, special needs and privileges.

Social impact assessment is the process of studying the positive and negative impacts of any mining and oil project, and related infrastructure projects on local communities, local government, and other parties, and identifying measures to eliminate or mitigate potential negative impacts. Therefore, International Methodologies and Recommendations for Social Impact Assessment<sup>9</sup> state that the potential changes and potential impacts of the project will be identified in the following areas.

### **Scope**

1. Lifestyle of citizens;
2. Culture;
3. Social structure and organisation;
4. Decision-making system;
5. The environment;
6. Health and well-being;
7. Private and property rights; and
8. Citizens' concerns and long-term goals.

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<sup>9</sup> Annex 1. List of international methodologies for identifying social responsibility and assessing social impact

## TWO. STATE POLICY

It is stated that a national human rights mechanism shall be established in Mongolia, and the ways and responsibilities for capacity building, observance, strengthening, protection and enhancement of human rights are defined as follows<sup>10</sup>:

The State Great Khural of Mongolia defines human rights policy, improves the legal environment, oversees the government's human rights activities, defines judicial policy through legislation, and plays a guiding and decisive role in ensuring human rights through expanding the participation of citizens and their various organisations in all these activities.

The Government, as the highest executive body of the state, is directly responsible to the State Great Khural for organising and ensuring the implementation of legislation on human rights and freedom, international treaties and this programme, and regularly reports the implementation of laws and treaties to the State Great Khural, and the implementation of international treaties to the UN. The government will undertake reforms to increase the effectiveness of central and local government activities in order to ensure the implementation of laws and international treaties on human rights.

Specialised human rights organisations shall be the main mechanism for strengthening independence, ensuring fairness, inclusion and creativity, intensifying and expanding their activities, increasing their effectiveness, specialising them in human rights issues, improving the competence of human resources, eliminating bureaucracy and delays in their activities, protecting the human rights, and restoring violated rights.

Non-governmental organisations are a critical part of the human rights mechanism by overseeing the activities of administrative bodies and expanding and activating civil participation in governance and decision-making processes. Their mission is conducting research and discussion related to the development, implementation, monitoring, and evaluation of programmes dedicated to human rights, human development, and the environment, as well as overseeing the responsibility of all levels of government to develop effective partnerships between NGOs and local initiative groups in decision-making activities.

Private sector economic entities and organisations will play an important role in expanding and strengthening guarantees of human rights and freedom, and in creating a favourable environment for them to exercise their rights and fulfill their responsibilities. The private sector EEOs shall be under obligation on the basis that human rights, as well as internationally accepted ethical norms and principles must be observed by the private sector as well.

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<sup>10</sup> National Human Rights Action Programme, Annex to the State Great Khural Resolution No.41 of 2003

“Compliance Report on the Implementation of the Law on Development Policy and Planning” by the National Audit Office in 2018 stated that it evaluated the policy documents in force in Mongolia and invalidated the documents that were considered inconsistent with the law.

Article 6.2 of the Law on Development Policy Planning and Management of Mongolia<sup>11</sup> (2020) states that “A Vision to be implemented for a period up to 30 years shall be the long-term development policy document of Mongolia.” Moreover, Article 6.4 of the Law states that “Population settlement development plan and urban master plan shall be based on Mongolia's long-term development policy document”

In terms of hierarchy, further trends should be coordinated within the framework of the following policy documents<sup>12</sup> in force in Mongolia.

1. Long-term development policy;
2. Medium-term target programme; and
3. Short-term development planning document.

## **2.1. Long-term development policy**

### **Vision 2050 Long-term Development Policy of Mongolia**

There is a policy document approved by the State Great Khural Resolution No.52 of 2020, to be implemented in 3 phases, with a total of 9 goals and 50 objectives, and to be monitored and evaluated every 5 years. Article 6 of the resolution approving the document states that Mongolian State Great Khural Resolution No.19 of February 05, 2016 on Approval of Mongolia's Sustainable Development Concept 2030 shall be considered invalid as the indicators of the achievement of “Mongolia's Sustainable Development Concept 2030” and Mongolia's sustainable development goals are, in terms of content, reflected in the annex of the State Great Khural Resolution on Approval of Vision-2050 Long-term Development Policy of Mongolia.

It is stated in the Concept of the long-term development policy that “Mongolia's future macroeconomic policy needs to stabilise the economy in the medium term through an approach stable in the long-term, countercyclical and with a well-calculated debt burden and cost growth, and to be self-sustaining and protected from adverse external market changes in the long-term. The macroeconomic policy also needs to focus more on a comprehensive policy in which the economic growth supports human development and middle-income people. Hence, we have developed a long-term development policy document that summarises the past 30 years and envisions the next 30 years.”

Therefore, Mongolia's long-term development policy, as well as goals and objectives to ensure human rights, economic, environmental, health and social security will be determined within the

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<sup>11</sup> <https://www.legalinfo.mn/law/details/15403?lawid=15403>

<sup>12</sup> <https://www.legalinfo.mn/law/details/15403?lawid=15403>

framework of this document. The following goals and objectives are set to determine the impact of mining and oil activities on the normal life of general population and urban areas:

Table 1. Goals and objectives related to social impact assessment reflected in the Vision 2050 Long-term Development Policy of Mongolia

Goals and Objectives	Phases of goal implementation and results to be achieved
<b>TWO. HUMAN DEVELOPMENT</b>	
Goal 2. We will develop socially active and healthy Mongolians by creating opportunities for everyone to receive a quality education in a happy and life-friendly environment with a guarantee of a quality life and social protection that is the basis of the country's development and a guarantee of a family life.	
<p><b><u>A society that respects human rights.</u></b></p> <p><b>Objective 5.5.</b> We will create an appropriate system that ensures the participation of stakeholders in national development policy, planning and implementation by strengthening the civil society-private sector-public partnership.</p>	<p>Phase I (2021-2030): A phase to strengthen the national human rights system, improve the legal environment and develop multilateral partnerships to ensure human rights.</p> <ol style="list-style-type: none"> <li>1. The national system for developing, implementing and monitoring human rights policies and legislation will be strengthened and its effectiveness will increase.</li> <li>2. A system of cooperation between the government, civil society and the private sector to protect human rights will be established.</li> </ol>
<b>SIX. GREEN DEVELOPMENT</b>	
Goal 6. We will promote environmentally friendly green development, maintain ecosystem balance, ensure environmental sustainability, create conditions for present and future generations to receive its benefit, and improve the quality of human life.	

<p><b><u>Mother Nature is the primary ecosystem.</u></b></p> <p><b>Objective 6.1.</b> We will preserve the value and benefits of nature and maintain the balance of the primary ecosystem.</p>	<p>Phase I (2021-2030): A phase to determine the value and capacity of Mongolia's pristine nature and ecosystem services, increase their value and evaluate their economic benefits.</p> <ol style="list-style-type: none"> <li>1. The value and capacity of natural resource and ecosystem services will be identified, and the assessment will be updated.</li> <li>2. Special ecosystems such as fresh water resources and river headwaters will be taken under special protection and the pristine nature will be protected.</li> </ol>
<p><b><u>Benefits of natural resources.</u></b></p> <p><b>Objective 6.2.</b> We will restore natural resources, reduce depletions, create exploitable resources, and pass on the benefits of nature to future generations.</p>	<p>Phase I (2021-2030): A phase to implement a science-based policy to protect the environment and use resources wisely, to rehabilitate degraded environments, to reduce resource depletion, and to create exploitable resources.</p> <ol style="list-style-type: none"> <li>1. Exploitation resources will be created by protecting biodiversity, nurturing habitats, preventing from depletion, multiplying and cultivating useful species, and establishing forest agro-parks.</li> <li>2. We will protect soil fertility and moisture, prevent from land degradation and desertification, rehabilitate damaged and degraded lands and put them into economic circulation.</li> <li>3. We will promote environmental legislations to the public, enforce standards and norms, and ensure citizen participation in environmental protection.</li> <li>4. We will expand the environmental monitoring network, cadastre and database, and carry out new generation technical and technological innovations.</li> </ol>
<p><b>SEVEN. PEACEFUL AND SAFE SOCIETY</b></p>	
<p>Goal 7. We will ensure human and social security by strengthening the national defense capacity, ensuring human rights, freedom, public order, and security of citizens' living environment, and reducing disaster risk.</p>	
<p><b><u>Peace of people and society.</u></b></p> <p><b>Objective 7.3.</b> We will strengthen capacity to reduce, prevent and mitigate non-traditional security threats, and create a peaceful human-social environment.</p>	<p>Phase I (2021-2030): A phase to strengthen the capacity to prevent and eliminate the potential risks of non-traditional security threats and to increase the participation of the government, private sector, civil society organisations and citizens.</p> <ol style="list-style-type: none"> <li>1. We will develop the organisation and capacity of law enforcement and special services organisations in accordance with the different needs of the population groups and the needs and requirements of social development.</li> <li>2. We will improve the legal environment for combating transnational organised crime, introduce innovation-based technical and technological advances in the system to prevent and protect citizens from crime, comprehensively implement advocacy measures, improve crime prevention capacity, and increase crime detection.</li> <li>3. We will increase local disaster protection capacity, strengthen the system, and fully determine the national disaster risk level.</li> </ol>
<p><b>NINE. ULAANBAATAR AND SATELLITE CITY</b></p>	
<p>Goal 9. We will develop our city into a livable, environmentally friendly, people-centred, and smart city</p>	



<p><b>Environment-centred solution.</b></p> <p><b>Objective 9.2.</b> Our city will become a city with a healthy living environment that ensures healthy and safe environment for citizens through ecosystem balance and green technology with low greenhouse gas emissions.</p>	<p>Phase I (2021-2030): A phase to provide healthy and safe living environments for citizens, to rehabilitate, and to create responsible and economical consumption.</p> <ol style="list-style-type: none"> <li>1. We will determine the value and ecological capacity of ecosystems and implement sustainable management of natural resources adapted to climate change.</li> <li>2. We will introduce environmentally friendly and advanced techniques and technologies to reduce pollutants and reduce air, soil and environmental pollution.</li> <li>3. We will ensure adequate water resources and guaranteed sources of drinking water, accumulate and reuse surface water and increase the value of water.</li> <li>4. We will introduce technological innovations to waste sorting, collection and transportation services and establish a system to reduce emissions and promote waste-free consumption.</li> <li>5. We will increase the area of urban green areas and parks in all possible locations and reorganise cemeteries in the city.</li> <li>6. We will strengthen the capacity to cope with the adverse impacts of climate change, detect hazards earlier and be resilient.</li> <li>7. We will ensure food safety and establish an organic food chain supplied from rural areas.</li> <li>8. We will bring air and environmental quality monitoring capacity to the international level.</li> <li>9. We will introduce and implement green standards of building.</li> </ol>
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## 2.2. Medium-term target programme

### Implementation plan for the Mongolian Government Programme of 2016-2020

Mongolian Government Programme Implementation Plan approved by the Government Resolution No.121 of 2016 defines the responsibilities of the Government for 2016-2020 and the activities of the Working Group are aimed at supporting the implementation of the following activities:

Table 2. Goals and targets related to the social impact assessment reflected in the Implementation plan for the Mongolian Government Programme of 2016-2020

<b>Four. Environment and Green Development Policy</b>	
<p><b>Priority Target No.4.1.</b> We will preserve the original state of nature and ecosystem balance, pass it on to future generations, protect natural resources, prevent from depletion, use them wisely and rehabilitate them, and lay the foundation for environmentally friendly and inclusive economic growth and sustainable social development. We will improve the competitiveness of tourism at the regional level,</p>	<p>4.1.3. We will take comprehensive measures to implement the package of environmental laws and improve control over production, services and illegal use of natural resources that are harmful to the environment and human health.</p> <p>4.2.6. We will implement a policy to protect soil and reduce land degradation, and rehabilitate the areas affected by mining exploration activities.</p> <p>4.3.1. We will create a legal and economic environment to support the activities of citizens, local community partnerships,</p>

create a favourable legal environment, and increase economic efficiency.	economic entities and organisations engaged in environmental protection, natural resource enrichment and rehabilitation, and organise works to create additional jobs and income sources at the local level.
<b>Five. Governance Policy</b>	
<b>Priority Target No.5.1.</b> We will adhere to the principles of building a stable and responsible political culture and strengthening a strong, competent and law-abiding state.	5.1.18. We will implement a programme to ensure a safe living environment for rural people and provide information to herders, and provide opportunities for them to equally participate in their soum and bagh activities, regardless of spatial inequalities.
<b>Priority Target No.5.3.</b> We will uphold the principles of law enforcement, equality for all, non-discrimination, fairness, trustworthiness, human rights sensitivity and fair governance.	5.3.11. We will improve the national human rights protection system and introduce human rights standards.

The goals, directions and basic principles of Mongolia's long- and medium-term development policies and programmes are in line with international human rights principles, and the international principles that need to be incorporated into the structure of social impact assessments are listed in Section Three of this report.

## 2.3. Legislations, national programmes, and regulation by procedures

### 2.3.1. Relevant legislations

The following is a thematic analysis on some of the social impact issues reflected in the current legislations in force. The analysis covered the following legislations:

#### Directly relevant legislations

- **Law on Minerals**<sup>13</sup> was adopted in 1997 and first amended on July 08, 2006. Since then, it has been amended 34 times. The purpose of this law is to regulate relations related to prospecting, exploring and mining minerals in the territory of Mongolia and protection of exploration areas and mining tenure environment.
- **Law on Environmental Impact Assessment** was adopted in 1998 and amended in 2012. The purpose of this law is to implement the Article 16.2 of the Constitution of Mongolia, to protect the environment, to prevent from environmental imbalances due to human activities, to use natural resources with minimal negative impact on the environment, to assess the environmental impacts of regional and sectoral policies, development programmes, and plans, as well as projects, to make conclusions and decisions on whether to implement them or not, and to regulate relations arising among stakeholders.
- **Law on Common Minerals**<sup>14</sup> was adopted in 2014. The purpose of this law is to regulate relations arising from the exploration and acquisition of licences for common minerals in the territory of Mongolia, the responsibilities of the licence holder and the protection and rehabilitation of the exploration area and mining tenure environment.

<sup>13</sup> <https://www.legalinfo.mn/law/details/63?lawid=63>

<sup>14</sup> <https://www.legalinfo.mn/law/details/9750?lawid=9750>

- **Law on Nuclear Energy**<sup>15</sup> was adopted on July 16, 2009. This law regulates relations related to the peaceful use of radioactive minerals and nuclear energy in the territory of Mongolia, ensuring nuclear and radiation safety, and protecting the population, society, and the environment from the negative impacts of ionising radiation.
- **Law on Land**<sup>16</sup> was adopted in 2002. This law regulates land possession and use by citizens, economic entities and organisations, and other related relations.

### **Other relevant legislations**

- Law on Construction<sup>17</sup>, 1998;
- Law on Energy<sup>18</sup>, 1995;
- Law on Road<sup>19</sup>, 2017;
- Law on Human Rights of Persons with Disabilities<sup>20</sup>, 2016;
- Law on Petroleum<sup>21</sup>, 2014;
- Law on Subsoil<sup>22</sup>, 1988;
- Law on Petroleum Products<sup>23</sup>, 2005;
- Law on the Protection of Cultural Heritage<sup>24</sup>, 2014;
- Law on Education<sup>25</sup>, 2002;
- Law on Labour Safety and Hygiene<sup>26</sup>, 2008;
- Law on Waste<sup>27</sup>, 2017;
- Law on Hazardous and Toxic Chemicals<sup>28</sup>, 2006;
- Law on Natural Resource Use Fee<sup>29</sup>, 2012; and
- Law on Environmental Protection<sup>30</sup>, 1995.

### **National Programme**

- National Human Rights Action Programme, 2003

### **Procedures approved by the State Central Administrative Bodies and the State Administrative Bodies**

- Environmental Strategic and Cumulative Impact Assessment Procedure, Annex 1 to Government Resolution No.374 of 2013;
- Environmental Impact Assessment Procedure, Annex 2 to Government Resolution No.374 of 2013;

<sup>15</sup> <https://www.legalinfo.mn/law/details/97?lawid=97>

<sup>16</sup> <https://www.legalinfo.mn/law/details/216?lawid=216>

<sup>17</sup> <https://www.legalinfo.mn/law/details/11705?lawid=11705>

<sup>18</sup> <https://www.legalinfo.mn/law/details/60?lawid=60>

<sup>19</sup> <https://www.legalinfo.mn/law/details/12656?lawid=12656>

<sup>20</sup> <https://www.legalinfo.mn/law/details/11711?lawid=11711>

<sup>21</sup> <https://www.legalinfo.mn/law/details/10484?lawid=10484>

<sup>22</sup> <https://www.legalinfo.mn/law/details/218?lawid=218>

<sup>23</sup> <https://www.legalinfo.mn/law/details/214?lawid=214>

<sup>24</sup> <https://www.legalinfo.mn/law/details/10439?lawid=10439>

<sup>25</sup> <https://www.legalinfo.mn/law/details/9020?lawid=9020>

<sup>26</sup> <https://www.legalinfo.mn/law/details/564?lawid=564>

<sup>27</sup> <https://www.legalinfo.mn/law/details/12652?lawid=12652>

<sup>28</sup> <https://www.legalinfo.mn/law/details/526?lawid=526>

<sup>29</sup> <https://www.legalinfo.mn/law/details/8663?lawid=8663>

<sup>30</sup> <https://www.legalinfo.mn/law/details/8935?lawid=8935>

- Procedure for Ensuring Public Participation in Environmental Impact Assessment, Order No.A-03 of the Minister of Environment and Green Development dated January 6, 2014;
- Preliminary assessment of mineral resources, preliminary assessment of potentials to use mineral deposits, basic requirements for the feasibility study of a mining project, procedure for receiving the feasibility study, Order No.74 of the Minister of Mineral Resources and Energy, 2012;
- Procedure for rehabilitation and closure of mines, quarries and concentrators, Annex 1 to the joint Order No.A/181 and A/458 of the Minister of Mining and Heavy Industry and the Minister of Environment and Tourism, 2019; and
- Methodology for technical and biological rehabilitation of lands damaged by mining activities”, Annex to the Order No.A-138 of the Minister of Environment, Green Development and Tourism, 2015.

### Methodologies<sup>31</sup>

- “Methodology for strategic and cumulative environmental impact assessment”, Annex 1 to the Order A-117 of the Minister of Environment and Green Development dated April 10, 2014<sup>32</sup>,
- “Methodology for conducting environmental impact assessment”, Annex 2 to the Order A-117 of the Minister of Environment and Green Development dated April 10, 2014<sup>33</sup>.

### 2.3.2. The need for impact assessment as specified by law and regulations

**The Law on Environmental Impact Assessment** stipulates that environmental impact assessments must be carried out prior to getting approval for use of natural resources, the exploration and exploitation of petroleum and minerals, and possession and use of land for business purposes, as well as prior to commencing projects. In Mongolia, all types of mining operations and heavy industry projects, such as concentrators, processing plants, chemical plants, coke-chemical plants and all other types of mineral heavy industry activities and infrastructure projects, are included in the category of projects on which general environmental impact assessment shall be made, as specified in the Annex<sup>34</sup> to the Law on EIA.

Article 4.1 of the Law specifies that environmental impact assessment shall include strategic environmental assessment<sup>35</sup>, environmental baseline assessment<sup>36</sup>, environmental impact assessment<sup>37</sup> (hereinafter referred to as ‘impact assessment’), and cumulative impact

<sup>31</sup> Repealed. It is now regulated by Annex 1 to the Government Resolution No.374 of 2013: Methodology for Strategic and Cumulative Environmental Impact Assessment.

<sup>32</sup> <http://www.mne.mn/wp-content/uploads/2017/07/2014.7.pdf>

<sup>33</sup> <http://www.mne.mn/wp-content/uploads/2017/07/2014.7.pdf>

<sup>34</sup> Law on Environmental Impact Assessment, Annex: Classification of projects subject to General Environmental Impact Assessment

<sup>35</sup> 3.1.3. “**Strategic Environmental Assessment**” shall mean the identification, in the process of developing national, regional or sectoral policies, development programmes or plans, of potential risks, adverse impacts and consequences of their implementation that may affect the **environment, society, and human health**, taking into consideration climate change trends and natural disasters;

<sup>36</sup> 3.1.4. “**Environmental Baseline Assessment**” shall mean an assessment that is carried out during the preparation of a feasibility study and design drawing of any projects and formulation of national, regional and sectoral development programmes and plans in order to identify the existing conditions and state of nature and environment of the territory, in which the proposed projects, programmes and plans are to be implemented and any environmental considerations that the project, programmes, plans and policies need to incorporate;

<sup>37</sup> 3.1.6. “**Environmental Impact Assessment**” shall mean **prior identification of possible adverse impacts and consequences of a particular project to be implemented by individuals, economic entities and organisations on the environment, and identification of measures to mitigate or eliminate them;**

assessment<sup>38</sup>. Article 7.7 of the Law states that “The Government shall approve the procedure and methodological guidelines for the conduct of environmental impact assessments, and the procedure and methodology shall govern the issues concerning the environmental impact assessments, appraisal and review of assessments, terms of reference of the Technical Board, and regulations for social and health impact assessments.”

According to the above four types of environmental impact assessments, strategic and cumulative impact assessments identify potential risks and adverse impacts on society and human health. The general and detailed environmental impact assessment procedures and methodologies to be approved by the Government include social and health impact assessments.

Article 11.1.10 of the **Law on Minerals** specified the role of State Administrative Body to assess and draw conclusion on the impact of the mining industry on the country's economic and social sectors, and Article 41.1 of the Law states that “In the case of wells, winter quarters, private and public dwellings, and other buildings as well as historical and cultural monuments are damaged during the exploration or mining operation, the licence holder shall fully reimburse the owners, and if necessary, shall be responsible for the costs incurred in relation to relocating them.” Article 44.1 of the Law states that “The license holder shall carry out specific activities to ensure the labour protection and hygiene conditions of the mine workers and the safety of the citizens of the soum or district in accordance with relevant legislations.”

Articles 30.1 and 31.1 of the **Law on Common Minerals** are in line with Articles 41 and 44 of the Minerals Law. Article 17.1 of the Law on Nuclear Energy states that “... the license applicant ... must meet all safety requirements; must fully meet labour safety and hygiene requirements and standards; ... must take an active part in solving social issues such as regional development, health and education; ... have universally accepted standards of ... social responsibility.” Article 17.2 states that “... the license applicant ... shall meet the following conditions: ... 17.2.4 Meet the international standards and requirements for labour protection and safety in the mining industry.” Article 30.1 of the Law states that “... if the investor of the licensed company submits a request ... an investment agreement may be concluded with them for a period of up to 10 years, which shall include the following: 30.1.5 Mining of minerals with minimal damage to human health and environment; 30.1.8 To develop the region and create new jobs; and 30.1.9 To compensate the damage caused.”

## **The need for impact assessment reflected in other laws and procedures**

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<sup>38</sup> 3.1.5. “**Cumulative Impact Assessment**” shall mean the identification of combined and overlapped adverse impacts from projects implemented in a particular region or water basin by citizens, economic entities and organisations **on the health of population**, and determination of measures to mitigate or eliminate those impacts;

Article 11.2 of the **Law on Petroleum** states that “The Contractor shall have the following obligations: 11.2.17 ... to enter into an agreement with the Governor of the soum or district where the licence area is located, which provides for voluntary support for local development.” Article 40.1 of the same law states that “If the Contractor causes damage to wells, winter quarters, autumn quarters, spring quarters, private and public dwellings, and other buildings as well as historical and cultural monuments during the exploration or mining operation, the Contractor shall fully reimburse the owners.” Article 40.2 states that “The Contractor shall be fully responsible for the expenses incurred in relation to the relocation of buildings and property specified in 40.1 of this Law.”

Article 7.1 of the **Law on Construction** states that “The competent authority shall take into account the following issues when issuing a construction work permit: 7.1.1 rights and interests related to land and immovable property under ownership, possession or use of citizens and legal entities of arising from construction activities; and 7.1.2 Rights and interests of citizens and legal entities arising in connection with living and working in a healthy and safe environment.”

Article 25.1 of the **Law on Energy** states that “A license holder shall have the following obligations: 25.1.2. To comply with the conditions and requirements specified in law as well as rules and regulations on power engineering and safety, and the decision of the licensor; and 25.1.11. To have an environmental impact assessment conducted by an authorised organisation, to develop an annual plan for environmental protection and rehabilitation, and to have it approved by the relevant organisation prior to the commencement of its operations, and to comply with it.”

Article 27.8 of the **Law on Cultural Heritage** stipulates that prior to the allocation of land for economic activities such as construction of towns and buildings, construction of new roads, construction of hydropower plants, farming, and mineral exploration and exploitation, a pre-exploration by paleontological, archeological and ethnographic research organisations shall be conducted and a conclusion shall be drawn.

Article 8.4 of the **Law on the Rights of Persons with Disabilities** states that “Measures will be taken to improve accessible infrastructure for children and youth with disabilities, increase the use of information and communication technologies for this purpose, support production and services for children with disabilities, and provide them with hygienic food, clothing, housing and utilities, and the expenses related to these measures shall be included in the budget of the state central administrative body in charge of construction, roads, public transportation, information and communication, health, social protection and employment, as well as in the budgets of provinces, the capital city and districts. Article 9.3 thereof states that “The state administrative body in charge of standardisation shall approve mandatory national standards for the surrounding development and internal organisation of social infrastructure, housing and public buildings accessible to persons with disabilities and meeting their needs and

requirements on the basis of the proposal of the state central administrative body in charge of construction and persons with disabilities.

Article 5.1.3 of the **Law on Road** states that activities of construction, possession, use, maintenance, protection and repair of roads shall not adversely affect the human health and the environment; and Article 19.2 states that requirements for the design of roads and road facilities shall ensure that they do not adversely affect the health and safety of passengers, the environment, historical and cultural monuments, and roads and road facilities will be provided with tunnels and crossings that will not restrict wildlife habitat, movement and migration.

Article 8.4.3 of the **Law on Petroleum Products** requires creating conditions for storage, removal and destruction of industrial waste in an environment that does not harm human health and the environment. Article 15.6 of the Law on Subsoil states that The Government shall decide on the use of the subsoil for the protection and burial of toxic substances that have a special impact on the health of the population, livestock and the environment, and Article 20.3 states that the subsoil user shall reliably protect atmospheric air, land, forests, water, mineral springs, livestock, animals, other environmental objects and buildings from potential harmful impacts of subsoil use, as well as ensure preservation and protection of special protected areas, natural, historical and cultural monuments. Article 51.1 states that “The purpose of state control over the use and protection of the subsoil shall be to ensure compliance with the established procedures for the use and protection of the subsoil by ministries, special departments, economic entities, organisations and citizens, as well as foreign legal entities, citizens and stateless persons, to ensure safety in the use of subsoil, to prevent and protect the population, livestock, animals, the environment and buildings from potential hazards and harmful impacts, to ensure the fulfillment of the obligation to eliminate the hazards and harmful impacts, and to ensure the implementation of the state inventory procedure for mineral resources, deposits and subsoil, as well as other provisions of the legislations on subsoil.

The Methodology for Strategic and Cumulative Impact Assessment and the Methodology for Environmental Impact Assessment were approved by Order No.A/11 of 2014 of the Minister of Environment and Green Development, but were repealed by Order No.A/80 of 2017 of the Minister of Environment and Tourism. Although this issue is regulated by Annex 1 to the Government Resolution No.374 of 2013, the Strategic and Cumulative Environmental Impact Assessment Procedure, there is no detailed methodology for strategic and cumulative environmental impact assessment, and the issue is limited by the following general concepts:

- Identification of optimal options to select in order to avoid from potential risks and adverse impacts on the environment, society and human health, as well as options to reject;
- Potential risks and adverse impacts on the environment, society and human health, their consequences and cumulative adverse impacts;
- Optimal options to avoid or mitigate adverse impacts and options to reject, and a comparison of their impact on the environment, society and human health;

- Positive impact on the environment, society and human health after the measures to prevent from and reduce adverse impacts are fully implemented;
- Identification of the main adverse impacts on the environment, society and human health of the region, and their consequences;
- Assessment of environmental, social and human health damage caused by cumulative impacts.

In the methodology specified in the Procedure for Ensuring Public Participation in Environmental Impact Assessment<sup>39</sup>, it was not clear how the social impact will be assessed. There were only two articles regulating the matter: 2.2.3 On the main adverse impacts inflicted or inflicting on the environment, society and human health from the cumulative impact and its consequences; as well as on determining the intensity, scope (time, space) and distribution of the cumulative impact of the projects; and 2.5.4 Assess the direct and indirect impact of the project by conducting public consultation, discussion and opinion polls during the impact assessment phase, and pay attention to reflecting the livelihood and social issues of the citizens.

In addition, Order No. 413 of 2014 of the Minister of Health approved the Methodology for Health Impact Assessment separately, also on the basis of Article 7.7 of the EIA. There is currently no social impact assessment approved by the State Central Administrative Body in charge of labour and social protection, but the Labour and Social Protection Research Institute under the MoLSP conducts impact assessments on some emergency and welfare programmes and government decisions. The impact assessments are designed to assess social and economic benefits and identify risks, without established standards, and in line with researchers' methodologies and management policies.

#### *Law on Legislations*

*The Law on Legislations adopted in 2015 is one of the legal documents for developing impact assessment methodology. When developing draft legislations in Mongolia according to the law, Article 6.2 of the Law requires the use of below fundamental questions for examining the impact of legislations on human rights, economy, society and environment: Table 1. Impact on human rights; Table 2. Economic Impact; Table 3. Social Impact; and Table 4. Environmental Impact are assessed and interpreted.*

*The purpose of the Law on Legislations is to improve the rationale and quality of activities to initiate and draft laws and other decisions of the State Great Khural, to ensure public participation therein, to define requirements for draft legislations, and to assess the impacts of legislations. When pre-examining the need for legislations, the impacts of regulatory options are assessed. The same assessment is also required for developing the administrative procedure to be approved by the State Central Administrative Body.*

*The assessment will be conducted in the section on the effectiveness of regulatory options in anticipating the needs and requirements of the legislation. The same assessment is required during the development of administrative procedures to be approved by. However, when completing the assessment only for the purpose of approving the legal document, the assessment is not based on research, but only on the assessment of the team that drafted the legal document.*

<sup>39</sup> Annex to the Order A-03 of the Minister of Environment and Green Development dated January 06, 2014



*Therefore, if public administration bodies need to regulate an operational process by developing and establishing procedures, their impact on human rights, society, economy and environment should be assessed by answering the questions in the assessment table.*

### **2.3.3. Social Impact Assessment component in the Local Development Agreement**

Article 42.1 of the Law on Minerals states that “The license holder shall enter into an agreement with the local government to protect the environment, develop the infrastructure related to mine operation and plant construction, and increase employment.” “Draft for the Agreement on the Environmental Protection, Development of Infrastructure related to Mine Operation and Plant Construction, and Job Creation” was approved by the Government Resolution No.179 of 2016<sup>40</sup>.

Clause 1.2 of the draft agreement states that “The license holder shall voluntarily support the implementation of projects and programmes to protect the environment, develop infrastructure related to mining and plant construction, and increase employment in the provinces (capital city) and soums (districts) where the licensed area is located. Moreover, Clause 3.1 specifies that “Within the framework of this agreement, the license holder shall exercise the following rights and obligations: 3.1.2 To cooperate with local labour organisations to support the employment of local citizens and enroll them in training, and to announce the required jobs and related requirements to the public in a transparent and open manner; 3.1.3 Develop a necessary job training programme within the framework of projects and activities to be implemented and organise activities to involve local citizens; and 3.1.4 To employ local people on the basis of the appropriate level of training for at least ... percent of all jobs.”

The implementation of a mining and related infrastructure projects goes through several phases, from the phase of government determining and approving the coordinates of the exploration area for the mining project to the phase of closure and rehabilitation of the mine and the completion of the project. The social impact assessment should be conducted prior to the start of the project, and the implementation of the assessment should be ensured and monitored using the process outline related to the impact assessment for each phase of the project.

*(See Appendix 3. Process Outline)*

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<sup>40</sup> <https://www.legalinfo.mn/annex/details/7245?lawid=11852>

### **2.3.4. Ensuring public participation and right to know at the decision-making level**

Article 7.7 of the Law on Environmental Impact Assessment, which was amended in 2012, states that “The Government shall approve the procedure and methodological guidelines for the conduct of environmental impact assessments, and the procedure and methodology shall govern the issues concerning the environmental impact assessments, appraisal and review of assessments, terms of reference of the Technical Board, and regulations for social and health impact assessments.” Article 11.1.10 of the Law on Minerals states that one of the functions of the State Administrative Body in charge of mineral resources (MRPAM) is to assess the impact of the mining industry on the country’s economic and social sectors, and draw conclusions.

An administrative act is an oral or written order or action by an administrative body to regulate a particular case within the framework of public law, which has direct legal consequences<sup>41</sup>. In addition, an agreement to be concluded by a state administrative body shall be considered an administrative agreement.

The state administrative body and local government administration shall issue an administrative act and a decision to conclude an administrative agreement in connection with the holder of a mineral license to implement a specific project in the following cases:

- Issuing an order to issue licence;
- Concluding other agreements on land and water use; and
- Concluding local development agreements.

It is stipulated that a person whose rights and legitimate interests may be affected as a result of the administrative decision-making process shall be involved in the decision-making process at his or her request or on the administrative body’s initiative and with the consent of the participant<sup>42</sup>. Article 24.4 of the same law states that the administrative body is obliged to thoroughly analyse the grounds of each case related to the administrative decision making process and shall determine the circumstances that are important for the participant. The law also stipulates that prior to the adoption of an administrative act or administrative agreement, a person whose rights and legitimate interests may be affected shall be given an opportunity to comment on the circumstances relevant to the administrative decision and hence, it becomes a mandatory requirement to hold a hearing when adopting the above administrative act.

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<sup>41</sup> General Administrative Law, Article 37.1

<sup>42</sup> General Administrative Law, Articles 13.3 and 26.1

### Appendix 3. Process Outline: Impact assessment component included in the implementation phase of mining and infrastructure projects

Clarification	Requirements	Inclusion and conduct of impact assessment
<b>Phase of Planning by Government</b>		
Projects to be implemented by the government	<ul style="list-style-type: none"> <li>The list of mining and infrastructure projects is approved by the government resolution approving the list of state-owned concession projects.</li> <li>Projects and programmes to be implemented are listed, approved and included in the government's action plan.</li> </ul>	At the state planning stage, there is no regulation on a) how the exploration of mineral resources in the area will affect the society and economy of the country; b) how to determine the social impact on the local population; and c) how to conduct the feasibility study. Therefore, when approving projects and programmes to be implemented by the government and determining the coordinates of the exploration licence area to be allocated to the private sector, the impact of the project on the local community, society, economy, health and environment is not taken into account <sup>43</sup> , and the local people are not consulted with.
Projects to be implemented by private sector	<ul style="list-style-type: none"> <li>Exploration: The government approves the decision to determine the coordinates of the mineral exploration licence area.</li> <li>There is no government planning for infrastructure projects such as infrastructures for mining, road construction, and thermal power plants.</li> </ul>	
<b>Phase of Selection</b>		
Selection of project participants	<ul style="list-style-type: none"> <li>In accordance with the Law on Procurement of Goods, Works and Services with State and Local Funds (2005) and the Law on Concessions (2010), a tender or direct contract is concluded and the approved project will be implemented.</li> <li>A tender is conducted at the coordinates of the area approved by the government in accordance with Article 7.1 of the Law on Minerals.</li> </ul>	There is no regulation on impact assessment in the selection process (tender).
<b>Phase of Decision-making</b>		
Strategic Environmental Assessment of	<ul style="list-style-type: none"> <li>According to the Law on Concessions (2010), a contract is entered into with the winning bidder or the direct contractor.</li> </ul>	As the administrative act is approved, the state central administrative body and other organisations shall have grounds to hold a hearing according to the General Administrative Law, and shall identify the circumstances relevant to

<sup>43</sup> It is possible to issue mineral licences for 19.9 percent of the total territory of Mongolia. By 2020, the mineral licenses cover 9 percent of the country's territory, indicating that this number is likely to increase in the future.

Development Projects and Programmes	<ul style="list-style-type: none"> <li>• Strategic assessment is conducted on the draft development policies, programmes and plans. During the strategic assessment of the national and regional policies, development programmes and plans to be implemented by the Government, the public will be consulted within no more than 30 working days, and it is regulated by the Procedure on Ensuring Public Participation in the Environmental Impact Assessment, annex to the Order No.A-03 of the Minister of Environment and Green Development, 2014.</li> <li>• According to the Law on Procurement of Goods, Works and Services with State and Local Funds (2005), the Portfolio Minister has the right to enter into contracts with winning bidders or direct contractors.</li> </ul>	the participants, as required by law. Hence, the adoption of administrative acts and agreements shall initiate the assessment of social, environmental, economic and health conditions, but it is not implemented. At present, there are no hearings among local stakeholders. Article 2.2 of the Procedure on Strategic and Cumulative Environmental Impact Assessment states, "The following principles shall be followed in conducting strategic environmental assessment: 2.2.2 Identifying the options to avoid from potential risks and adverse impacts on the environment, society and human health, and options to be rejected from implementation;" and Article 2.9 states, "The professional team for strategic assessment ... shall issue a report. The report shall include the following information: ... 2.9.3 Identification of potential risks, adverse impacts on the environment, society and human health, their consequences and cumulative adverse impacts."
Projects to be implemented by private sector	<ul style="list-style-type: none"> <li>• The State Administrative Body shall issue a decision or administrative act to issue a permit to an enterprise to conduct mining exploration and exploitation, run processing and concentrating plant, implement the related infrastructure projects, and construct roads and buildings.</li> </ul>	Relevant procedures require identifying the main cumulative adverse impacts on the environment, society and human health, and their consequences, as well as the intensity, scope (temporal and spatial), and distribution of the cumulative impact of projects, ensuring public participation in the impact assessment phase through consultations, discussions and polls, assessing direct and indirect impacts of projects, and paying attention to considering the citizens' livelihoods and social issues, but the implementation of the procedures produces only general information, and omits social impact assessment. However, the conduct of social impact assessment is required by the Procedure on Strategic and Cumulative Environmental Impact Assessment. For example, Article 3.4 of the Procedure states that "A professional organisation for cumulative impact assessment shall ... issue a report with conclusions and recommendations, and the report shall include the following information: ... 3.4.2 An identification of the main adverse impacts on the environment, society and human health of the region and their consequences; and 3.4.6 An assessment of environmental, social and human health damage caused by cumulative adverse impacts."
<b>Phase of Issuing/Canceling License</b>		
Decision	<ul style="list-style-type: none"> <li>• Exploration: An exploration or mining licence shall be issued to or revoked from an enterprise that was selected through the selection process, in accordance with the Article 7.1 of the Law on Minerals</li> </ul>	

	<ul style="list-style-type: none"> <li>• Issuance and revocation of licences for processing and concentrating minerals, production and sale of value-added products and other related activities, implementation of other industrial and infrastructure projects, construction of roads and buildings shall be regulated by law.</li> <li>• Production licences are issued on two conditions: <ul style="list-style-type: none"> <li>- When a legal entity holding a mining licence engages in production</li> <li>- When a legal entity that does not have a mining licence engages in production</li> </ul> </li> </ul>	<p>No impact assessment will be conducted in the licensing, revocation or suspension process, and no grounds or standards for conducting impact assessments have been established.</p>
Time period	<ul style="list-style-type: none"> <li>• Exploration licences are issued for 3 years and may be extended 3 times.</li> <li>• Mining licences are issued upon request for a period of 30 years.</li> <li>• The right to process and concentrate minerals, build value-added plants and power plants, build infrastructure facilities, and build roads and bridges may be exercised during the term of the licence. The licence can be extended any number of times.</li> </ul>	<p>In any case, the Feasibility Study and EIA must be conducted and approved in accordance with the law, as they fall into the category of “projects” according to the Law on EIA. Since the Feasibility Study and the EIA lack in a methodology for assessing the actual impact, the socio-economic situation and the impact assessment have similar information in terms of structure and content, and are not standardised. In addition, the right to develop an EIA is obtained from the Ministry of Environment, and the licensed private legal entities are required to be specialised only in environmental assessments, but they have staff specialised in other fields and are not capable of conducting impact assessments. Because the external expert of the Minerals Council to evaluate the Feasibility Study is required to be a geologist, only the assessment of geological resources is prioritised and social, environmental and health impacts are not taken into account.</p>
<b>Phase of Exploration</b>		
Environmental Management Plan	<p>The project implementer shall develop an Environmental Management Plan after obtaining an exploration licence, or update the Environmental Management Plan when applying for extension of the license every year, and shall have the plan approved by the soum or district Governor.</p>	<p>The environmental management plan shall cover only the following issues and the amount of expenditures to be allocated to the local budget<sup>44</sup>:</p> <ul style="list-style-type: none"> <li>- Comprehensive measures to prevent mining operations from causing much harm to the environment and to prevent air and water pollution and adverse impacts on humans, animals and plants;</li> <li>- Storage and control of toxic and potentially harmful substances and materials;</li> <li>- Protection, use and storage of surface and groundwater;</li> <li>- Construction of tailings dams and ensuring the mining site safety;</li> <li>- Measures to keep the environmental pollution under permissible level, and rehabilitation measures to make the disturbed land available for public use by burying, leveling and vegetation;</li> <li>- Other measures related to the specifics of the mine operation.</li> </ul> <p>The Procedure on Strategic and Cumulative Impact Assessment included several articles on how to take into account the social impact of projects and programmes. For example, Article 5.1 states that “The environmental</p>

<sup>44</sup> Articles 39.1.3 and 39.1.4 of the Law on Minerals

		management plan shall include the following: ... 5.1.4 How it is integrated with resettlement, community health, interests, livelihoods, cultural heritage protection and other planning." Article 5.4 states that "The following issues shall be specified in detail in the Environmental Monitoring ... programme, which is an integral part of the environmental management plan: 5.4.1 Basic information on potentially affected environment, human health and social situation and possible quantitative and qualitative changes due to the implementation of the project." Article 6.4 states, "The Technical Board shall review the opinion of the expert who conducted the assessment appraisal, draft decision, evaluation report, and environmental management plan, and make one of the following decisions: 6.4.3 Refuse to implement the project if it is considered that the project will cause serious or irreparable damage to the environment and human health." Article 9.1 states, "The Technical Board shall have at least 10 members, including representatives from the environmental, social, health, economic and development sectors, and the members shall have more than 10 years of experience in their field."
Prefeasibility study of the mineral deposit	Preliminary feasibility study of the mineral deposit is conducted during the exploration phase.	The structure includes requirements for mining opportunities, infrastructure, concentrating, processing, occupational health, social issues, safety, risk management, the environment, project implementation plans, and economic and financial evaluation. They include information on cost estimates, plans, and risk management methodologies.
<b>Phase of Exploitation</b>		
Feasibility Study	The mining license holder shall have the feasibility study for the development of the deposit conducted by an authorised entity and approved within one year after obtaining the license. The body authorised to approve the Feasibility Study is Minerals Council established by the Order of the Minister of Mining and Heavy Industry, and the Feasibility Study shall be updated and approved every 5 years. Preliminary assessment of mineral resources, preliminary assessment of the potential use of mineral deposits, basic requirements for the feasibility study of a mining project, and the procedure for accepting the feasibility study were approved by Order No.74 of the Minister of Mineral Resources and Energy in 2012.	The Feasibility Study includes the condition and estimate of site resources, resource assessment and metrological issues, as well as social and environmental assessments, including fresh water, other natural resources, and economic assessments. However, since the external expert of the Minerals Council to evaluate the feasibility study is required to be a geologist, only the assessment of geological resources is prioritised and social, environmental and health impacts are not taken into account. The feasibility study structure includes requirements for mining opportunities, infrastructure, concentrating, processing, occupational health, social issues, safety, risk management, the environment, project implementation plans, and economic and financial evaluation. They include information on cost estimates, plans, and risk management methodologies. They include information similar to the Feasibility Study, such as cost estimates, plans, and risk management methodologies.

General Environmental Impact Assessment	The project implementer shall prepare and submit a feasibility study, project design, and description of the current state of the environment in the project area approved by the relevant authority, as well as proposal from the soum or district Governor and other relevant documents, and shall have the general environmental impact assessment conducted by the state central administrative body in charge of environment or the environmental department, in accordance with the classification specified in the Annex to this Law.	The general environmental impact assessment is in the form of a conclusion and includes the following: <ul style="list-style-type: none"> <li>- Refusal or rejection of projects that have equipment, technologies or activities harmful to the environment, are not reflected in the land management plan, do not comply with the strategic assessment conclusion and relevant legislation;</li> <li>- Consideration that the project can be implemented under certain conditions without conducting a detailed environmental impact assessment; or</li> <li>- Consideration that a detailed environmental impact assessment is required.</li> </ul>
Detailed Environmental Impact Assessment	<p>Once the Feasibility Study is approved, the mining licensee shall have an environmental impact assessment conducted, develop an environmental management plan, estimate the potential adverse impacts on the human health and the environment during the mine operation, and identify mitigation measures.</p> <p>In addition, the right to develop an EIA is obtained from the Ministry of Environment, and the licensed private legal entities are required to be specialised only in environmental assessments, but they have staff specialised in other fields and are not capable of conducting impact assessments. Every time the mining license is extended, the EIA shall be updated and approved.</p>	Since the Feasibility Study and the EIA lack in a methodology for assessing the actual impact, the socio-economic situation and the impact assessment have similar information in terms of structure and content, and are not standardised.
Environmental Management Plan	Approved annually in the same manner as the Environmental Management Plan for the exploration licence.	<p>The environmental management plan shall cover only the following issues and the amount of expenditures to be allocated to the local budget<sup>45</sup>:</p> <ul style="list-style-type: none"> <li>- Comprehensive measures to prevent mining operations from causing much harm to the environment and to prevent air and water pollution and adverse impacts on humans, animals and plants;</li> <li>- Storage and control of toxic and potentially harmful substances and materials;</li> <li>- Protection, use and storage of surface and groundwater;</li> <li>- Construction of tailings dams and ensuring the mining site safety;</li> <li>- Measures to keep the environmental pollution under permissible level, and rehabilitation measures to make the disturbed land available for public use by burying, leveling and vegetation;</li> <li>- Other measures related to the specifics of the mine operation.</li> </ul> <p>The Procedure on Strategic and Cumulative Impact Assessment included several articles on how to take into account the social impact of projects and programmes. For example, Article 5.1 states that “The environmental management plan shall include the following: ... 5.1.4 How it is integrated with</p>

<sup>45</sup> Articles 39.1.3 and 39.1.4 of the Law on Minerals

		<p>resettlement, community health, interests, livelihoods, cultural heritage protection and other planning.” Article 5.4 states that “The following issues shall be specified in detail in the Environmental Monitoring ... programme, which is an integral part of the environmental management plan: 5.4.1 Basic information on potentially affected environment, human health and social situation and possible quantitative and qualitative changes due to the implementation of the project.” Article 6.4 states, “The Technical Board shall review the opinion of the expert who conducted the assessment appraisal, draft decision, evaluation report, and environmental management plan, and make one of the following decisions: 6.4.3 Refuse to implement the project if it is considered that the project will cause serious or irreparable damage to the environment and human health.” Article 9.1 states, “The Technical Board shall have at least 10 members, including representatives from the environmental, social, health, economic and development sectors, and the members shall have more than 10 years of experience in their field.”</p>
<b>Phase of Entering into the Local Development Agreement</b>		
<p>Direct agreement with the local government where the project is to be implemented</p>	<ul style="list-style-type: none"> <li>• The State Administrative Body shall enter into land and water use agreements with licensed enterprises <b><u>after the issuance of an exploration licence</u></b>.</li> <li>• According to Article 42 of the Law on Minerals, a local employment and local development agreement (“Local Agreement”) or an administrative agreement with a local government body shall be concluded <b><u>after the issuance of a mining licence</u></b>. The holder of a mineral mining licence shall enter into an agreement with the local administrative body on the protection of the environment, development of infrastructure related to the operation of mines and construction of factories, and job creation as soon as the mining licence is obtained<sup>46</sup>. According to the above provisions of the law, the draft agreement on “Environmental Protection, Development of Infrastructure related to Mine Operation and Plant Construction, and Job Creation” to be concluded between the mineral licence holder and the local government was approved by Government Resolution No.179 of 2016<sup>47</sup>.</li> </ul>	<p>As the administrative act is approved, the state central administrative body and other organisations shall have grounds to hold a hearing according to the General Administrative Law, and shall identify the circumstances relevant to the participants, as required by law. Hence, the adoption of administrative acts and agreements shall initiate the assessment of social, environmental, economic and health conditions, but it is not implemented. At present, there are no hearings among local stakeholders.</p> <p>It is stipulated that the legal entity holding a mining license must enter into a mandatory local agreement with the local government to support the employment of local people, provide training to local people, and resolve other issues on a voluntary basis.</p> <p>In practice, it is not clear when and how the results of local agreements will be calculated, and it is not possible to estimate the results of the agreement, as well as its social and economic impact and significance due to the fact that the agreement is implemented during the license period.</p>

<sup>46</sup> Article 42.1 of Law on Minerals

<sup>47</sup> <https://www.legalinfo.mn/annex/details/7245?lawid=11852>



	When mining minerals, common minerals and radioactive minerals, and concluding product sharing agreement for oil mining, it is required to have EIA and the Feasibility Study approved and enter into a Local Agreement as per the respective laws.	
<b>Phase of Reporting</b>		
Reporting as required by regulatory authorities	<ul style="list-style-type: none"> <li>• Legal entities holding infrastructure projects, roads, buildings, and mineral licences are required to submit timely reports on assets, finance, social insurance, taxes, etc., and to report annually on the implementation of environmental management plans and the implementation of local agreements.</li> <li>• Report on the Special Fee for the Use of Mineral Resources, annual report on exploration work, deposit reserves and exploration results report are submitted to the state administrative body once a year.</li> <li>• The company's annual report is issued once a year.</li> </ul>	<p>Environmental management plans and local contractual obligations do not include social and other impact assessment and reporting conditions.</p> <p>The report on the Special Fee for the Use of Mineral Resources, annual report on exploration work, deposit reserves and exploration results report do not include any social information. They only include transportation, sales and payment information and exploration results, the amount of findings and estimates.</p> <p>There is no standard for the companies' annual report. Most companies listed on the MSE publish their annual reports. The report does not include social or other impact assessments<sup>48</sup>.</p>
<b>Phase of Closure</b>		
The end of mine operations	<p>In accordance with Articles 26.2.3 and 27.1.12 of the Law on Minerals, project implementers must include the preliminary planning of the closure management in their report of the exploration results and the feasibility study of the use of mineral deposit and construction of plant. Moreover, if the Project Implementer intends to close the entire mine and plant, it must develop a detailed closure management plan, send it to the MoMHI and the MoET for comments, and obtain approval from the MRPAM.</p> <p>Article 10.1.14 of the Law on Minerals states that the rehabilitation and closure procedures for mines, quarries and concentrators shall be approved by a part-staff policy council in collaboration with the state central administrative body in charge of environment. The procedure for rehabilitation and closure of mines, quarries and concentrators was approved by <i>Annex I to the Joint Order No.A/181 and A/458 of the Minister of Mining and Heavy Industry and the Minister of Environment and Tourism in 2019</i>. The Closure Management Plan shall be developed and approved as per this Procedure.</p>	<p>The obligations of a project or programme implementer set forth in the environmental impact assessment, environmental management plan and closure management plan shall be completely fulfilled at the time of the project and mine closure.</p> <p>2.2. The closure management plan shall have the following content:</p> <p>2.2.1. Project overview, closing goals and objectives;</p> <p>2.2.2. Purpose of land use after closure;</p> <p>2.2.3. Physical stability indicators of post-closing performance;</p> <p>2.2.4. Chemical stability performance indicators after closing;</p> <p>2.2.5. Measures to be taken in connection with removal, relocation, demolition and securing of infrastructure, machinery, equipment and facilities;</p>

<sup>48</sup> Listed companies' annual reports evaluation, ARAM Project, FRC and CGDC 2015-2018

		<p>2.2.6. Ongoing and post-closure rehabilitation planning aimed at ensuring physical and chemical stability at the project site, public health and safety, and environmental protection;</p> <p>2.2.7. Detailed planning of measures to be taken for mine workers and affected people before and after the closure;</p> <p>2.2.8. Detailed planning of measures to be taken during the transition, sufficient to ensure the preparation of the mine closure;</p> <p>2.2.9. Assessment of any risks after closure and detailed planning of measures to prevent and reduce them;</p> <p>2.2.10. Detailed plan of environmental monitoring, maintenance and upkeep work after closing;</p> <p>2.2.11. Action plan for temporary and emergency closure...</p> <p>Closure risk assessments should include control measures to minimise risks, and the development of a closure management plan shall group the closure area by its common characteristics (open pit area, underground excavation area, tailings area, infrastructure area, etc.) and describe how each grouped area has changed before, during, and after closure. In practice, the performance of environmental management plan is monitored when closing mines. As standards are not set out for the above activities, social impacts are not assessed unless there are negative impacts on the environment.</p>
<b>Phase of Rehabilitation</b>		
After the closure	The rehabilitation is conducted according to the Environmental Management Plan and the methodology for technical and biological rehabilitation of areas damaged by mining operations, approved by Order No.A-138 of the Minister of Environment, Green Development and Tourism in 2015.	<p>Due to the limited authority of rehabilitation monitoring bodies, or overlaps or gaps in their duties and responsibilities, the monitoring on the mid-term and post-closure rehabilitation is limited, and does not take into account other social issues. Project implementers are required to carry out work in accordance with the annual rehabilitation plan, and in the event of non-compliance, their production for the current year is suspended and the rehabilitation bond they lodged will not return. The procedures specify how to rehabilitate land, soil, air, and topsoil, and mitigate adverse impacts, but do not take into account social impact assessments.</p> <p>Other projects do not include rehabilitation and do not assess social impacts.</p>

**Phase of Monitoring**

During the process

- State administrative bodies, such as the Professional Inspection Agency, monitors the activities of enterprises respective to their areas of responsibility.
- Environmental Management Plan is monitored by the Professional Inspection Agency and Environment and Tourism Department.
- Feasibility study is monitored by the Minerals Council.
- The General and Detailed EIA is monitored by the Ministry of Environment and Tourism.

Laws are enforced during the monitoring activities, but impact assessments are not conducted.

## THREE. REQUIREMENTS FOR TECHNICAL BOARD AND ASSESSMENT COMPANIES

### 3.1. *Technical Board to approve environmental impact assessment*

Articles 4.2 and 4.3 of the Law on Environmental Impact Assessment states that “A Technical Board of Environmental Impact Assessment (hereinafter referred to as Technical Board) shall be established under the state central administrative body in charge of environment by the decision of the state central administrative body in charge of environment with the responsibility to regulate the issues of environmental impact assessment and evaluate the results and reports of assessments specified in Articles 4.1.1, 4.1.4 and 7.1.2 hereof.” Strategic Assessment Report shall be discussed by the Technical Board and conclusions shall be drawn. The Member of the Government in charge of Environment shall present the conclusions to the Government.

Article 6.6 of the Law stipulates that “The authorised professional organisation shall submit the environmental baseline assessment and cumulative impact assessment reports to the Technical Board in charge of assessment under the state central administrative body in charge of environment for review,” and Article 7.7 of the Law states that “The Government shall approve the procedure and methodological guidelines for the conduct of environmental impact assessments, and the procedure and methodology shall govern the issues concerning the environmental impact assessments, appraisal and review of assessments, terms of reference of the Technical Board, and regulations for social and health impact assessments.”

However, Annex 1 (Methodology for Strategic and Cumulative Environmental Impact Assessment) to the Order No.A-11 of the Minister of Environment and Green Development dated January 10, 2014 and Annex 2 (Methodology for Environmental Impact Assessment) to the Order No.A-11 of the Minister of Environment and Green Development dated January 10, 2014 on Approval of the Methodology were repealed as it were included in the revoked orders<sup>49</sup> approved by the Annex to Order No.A/80 of the Minister of Environment and Tourism of 2017, and it is currently regulated by Order No.A-117 of the Minister of Environment and Green Development dated April 10, 2014. There is no regulation on the selection, appointment and dismissal of members of the Technical Board, and the criteria and the rules of procedure of the Technical Board. In addition, if necessary, the member of the Government in charge of environment may appoint a professional team to conduct the cumulative impact assessment specified in Article 6.3 of this law. Therefore, the council does not have the capacity to assess social and other impacts.

In addition, a non-staff Environmental Audit Professional Council is established and the members of the Professional Council are appointed for a three-year term<sup>50</sup>. The Professional Council shall have a total of 7 members consisting of 4 representatives from the state central administrative body in charge of environment, and 3 representatives from non-governmental environmental audit organisations and environmental auditors. The right to conduct environmental audit shall be granted by the state central administrative body in charge of environment to a legal entity of Mongolia that meets the requirements and conditions specified

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<sup>49</sup> <http://www.mnc.mn/wp-content/uploads/2017/07/2014.7.pdf>

<sup>50</sup> <http://www.mnc.mn/wp-content/uploads/2019/02/Baigali-ornii-auditin-juram2019.pdf>

in the relevant laws and this regulation, and the legal entity shall engage only in environmental audit. The criteria for non-staff professional council members do not specify the requirements for the members, so they are composed of members authorised to conduct environmental audits. An expert who received a detailed environmental impact assessment report shall conduct an appraisal and review on the assessment, and report within 18 working days. If necessary, the chief expert of the state central administrative body in charge of environment will appoint a team of experts to conduct the appraisal and review, and the team shall be specialised in environmental field. Therefore, the council does not have the capacity to assess social and other impacts.

### **3.2. Minerals Council**

The rules, composition and operation methodology<sup>51</sup> of the Council were approved by Order No.23 of the Minister of Mining and Heavy Industry in 2016. The Minerals Council is a professional council responsible for issuing professional opinions and recommendations on the basis of Articles 10.1.9 and 48.4 of the Law on Minerals, Articles 8.1.6, 9.1.5 and 9.1.11 of the Law on Petroleum, Article 10.1.4 of the Law on Common Minerals, and Article 28.4.5 of the Law on Nuclear Energy. Therefore, the Council shall approve the mineral resource assessment, feasibility study, exploration results report and oil action plan.

According to the Procedure, the Council has the right to appoint an expert, and the expert must be a person with the capacity to conduct geological assessments. The members of the Council must be non-political consultants and specialists with experience in geology, oil, mining, or economy of these sectors. The composition of the Council is to be approved by a member of the Cabinet in charge of mining and oil (the Minister), and up to 30 percent of the members are replaced annually, depending on their meeting attendance. Therefore, the Council and its experts do not have the capacity to estimate social and other impacts.

### **3.3. Professional company to conduct environmental impact assessment**

Detailed environmental impact assessment shall be performed by a domestic business entity licensed in accordance with the Law on EIA, and Article 12 of the Law stipulates that the licence specified in Article 15.6.6 of the Law on Licensing shall be granted by the state central administrative body in charge of environment to a Mongolian entity that satisfies the requirements outlined in Article 7.5 of the Law on Environmental Protection. Article 12 of the Law also stipulates that the business entity must have a database of environmental legislations, material resources, staffing and professional capacity to conduct environmental assessments. The right to conduct a detailed environmental impact assessment shall be granted by the decision of the state central administrative body in charge of environment to the business entity for a period of three years on the basis of the conclusion of the Technical Board. The business entity authorised to conduct a detailed environmental impact assessment shall direct its main activities to conduct detailed environmental impact assessments.

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<sup>51</sup> <http://www.mmhi.gov.mn/uploads/file/3d694e66524d40319ee9c3dba528c9d5972da627.pdf>

Article 7.3 of the Law on Minerals stipulates that the project implementer shall prepare and submit a feasibility study, project design, and description of the current state of the environment in the project area approved by the relevant authority, as well as proposal from the soum or district Governor and other relevant documents, and shall have the general environmental impact assessment conducted by the state central administrative body in charge of environment or the environmental department, in accordance with the classification specified in the Annex to this Law. Article 6.6 of the Law states that the authorised professional organisation shall submit the prepared environmental baseline assessment and cumulative impact assessment report to the Technical Board in charge of assessment under the state central administrative body in charge of environment for review.

On the basis of the conclusion of the Technical Board, the right of a business entity to conduct a detailed environmental impact assessment shall be extended by a decision of the state central administrative body in charge of environment for three years. Therefore, companies authorised to conduct detailed environmental impact assessments include some social and health professionals to demonstrate their human resource capacity, but do not fully assess the impact due to the lack of a methodology for estimating social impacts.

#### **FOUR. COMPLAINT RESOLUTION AND REVIEW**

The Law on Resolving Grievances of Citizens Addressed to the Government Organisations and Government Officials<sup>52</sup> was adopted in 1995. The purpose of the law is to regulate the activities of citizens to submit requests and complaints to government organisations and officials, and of organisations and officials to resolve them. According to Article 11.2 of the Law, a citizen, legal entity or organisation may file a complaint against a decision of a state organisation or official to a higher level organisation or official to which the organisation or official is affiliated. If there is no higher level organisation or official, the complaint should be submitted to the authority that issued the administrative act or to the court.

In the third quarter of 2019 (only), 569,209 citizens submitted requests or complaints to the provincial and capital city governor's office and local state administrative bodies and officials, as presented at the Government Meeting. Out of them, 98 percent or 557,698 citizens' proposals, requests, complaints and criticisms (collectively referred to as applications) were resolved in a within the time period specified by law. In addition, 8,590 applications were transferred to the relevant authorities for resolution, and 3,080 applications were overdue resolved. The vast majority of applications, 64 percent, were from local communities seeking social welfare, wages, land, housing, and financial support. A total of 333,686 requests and complaints were filed with members of the government and the management of ministries and agencies, and complaints from local residents prevailed. Complaints and information to be submitted to government organisations can be received in person, in writing, by e-mail, by fax, or by telephone, and the government organisations are obliged to respond to complaints within 30 calendar days and, if necessary, it can be extended for another 30 days. The Law on Resolving Grievances of Citizens Addressed to the Government Organisations and

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<sup>52</sup> <https://www.legalinfo.mn/law/details/294?lawid=294>

Government Officials stipulates that the response to a petition of a propositional nature shall be provided within 90 days.

Government Resolution No.67 of 2005<sup>53</sup> stipulates that “Resolution of requests and complaints submitted by citizens to the State Central Administrative Body and Local Administrative Bodies, as well as those transferred from the Cabinet Secretariat for resolution shall be analysed, and information and presentations are prepared and submitted to the Cabinet Secretariat, in the case of quarterly and semi-annual submission, by the 10<sup>th</sup> of April, July and October, and in the case of year end submission, by January 10 of the following.

Complaints related to the activities of private sector mining and infrastructure companies will be submitted, depending on the nature of the issue, to the relevant government agencies for resolution. Although some large companies have set up internal channels for complaints and whistleblowing, not all businesses have a channel for receiving complaints, and are not available at the registered address of the state registration open database<sup>54</sup>, and it is common at the local level that they are unable to contact.

Government regulators did not impose a legal requirement on economic entities and organisations to establish a channel for receiving complaints, requests and information from local citizens, organisations, and legal entities, and resolving and disclosing the information, but they did legalise the issue of filing complaints to the government agencies by legal entities. For example:

- Article 37.2 of the Law on Minerals: It shall be prohibited to start mineral exploration without the permission of the Department of Environment, or mining activities without obtaining permission from the commission specified in Article 35.4 of this Law, and if there a dispute arises in relation to the issue, complaints may be lodged with the specialised inspection agency; Article 56.5: If a licence holder does not agree with the decision to revoke the licence in accordance with Article 56.4 of this Law, the license holder shall have the right to appeal to the court; and Article 62.7: If the disputing party does not agree with the decision of the public administrative body, it may appeal to the court.
- The party to the dispute is limited by the provision that if they do not agree with the decision of the state administrative body, they may appeal to the court if they do not agree with the decision to revoke the licence.
- Article 43.1 of the Petroleum Law: If the state administrative body and the contractor fails to resolve property and other disputes arising in the course of oil-related activities through mutual negotiation, the complaint may be submitted to arbitration if there is an arbitration agreement, or in other cases to court.
- Article 29.2.2 of the Law on Road: To file complaints and make demands to relevant organisations and officials regarding road maintenance, repair and traffic safety.
- Article 44.1 of the Law on Persons with Disabilities: Persons with disabilities are entitled for filing complaints and claims or demand individuals and legal entities to eliminate

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<sup>53</sup> <https://www.legalinfo.mn/law/details/3022>

<sup>54</sup> [www.opengovernment.mn](http://www.opengovernment.mn)

infringements if they consider that their legal rights are violated; and Article 44.2: Persons with disabilities are entitled for filing complaints for protection of their rights on their own or through representatives if they consider that individuals and government organisations have discriminated or restricted their rights.

- Article 29.5 of the Law on Labour Safety and Hygiene: If an employer does not fulfill its responsibilities specified in Articles 29.1 and 29.2 hereof or if a citizen or an employee does not agree with the conclusions for the cause of the industrial accident or acute poisoning, the citizen or the employee may submit his/her complains to the labour professional inspection organisation or to court for resolution. The issues of citizens or legal entities suffered a loss due to labour safety are not regulated.
- Article 27.11 of the Law on Environmental Protection: To demand invalidating the decision of organisations and officials that violated legislations on environmental protection, or to file a complaint to the higher level organisations for resolution. Article 41 of the Law on Environmental Protection stipulates that the user of the environmental database shall exercise rights to file complaints in relation to the operation and the data of the database.



**THE LIST OF COMMENTS AND SUGGESTIONS ON THE DRAFT SOCIAL IMPACT ASSESSMENT METHODOLOGY  
DEVELOPED BY THE “GOBI FRAMEWORK” PROJECT CONSULTATION TEAM**

**RECEIVED FROM STAKEHOLDERS INCLUDING REPRESENTATIVES OF THE STATE CENTRAL ADMINISTRATIVE ORGANIZATIONS, LOCAL HERDERS  
OF AFFECTED AREAS, CITIZENS AND REPRESENTATIONS OF LEGAL ENTITIES THAT ARE AUTHORIZED TO CONDUCT THE SOCIAL IMPACT  
ASSESSMENT**

July 25<sup>th</sup>, 2020

Ulaanbaatar City

<b>№</b>	<b>Date</b>	<b>Jurisdiction/ Position</b>	<b>Suggestions and Comments</b>	<b>Status of Incorporation of Comments in to Social Impact Assessment Methodology</b>
1	2020.07.05	Herder, Dornogovi province, Dalanjargalan soum, Bichigt bagkh <sup>1</sup>	Irrigation and clean water depletion is increasing thus, to supervise the usage of water	Was incorporated. The main principle of the SIA is to assess the social impact of the people affected by the mining project in the region and does not directly address the issue of preventing water pollution, saving water, and controlling consumption. However, Article 6.5 of the Methodology states that the Project's social impact management plan should include an action plan to avoid, mitigate and rehabilitate adverse social impacts.  In addition, the criteria for developing a monitoring program to assess social impact are: <ul style="list-style-type: none"> <li>- The number of annual migrations, depending on pasture and water availability and</li> <li>- The number of dried and depleted wells will be calculated annually.</li> </ul>
2	2020.07.05	Leader of the environmental protection group in charge of Eldev bagkh, Dalanjargalan soum, Dornogovi aimag	Solving social problems by creating workplaces is required. For example, to create 1 agricultural and irrigated area among 5 households, etc.	Was incorporated. Article 6.4 of the Methodology provides recommendations for community-based workplace creation and local procurement as ways to increase the benefits of the Project at the local level in the Avoiding the Social Impact, Mitigation and Rehabilitation Planning Section of the Project. According to the recommendations, the project proponent should take specific measures to bring economic benefits to the community based on the local situation. These include identifying potential local jobs and enabling local businesses to sell their goods and services and become suppliers to the project. It is also proposed to include this part of the assessment in the local development agreement, and the number of permanent and temporary jobs created under these programs should be reviewed annually.
3	2020.07.05	Bichigt bagkh's Chairman of the Citizens Representatives' Meeting	Prior to concluding a local contract, it is necessary to consult with the local people	Incorporation unnecessary. The SIA is required to be completed before the start of the project, in principle before the conclusion of a local contract. The guidelines also address the SIA's identified issues in local development contracts.
4	2020.07.05	A herder of Bichigt bagkh	Compensation amount for relocation of local people should be clear and calculated	Was incorporated. In accordance with Article 41.1 of the Minerals Law, the relocation costs will be paid by the license holder, according to Article 6.4 of the Methodology the purpose of the project phase is to develop a plan to avoid, mitigate and rehabilitate social impacts, the goal of which, is to develop and identify ways to avoid potential impacts on project activities, reduce mitigation if unavoidable, rehabilitate environments and conditions if mitigation is not possible, relocate people in affected areas, and provide

<sup>1</sup> Bagkh- primary unit of citizens within the soum

				monetary and non-monetary compensation. Recommendations include the establishment of a complaint redressal mechanism, an apology together with the response to citizens' complaints, compensation for lost property in kind, monetary compensation, rehabilitation, and measures to prevent similar violations. In particular, to reimburse all expenses related to land allocation and resettlement, to provide adequate, non-infringing housing, to maintain and support livelihoods, regardless of whether they have a permanent residence in the local area (apartment) or whether they have an official right to own or possess land, to allow displaced persons to benefit from the benefits of the project, etc.
5	2020.07.05	A herder of Bichigt bagkh	Assess the emotional damage caused to local people and calculate compensation	Not incorporated. Even though Article 6.4 of the Methodology states that the purpose of the project phase to develop a plan to avoid, mitigate and rehabilitate social impacts is to avoid the negative impacts of the project, if not possible, to reduce, to develop and identify plans to rehabilitate the environment, relocate people in the affected area, and provide monetary and non-monetary compensation, it does not include them in the legal framework as the orientation and approach to assessing the emotional damage is not included in the legal environment. Consensus between companies and individuals will address this issue and suggest measures to address it in the Environmental and Social Management Plan.
6	2020.07.05	A herder of Bichigt bagkh	Eliminate the Citizens Representatives' Meeting authority to decide how to spend environmental rehabilitation fees, and seek feedback from individuals on those bagkh to make decisions	Not incorporated. It has an independent legal regulation. The main principle of the SIA is to assess the social impact of the people affected by the mining project in the region. Environmental rehabilitation fees are not regulated. According to the SIA methodology, the meeting will be held on the spot, discussed, and resolved before the project, and the monitoring will be carried out through the Environmental and Social Management Plan and local contracts.
7	2020.07.05	A herder of Bichigt bagkh	To make it clear where to go when entering winter camp	Not incorporated. It is not possible to determine the location of herders' rotation.
8	2020.07.05	A herder of Bichigt bagkh	Resolve issues of citizens included in the land acquisition zone	Was incorporated. Article 6.4 of the SIA Methodology states that the purpose of the project phase to develop a plan to avoid, mitigate and rehabilitate social impacts is to avoid the negative impacts of the project, if not possible, to reduce, if not possible to reduce, to develop and identify plans to rehabilitate the environment, relocate people in the affected area, and provide monetary and non-monetary compensation. In particular, to reimburse all expenses related to land allocation and resettlement, to provide adequate, non-infringing housing, to maintain and support livelihoods, regardless of whether they have a permanent residence in the local area (apartment) or whether they have an official right to own or possess land, to allow displaced persons to benefit from the benefits of the project, etc.
9	2020.07.05	A herder of Bichigt bagkh	Indigenous people have been evicted for failing to obtain a certificate	In principle, it is incorporated. It is not possible to determine the issue of land use and possession rights by methodology. However, the work of recognition of unregistered rights and compensation according to international practice can be addressed by incorporation into the Environmental and Social Management Plan.
10	2020.07.05	A herder of Bichigt bagkh	Eliminate the practice of allowing heavy-duty mining trucks to make roads to go through people's property	Was incorporated. Preliminary zoning of the project's social impact zone will identify the affected parties. In addition, the development and implementation of a Social Impact Assessment Monitoring Program must include criteria for monitoring changes in the project's affected areas, such

				as those living along the road and those who are blasted near their homes.
11	2020.07.05	A herder of Bichigt bagkh	The Great Development Fund needs to be open and accessible to the public	Not incorporated. The activities of nominal NGOs cannot be regulated by methodology. In principle, it is implemented in the form of establishing a Social Investment Fund in the stage of determining the ways to increase returns and benefits of the local projects to implement in the form of strategic social investment at the local level of a certain percentage of profits from mining, sharing local benefits from the project, and to be implemented as an additional activity, separate from taxes, royalties, and compensation paid to local governments in accordance with relevant laws.
12	2020.07.05	A herder of Bichigt bagkh	Problems like rehabilitation needing to be reviewed annually and, if completed, licenses needing to be extended need to be solved.	Was incorporated. Article 6.4 of the SIA Methodology calls for the development of a rehabilitation strategy to mitigate the impact of the project by identifying ways to avoid, mitigate and rehabilitate the project's potential social impacts. At the stage of prioritization of critical impacts to be eliminated and mitigated, after the project's direct, indirect, and cumulative impacts are identified and ranked, after the most serious impacts to be avoided, mitigated and potential direct, indirect, and cumulative impacts of the project are identified, all identified social impacts are called to be assessed in terms of probability and degree of impact by the matrix methodology, and the most serious conditions will be identified to prevent, mitigate and rehabilitate.
13	2020.07.05	A herder of Bichigt bagkh	Place a job order, hire local people, and somehow guarantee a stable job after hiring	Was incorporated. Article 6.4 of the SIA Methodology provides recommendations for community-based workplace creation and local procurement as ways to increase the benefits of the Project at the local level in the Avoiding the Social Impact, Mitigation and Rehabilitation Planning Section of the Project. According to the recommendations, the project proponent should take specific measures to bring economic benefits to the community based on the local situation. These include identifying potential local jobs and enabling local businesses to sell their goods and services and become suppliers to the project. It is also proposed to include this part of the assessment in the local development agreement, and the number of permanent and temporary jobs created under these programs should be reviewed annually.
14	2020.07.05	A herder of Bichigt bagkh	Have a work vehicle for picking up in the mornings and dropping off in the evenings	Not possible to incorporate. Corporate social responsibility is not taught through a methodology but is incorporated through a monitoring program.
15	2020.07.05	A herder of Bichigt bagkh	Reduce multiple lanes to reduce car accidents, dust particle, and dirt buildup	Was incorporated. Preliminary zoning of the project's social impact zone will identify the affected parties. In addition, the development and implementation of a Social Impact Assessment Monitoring Program must include criteria for monitoring changes in the project's affected areas, such as those living along the road and those who are blasted near their homes.
16	2020.07.05	A herder of Bichigt bagkh	It is desired for herders to be medically examined at least twice a year by their respective companies	Not incorporated literally. In assessing the social impact, Team meetings will be organized, and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Management Plan and local development contracts. In addition, the development of the Monitoring Plan for Social Impact Assessment is designed to measure changes in the physical and mental health of the population, animal health, and social well-being. Indicators and

				<p>measurement frequency:</p> <ul style="list-style-type: none"> <li>- Changes in the health of local people, the number of health programs implemented by the project implementer, and the number of people involved each year</li> <li>- Changes in public health since the start of the project to be measured annually.</li> </ul>
17	2020.07.05	A herder of Bichigt bagkh	To make the activities of the so-called Development Funds transparent and to address real social issues at the local level	Incorporated in principle. It is implemented in the form of establishing a Social Investment Fund in the stage of determining the ways to increase returns and benefits of the local projects to implement in the form of strategic social investment at the local level of a certain percentage of profits from mining, sharing local benefits from the project, and to be implemented as an additional activity, separate from taxes, royalties, and compensation paid to local governments in accordance with relevant laws. Social investment from the project can take the following forms: the methodology recommends investing a certain amount in a social investment fund run by local people, investing in social infrastructures, such as schools and hospitals, to create a loan fund (especially microfinance) to enable local people to get loans, to create new businesses and thus to become a potential supplier.
18	2020.07.05	A herder of Bichigt bagkh	Make the company's social responsibility activities transparent	Not possible to incorporate. Corporate social responsibility is not taught through a methodology but is incorporated through a monitoring program. Corporate social responsibility can be assessed in the principles and reporting areas of the Environmental and Social Impact Assessment methodology.
19	2020.07.05	A herder of Bichigt bagkh	Herder households should be supported as issues of pasture depletion, water shortages, mine dust, and fumes have become apparent.	Was incorporated. In assessing the social impact, a team meeting will be organized, and a survey of team residents will be conducted to identify and address the needs to be addressed in the SIA, Social Impact Management Plan, and local development contracts. In addition, Article 6.5 of the SIA Methodology states that the development of the Project's social impact management plan should include an action plan to avoid, mitigate and rehabilitate adverse social impacts. The development of a monitoring program to assess the social impact will include the number of annual movements due to pasture and water availability, the number of dried and depleted wells each year, and the change in the number of livestock per year.
20	2020.07.05	A herder of Bichigt bagkh	To eliminate that, in general, all decisions being made by the province and discussed with the soum authorities	Was incorporated. Social impact assessments will be conducted through Team meetings and a joint group of Team residents and researchers. Decisions will be made based on this assessment.
21	2020.07.05	A herder of Bichigt bagkh	Decide that one issue is repeatedly discussed in the Citizens' Conference until it is approved	Not incorporated. In accordance with the SIA methodology, it is recommended that the evidence be attached to the assessment and submitted to the public authority. Therefore, the notes of the Team meetings should include complete information on how many meetings were held and what issues were discussed, and a joint demand to be delivered in the form of a request by the joint SIA Methodology development team, local citizens that were in the impact zone, herders, and researchers after it is approved and signed by the community. The recommendations also include ensuring citizen participation and monitoring the decisions of the joint team by requiring the approval of those present at the general meeting.
22	2020.07.05	A herder of Bichigt bagkh	Herders having no place to move	Not incorporated. It is not possible to determine the location of herders' rotation by methodology. Accumulative impact assessment needs to be incorporated in the SIA methodology.

23	2020.07.05	A herder of Bichigt bagkh	We have not reviewed the local contract up until now, and we do not know what it says. Let us know about this.	Not incorporated. Will assess the social impact of local contracts. But while it is not possible to include contract control in the methodology, the assessment of the issues to be included in it will be determined by the social impact assessment. Furthermore, recommendations will be made to local regulations to address these issues and to establish regulations in the form of annual reviews.
24	2020.07.05	A herder of Bichigt bagkh	When it comes to filing a complaint with a company, there is no owner or the owner cannot be found, only subcontractors. The company was never approached directly to file a complaint	Was incorporated. Will require the establishment of a complaint filing and redressal mechanism.
25	2020.07.05	A herder of Bichigt bagkh	The cumulative impact needs to be assessed	Not incorporated. The cumulative impact assessment methodology needs to be further developed based on the SIA methodology.
26	2020.07.05	A herder of Bichigt bagkh	Many small dirt roads are built here and there, which directly affects the lives of the people, as they live in the dust all the time. We need to stop one company from avoiding the roads of another. They don't fix their roads either.	Was incorporated. Preliminary zoning of the project's social impact zone will identify the affected parties. In addition, the development and implementation of a Social Impact Assessment Monitoring Program must include criteria for monitoring changes in the project's affected areas, such as those living along the road and those who are blasted near their homes.
27	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Make wells	Incorporated in principle. Article 6.5 of the SIA Methodology states that the project's social impact management plan should include an action plan to avoid, mitigate and rehabilitate adverse social impacts. Criteria for developing a monitoring program to assess social impact: <ul style="list-style-type: none"> <li>- The number of annual migrations depending on pasture and water availability and</li> <li>- The number of dried and depleted wells per year,</li> <li>- Changes in the number of livestock will be documented annually.</li> </ul>
28	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Make roads and establish road signs	Was incorporated. Preliminary zoning of the project's social impact zone will identify the affected parties. In addition, the development and implementation of a Social Impact Assessment Monitoring Program must include criteria for monitoring changes in the project's affected areas, such as those living along the road and those who are blasted near their homes.
29	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Pay for health insurance	Not incorporated.
30	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Disallow shipping before the establishment of a road	Incorporation unnecessary. The SIA is scheduled to be completed before the project begins, in principle, before the road is built and transportation is done.

31	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Want to be checked at a hospital twice a year	Not incorporated literally. In assessing the social impact, a team meeting will be organized, and a survey of team residents will be conducted to identify and address the needs to be addressed in the SIA, Social Impact Management Plan, and local development contracts. In addition, the development of the Monitoring Plan for Social Impact Assessment is designed to measure changes in the physical and mental health of the population, animal health, and social well-being. Indicators and measurement frequency: Changes in the health of local people, the number of health programs implemented by the project implementer, and the number of people involved each year; Changes in public health since the start of the project to be measured annually.
32	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Train people to hire them	Not possible to incorporate. Corporate social responsibility is not taught through a methodology but is incorporated through a monitoring program. Corporate social responsibility can be assessed in the principles and reporting areas of the Environmental and Social Impact Assessment Methodology.
33	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Establish a company information delivery and presentation system.	Not possible to incorporate. Corporate social responsibility is not taught through a methodology but is incorporated through a monitoring program. Corporate social responsibility can be assessed in the principles and reporting areas of the Environmental and Social Impact Assessment Methodology.
34	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Get meat and milk from herders	Was incorporated. Article 6.4 of the SIA Methodology provides recommendations for community-based workplace creation and local procurement as ways to increase the benefits of the Project at the local level in the Avoiding the Social Impact, Mitigation and Rehabilitation Planning Section of the Project. According to the recommendations, the project proponent should take specific measures to bring economic benefits to the community based on the local situation. These include identifying potential local jobs and enabling local businesses to sell their goods and services and become suppliers to the project. It is also proposed to include this part of the assessment in the local development agreement, and the number of permanent and temporary jobs created under these programs should be reviewed annually.
35	2020.07.05	A herder of Eldev bagkh, Dalanjargalan soum, Dornogovi Province	Need to reuse used water, which is drunk by the cattle.	Not possible to incorporate. Corporate social responsibility is not taught through a methodology but is incorporated through a monitoring program. It can also be decided by incorporating it through the Environmental and Social Management Plan.
36	2020.07.05	Child <sup>2</sup> , Eldev bagkh, Dalanjargalan Soum, Dornogovi Province	Make a home garden	Not incorporated literally. In assessing the social impact, a team meeting will be organized, and a survey of team residents will be conducted to identify and address the needs to be addressed in the SIA, Social Impact Management Plan, and local development contracts. In addition, it is implemented in the form of establishing a Social Investment Fund in the stage of determining the ways to increase returns and benefits of the local projects to implement in the form of strategic social investment at the local level of a certain percentage of profits from mining, sharing local benefits from the project, and to be implemented as an additional activity, separate from taxes, royalties, and compensation paid to local governments in

<sup>2</sup> Parent consent obtained

				accordance with relevant laws. Social investment from the project can take the following forms: the methodology recommends investing a certain amount in a social investment fund run by local people, investing in social infrastructures, such as schools and hospitals, to create a loan fund (especially microfinance) to enable local people to get loans, to create new businesses and thus to become a potential supplier.
37	2020.07.06	A herder of Nard bagkh, Airag soum, Dornogovi Province	Complaints are not addressed when filed.	Was incorporated. Will demand the establishment of a complaint filing and complaint redressal mechanism.
38	2020.07.06	A herder of Nard bagkh, Airag soum, Dornogovi Province	Take measures to relieve stress from mining activities	Not incorporated. But the development of the Monitoring Plan for Social Impact Assessment is designed to measure changes in the physical and mental health of the population, animal health, and social well-being. Indicators and measurement frequency: <ul style="list-style-type: none"> <li>- Changes in the health of local people, the number of health programs implemented by the project implementer, and the number of people involved each year</li> <li>- Changes in public health since the start of the project to be measured annually. Further detailed recommendations will be submitted to the Health Center.</li> </ul>
39	2020.07.06	A herder of Nard bagkh, Airag soum, Dornogovi Province	Give holiday leave once a year	Not incorporated literally. In assessing the social impact, a team meeting will be organized, and a survey of team residents will be conducted to identify and address the needs to be addressed in the SIA, Social Impact Management Plan, and local development contracts. In addition, the development of the Monitoring Plan for Social Impact Assessment is designed to measure changes in the physical and mental health of the population, animal health, and social well-being. Indicators and measurement frequency: <ul style="list-style-type: none"> <li>- Changes in the health of local people, the number of health programs implemented by the project implementer, and the number of people involved each year</li> <li>- Changes in public health since the start of the project to be measured annually.</li> </ul>
40	2020.07.06	A herder of Nard bagkh, Airag soum, Dornogovi Province	Rehabilitation needs to be done fully, and that needs to be monitored	Was incorporated. Article 6.4 of the SIA Methodology calls for the development of a rehabilitation strategy to mitigate the impact of the project by identifying ways to avoid, mitigate and rehabilitate the project's potential social impacts. At the stage of prioritization of critical impacts to be eliminated and mitigated, after the project's direct, indirect, and cumulative impacts are identified and ranked, after the most serious impacts to be avoided, mitigated and potential direct, indirect, and cumulative impacts of the project are identified, all identified social impacts are called to be assessed in terms of probability and degree of impact by the matrix methodology, and the most serious conditions will be identified to prevent, mitigate and rehabilitate.
41	2020.07.06	A herder of Nard bagkh, Airag soum, Dornogovi Province	Depending on the results of the medical examination at least twice a year, what measures need to be taken should be included in the management plan	Not incorporated literally. In assessing the social impact, Team meetings will be organized, and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts. In addition, the development of the Monitoring Plan for Social Impact Assessment is designed to measure changes in the physical and mental health of the population, animal health, and social well-being. Indicators and measurement frequency: Changes in the health of local people, the

				number of health programs implemented by the project implementer, and the number of people involved each year, Changes in public health since the start of the project to be measured annually.
42	2020.07.06	A herder of Nard bagkh, Airag soum, Dornogovi Province	To get feedback from citizens before mining companies start operating and address issues at the Team level, not at the province level, nor at the soum level.	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
43	2020.07.06	A herder of Nard bagkh, Airag soum, Dornogovi Province	Provide hay and fodder assistance	Not incorporated literally. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
44	2020.07.06	Civil servant from Airag Soum, Dornogovi Province	It is not clear whether the Environmental Impact Assessment has received feedback from the Team's residents, and people come saying that they have not received any complaints. Needs to be clarified.	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts. Suggestions and recommendations for improving public participation procedures will be provided.
45	2020.07.06	Land officer	Payments and taxes go to the provinces and the country. The soum does not get any money.	Incorporation unnecessary.
46	2020.07.06	Specialist, the Governor's Office	The contract is signed by the province governor, the soum governor, and the company. Soum governors have suggestions from team leaders. The agreement is to convene a meeting of the Team residents, incorporate their feedback, and make a tripartite agreement.	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
47			Payments go to the center and do not come to our soum at all, but in the sense that they work in our soum, both the control and the budget need to be absorbed here.	Incorporation unnecessary. Recommendations will be made for fees and charges collected from local communities to be transferred to local communities and to reinvest in local social and economic development.
48	2020.07.06		For registration of foreigners to be conducted in the area where they operate	Incorporation unnecessary. Recommendations will be made to improve the implementation of laws related to the registration of foreign nationals.
49	2020.07.06	<b>Specialist in charge of social welfare and services</b>	The terms that should be included in the contract should be heard from the people, and it should be realistically monitored to incorporate them objectively.	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
50	2020.07.06	<b>Bagkh Governors</b>	To pay attention to the fact that there are a lot of foreigners, which means a lot of people will have dogs, and when those dogs grow up, they attack livestock.	Not possible to incorporate. The Environmental and Social Impact Assessment can be managed by estimating the risks for those particular cases.
51			According to the law, it is better to have a few companies	Not incorporated. It is not possible to recommend revocation or reduction of licenses in the social impact assessment methodology. However, after the social impact assessment, if the negative impact is high, it is necessary to create an opportunity for the local community to make a proposal.



52			It is desired to combine many mines and build a garden in the soum and make a joint investment	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan and local development contracts.
53			If the impact zone is less than 5 km, it should be considered a direct impact zone	Incorporated in principle. The impact will be assessed and addressed with the participation of Team residents.
54			It is necessary to discuss at the Team conferences and make the citizens decide what issues to solve and how	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan and local development contracts.
55			To stop the Naadam's rewards and donations to plant trees, and to teach about the donations clearly	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
56			Companies work the people they've hired for long periods of time. It is necessary to run buses and improve living conditions to do this.	Not possible to incorporate. Corporate social responsibility can be assessed in the principles and reporting areas of the Environmental and Social Impact Assessment methodology.
57			The form of public administration information should be intended for herders as well as for employees of social impact assessment companies.	Incorporation unnecessary.
58	2020.07.06	Civil servant from Dalanjargalan soum, Dornogovi Province	Make local tripartite agreements negotiated with soum and Team residents instead of the province	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
59	2020.07.06	Civil servant from Dalanjargalan soum, Dornogovi Province	Regular and monitored medical check-ups	Incorporated in principle. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
60	2020.07.06	Civil servant from Dalanjargalan soum, Dornogovi Province	Reduce soum licenses	Not incorporated. Licensing is governed by law and government policy. It is not possible to recommend a direct reduction in licensing in the social impact assessment methodology. However, after the social impact assessment, if the negative impact is high, it is necessary to create an opportunity for the local community to make a proposal. The government will make recommendations on the need for a social impact assessment/strategic assessment of the sector.
61	2020.07.06	Civil servant from Dalanjargalan soum, Dornogovi Province	Focus social responsibility on livestock development	Incorporated in principle. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.

62	2020.07.08	N. Otgontsetseg, Environmental Citizens' Council	Please carry out the SIA with the participation of local people living in the local radius. In order to ensure citizen participation, we must do something called operation listening. Whether it's the local government or the soum social security experts, leave them be, and evaluate them that way.	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts. Requirements include who will be on the team and having lived in the community for at least 10 years. It also states that women and the elderly should be represented and that herders can be represented by CSOs they trust if they are incompetent.
63	2020.07.08	Kh. Maamaa	When it comes to the SIA, local people cannot do it on such a large scale. For a certain amount of training to be conducted, with the participation of representatives from different levels, the SIA will be classified by region. Now that the licensed areas of the mine have been identified, what if the SIA is zoned and a specialized and capable team will go there with a citizen's representative, for example, areas in Khentii Province that are licensed, and make a list of impacts that will occur within the project in advance? Otherwise, we can't convene a team conference.	Was incorporated. Since the appraisal company cannot do it alone, local people and the appraisal company's researchers have formed a joint team to conduct the evaluation.
64			Everyone in the community is interested in participating, but how to form a joint team, what projects are in which projects, and how intense they are, to make those things clear. There are companies with less than 10 people that need to collaborate in testing.	Was incorporated. During the development of the monitoring program to assess the social impact, the indicators of the project monitoring program will be developed by a team of researchers, local people, management, and civil society representatives working in the field of human rights.
65	2020.07.08	D. Ulziibayar – “МБОМХ” NGO	Increase positive impacts	Was incorporated. Positive and negative impacts will be evaluated in the Environmental and Social Impact Assessment.
66			The methodology needs to be evaluated and tested on a single project.	Received. The timing of the test and the project will be agreed upon by the Consultative Team.
67			Training on how to use it is needed.	Will be irrelevant to the workings of the consultation team. It should be the responsibility of line ministries. Recommendations for further action will be provided.
68			In terms of the order, it seems that the words monitoring and analysis coincide with environmental monitoring. Monitoring and evaluation will be the last to come. It's a good idea to have the team that did the initial evaluation do the monitoring and evaluation.	Was incorporated. During the development of the monitoring program to assess the social impact, the indicators of the project monitoring program will be developed by a team of researchers, local people, management, and civil society representatives working in the field of human rights.
69			Representatives of NGOs and mining project companies must be included. The mining companies themselves will implement the methodology.	Suggestion was accepted. Meeting will be organized.
70			While the mine was operating, there are cases when a patriotic person suddenly appears and stops the mining. So we	Incorporated in principle. As with the Environmental Impact Assessment process, the need to regulate the documentation of meeting minutes will be communicated to line ministries and agencies as a recommendation.

			have to think about how the documentation is going to go. It would probably be right to have something that covers the public and protects the public interest. Please include more of those.	
71			In addition to involving the local community, it is probably necessary to specify exactly who will be from the local area and who will be involved from the soum specialists. Otherwise, they may change depending on the political landscape.	Was incorporated. The methodology sets out the criteria for local people.
72	2020.07.08	J. Sersmaa – Early Solar consulting company	In the Gobi, the place to land is open, without fences, and there is nothing but manure piled up for on-site viewing. However, it is a valuable asset for herders that has been passed down through many generations. To handle the problem of assessment of the affected people's property. They ask how many years he had lived on the manure, divide it into less than 5 years, up until 15, and more than 20 years, and sent them in a questionnaire. The longer the manure is used, the more likely it is that the manure will be valuable to the person is the reason for such a questionnaire.	Incorporated in principle. Private and property rights include pasture possession, use rights and other property rights. Article 6.4 of the SIA Methodology states that the purpose of the project phase to develop a plan to avoid, mitigate and rehabilitate social impacts is to avoid the negative impacts of the project, if not possible, to reduce, if not possible to reduce, to develop and identify plans to rehabilitate the environment, relocate people in the affected area, and provide monetary and non-monetary compensation. However, it is not possible to determine the assessment methodologically, and the research team is required to evaluate and incorporate in the Social Impact Management Plan.
73			Ask the question: "How many times did you attend the Environmental Impact Assessment conference? Never attended, attended 2-3 times, attended more than 4 times, if attended more than 5 times they will be in the category "attended many times", etc.	Was incorporated. The methodology sets out the criteria for local people.
74			I want to prioritize listening-related projects. Which project will be discussed at the Team Citizens' Meeting and which project will be discussed at the soum Citizens Representatives' Meeting presidium conference? There are cases when large-scale projects, such as oil refineries or the use of their benefits by the nation, and budgeting, are stalled for a long time because they cannot be discussed by the soum Citizens Representatives' Meeting.	Projects will be categorized as strategic and non-strategic, and social impact will be combined as an Environmental Impact Assessment standard.
75			This should include assessing the social responsibility of the project implementer.	It cannot be regulated directly. However, the right to be monitored by the local development agreement and the Monitoring and Evaluation Program will be exercised by the local community and the affected area through the implementation of the SIA.

76			There is a need to differentiate between which part is included in the status assessment, the detailed assessment, the cumulative assessment, and the strategic assessment.	Was incorporated.
77			If it passed more than 2 teams, the soum probably discusses. There are two or three cross-soum projects, so we have to prioritize what to do with them.	Was incorporated. Under current Environmental Impact Assessment regulations, SIAs will be discussed by each team in the event that two teams pass. In the case of more than one Team, Section 3.5 of the SIA Methodology states that if the project covers several Teams and soums, the authorized enterprise will present it to the soum Citizens Representatives' Meeting and bagkh's Citizens Meeting for comments.
78	2020.07.08	Temuulen, specialist, Ministry of Environment and Tourism	Should it be included in the strategic assessment methodology, or should it be included in the cumulative impact assessment as a group, or should it be included in the impact assessment? Or will it go into the impact forecasting methodology? It will probably be much easier to approve if we add to the existing regulations. What issues will be included in the accumulation section? Clarify what issues will be included in the forecast	Was incorporated. Aside from strategic and cumulative impact assessment, it is expected to break down.
79			We need to look into why the approved regulations are not being implemented, why the Team leader is not able to organize the conference, and why the soum governor is not able to ensure public participation. Then we need to think about how and what to include in our methodology.	Suggestion was accepted. Research will be conducted and areas for improvement will be incorporated in the recommendations.
80			It is right to become a joint team. But how many years did he live there, and what kind of person should he be? Make it clear how to define that person as representing the people of that region.	Was incorporated. The methodology sets out the criteria for local people.
81	2020.07.08	A. Zoljargal, Undurkhaan Trade	What is the SIA? Explain the scope of the impact and the extent to which it will be assessed.	Will be incorporated. It is decided to be included in the explanatory section of the methodological terminology.
82			If the impact assessment is separated by an appendix, for example, the first appendix will be used for the status assessment and the second appendix for the detailed assessment. The radius of the impact zone should be well calculated. It is very important to prioritize the project. Simply put, they should be classified as large projects or small and medium enterprise projects. We don't have to sit like this on a placer gold project that will be closed after three years of operation.	Was incorporated. The study team, which includes local people and herders, will discuss and define the impact zone. Each project specified in the Law on Environmental Impact Assessment will conduct a social impact assessment.

83			On 20 or 30 hectares of land without anyone near, when a mine is operated, we are demanded to calculate the impact on it. So we need to differentiate between which projects need to have an impact assessment done and which ones don't.	Was incorporated. Starting from the status assessment stage, it will be implemented within the framework of the project specified in 3.1.1 of the Law on Environmental Impact Assessment specified in the Annex to the Law.
84		S. Moiltmaa, Member of the Working Group on Business and Human Rights, Ministry of Foreign Affairs, (UNICEF CGP, Partnership Advisor)	A working group on business and human rights has been set up at the Ministry of Foreign Affairs to approve a national action plan. The main goal of our plan is to reduce the negative impacts of mining at the local and herder levels. Because the United Nations has given such a recommendation to our government. To include this in the rationale	Suggestion was accepted. Will be incorporated into the research and report.
85			Children, who represent half of Mongolia's population, are not included at all. This is a big violation of children's rights. To include this	Suggestion was accepted. Incorporated parts will be improved, in principle.
86	2020.07.08	Tsegts, specialist of Mineral Resource and Petroleum Agency	Since we are trying to establish a zone, is it a national or regional zone? For example, Tavan Tolgoi coal is being transported to Ulaanbaatar, where the fuels are improved and UB emissions are being reduced. Is this impact assessment going to be included in the TA project or not? Will measures be taken to reduce other negative impacts, like roads being destroyed?	Suggestions will be received and explored.
87			Please add a matrix to show the positive effects.	Was incorporated. The positive and negative impacts of the SIA Methodology are expected to be evaluated.
88	2020.07.22	Oyun	There will be problems with land relocation and water supply. However, they also have their own methods of evaluation, reporting, and planning. So how are they incorporated? I just saw it. Those things were not seen.	Was incorporated. Impacts are matrixed, the most serious impacts are identified, and response and avoidance measures are planned. In inevitable cases, there will be evacuation.
89	2020.07.22		The step-by-step methodology is not straightforward. First, all these materials will be studied like how you do it, and then the basics will be discussed and clarified at the expert level, and an experimental model will be developed. After trying it out on a specific example to see if it is possible or not, we'll make the third model. We'll add it to a standard model. What will we do with that standard model? We test them on many different	The Recommendations section suggests how to implement the methodology and, if approved, whether there will be a provisional procedure. Public authorities should take into account the recommendations of the Consultative Team when making decisions.

			cases. It can be a past case or one from the present. So, a standard model comes out. If it is great, we will make it into an improved model. So in one, four or five stages, it is used for software development.	
90	2020.07.22		The project itself has stages. Find out how socio-economic research differs between these phases of the project. You don't need such fine details in the first place. In other words, at the main stage of the project, it will show how socio-economic research will be different from social research, and it will come to life.	Was incorporated. It is planned to separate the SIA at the same level as the Environmental Impact Assessment methodology and to categorize it into Status, General, Detailed Assessment, and Management Plan.
91	2020.07.22		Nowadays, science and technology are developing remarkably well. Data science is especially good. Me or you guys, we can connect with the young people who know about it and work with them. Data science is not just information processing technology. Methods of establishing the truth and processing a wide range of information based on factual material. In particular, there are methods of text analysis.	Incorporation unnecessary. Will consider the recommendations.
92	2020.07.22	Ts. Adiyasuren (Former Minister of Environment)	The complaint redressal mechanism is an important part by itself, it has its own methodology, and it must be included in this. That's what we need to talk about at this very mine. It will be very difficult for tourism or infrastructure projects when such a big problem comes. To what extent should I express my complaints? Who to tell in the first place? Is the mechanism done by the local citizens' conference, the provincial government, or the state?	Was incorporated. Will demand the establishment of a complaint filing and complaint redressal mechanism. Recommendations include the establishment of a complaint redressal mechanism, an apology in response to citizens' complaints, compensation for lost property in kind, monetary compensation, rehabilitation, and measures to prevent similar violations.
93	2020.07.22		What will be the cost of compensation? That cannot be determined by the appraisal company itself. You just have to make suggestions that you want to make such and such compensation. Even our ministry cannot solve that. So, we need to discuss and agree on the issues between them.	Incorporated in principle. Private and property rights include pasture possession, use rights and other property rights. Article 6.4 of the SIA Methodology states that the purpose of the project phase to develop a plan to avoid, mitigate and rehabilitate social impacts is to avoid the negative impacts of the project, if not possible, to reduce, if not possible to reduce, to develop and identify plans to rehabilitate the environment, relocate people in the affected area, and provide monetary and non-monetary compensation. However, it is not possible to determine the assessment methodologically, and the research team is required to evaluate and incorporate it in the Social Impact Management Plan.
94	2020.07.22		As a method, you can just try it for the first time	The recommendations will include how to implement the methodology and how to adjust it on a temporary basis.

95	2020.07.22	<b>B. Batbold (Deputy Director of the Meteorological and Environmental Research Authority)</b>	What is the current social impact assessment we are talking about based on? The key concepts of whether we should put the natural standard system into circulation and increase its economic efficiency, or whether we should maintain the standard system and implement a sustainable development policy based on economic efficiency must be well presented, and the main difference between environmental impact assessment and social impact assessment we are talking about must be seen here.	Was incorporated. The social impact assessment methodology, developed based on the concept of sustainable development, will be implemented in parallel with the Environmental Impact Assessment, without additional pressure on the company.
96	2020.07.22		The whole model of environmental impact assessment is not seen here at all. So, I believe that there are a lot of little details to sort and fine details to differentiate. So, I would like to focus on how to systematize and integrate these many assessments.	Was incorporated. The SIA is broken down by Environmental Impact Assessment breakdown and process classification.

97	2020.07.28	Sh. Munkhtseren, Head of the Sector Management and Coordination Department, the Cabinet Secretariat, Government of Mongolia	For government agencies to work closely to approve and implement their methodologies	Suggestion was accepted. Was incorporated in the recommendation.
98	2020.07.28	Bold, Cabinet Secretariat, Government of Mongolia	It is necessary to define what society means. There is social assessment, but how do you explain social? Society is a big concept	Was incorporated. The scope of the multi-stakeholder relationship included in the assessment. In order to define social impact, 23 international standard requirements were discussed and needs were identified.
99	2020.07.28		Once the geological exploration work has been completed, the reserves have been approved, and the feasibility study has been completed, the question arises as to where and what impact assessments will be made.	Was incorporated. Recommendations to ensure the accuracy of documents will be sent.

100	2020.07.28		In which case are we talking about when we talk about the fact that mining is profitable and there are negative issues? We need to determine whether we are talking about Badrakh Energy, OT, or Erdenet. It is so important, if we don't talk about the impact we will talk about it as a society, the rural people will understand themselves as a society, the mining company will understand itself as one, but what was the actual impact?	Was incorporated. There are provisions on resettlement and compensation in the MRPA, but there are no relevant procedures and methodologies follow them, and we do not have the relevant procedures to implement Article 41 of the MRPA. In this assessment, we did not consider a single company. The workload on mining companies will be slightly increased include social impact assessments as necessary.
101	2020.07.28	B.Bayarjargal, Greentrends LLC	We can't do it ourselves, it's done by a few companies, it's always done by foreigners, and Mongolians don't have much experience.	Suggestion was accepted. Incorporated on the recommendation that training is required.
102	2020.07.28		When I try to get information from 1212, they don't process the data I want. It takes at least a year to go by international standards to get a basic study.	Incorporated. Incorporated on the basic principles of the document and information requirements in the operating principles. Will provide feedback and suggestions for testing the methodology.
103	2020.07.28		There is always huge amount of money and timeline issues. Please, consider the potential timeline and the available funding.	Suggestion was accepted. Even though it is not included in the scope consulting services, suggestions and recommendations will be made to the Methodology at the next stage of the project.
104	2020.07.28		Let's try to find funds for an average company rather than trying to get something approved quickly.	Suggestion was accepted. Even though it is not included in the scope consulting services, suggestions and recommendations will be made to the Methodology at the next stage of the project. It is recommended that the methodology be implemented as a temporary procedure.
105	2020.07.28		Sometimes I think there is no need to meet such a large international standard. I wanted to dial it down to bring it in	Suggestion was accepted. It is recommended that the methodology be implemented as a temporary procedure.
106	2020.07.28	Batbayar, Head of Geology and Mining Division, PIA	It remains to be seen whether it is appropriate to conduct a SIA in conjunction with the Environmental Impact Assessment. Or there is also the question of whether social impact should be taken into account before a license is issued.	Suggestion was accepted. Procedures for implementing the methodology are expected to be temporary and recommended for testing.
107	2020.07.28		The question is how to define the scope and the affected group.	Was incorporated. The scope of the multi-stakeholder relationship included in the assessment. In order to define social impact, 23 international standard requirements were discussed and needs were identified. The methodology of identifying the affected group has been defined.



108	2020.07.28	Tungalagtamir, Ministry of Labor and Social Welfare	In terms of scope, it's open, and the issues seem to be mixed. Health issues such as population groups, children and women's health, mining population gene pool, and birth defects should be included.	Suggestion was accepted. The scope of the multi-stakeholder relationship included in the assessment. In order to define social impact, 23 international standard requirements were discussed and needs were identified. The consulting team will recommend to consider the health impact assessment methodology and evaluate.
109	2020.07.28		When it comes to children's education and small-scale mining, children follow their parents to wash dirt, drop out of school and have health problems, so please consider these problems.	Was incorporated. In assessing the social impact, a team meeting will be organized, and a survey of team residents will be conducted to identify and address the needs to be addressed in the SIA and local development contracts.
110	2020.07.28		Children are left at home, at risk, and neglected. Can we get a number on that?	Was incorporated. During the development of the monitoring program to assess the social impact, the indicators of the project monitoring program will be developed by a team of researchers, local people, management, and civil society representatives working in the field of human rights.
111	2020.07.28		Problems with overcrowding in social services probably need to be addressed.	Not possible to incorporate.
112	2020.07.28		We want to include infrastructure projects, access to roads and buildings, and access for children, the elderly, and vulnerable citizens in our criteria.	Will be incorporated in the recommendation. In assessing the social impact, team meetings will be organized and a survey of team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
113	2020.07.28	Group work, 1st team of the Ministry of Mining and civil servants	The main driving force for SIA is the budget. Since all National Geology Office's activities are funded by the government, the SIA budget should be included in the action plan.	Suggestion was received. Will be incorporated in the recommendation.
114	2020.07.28		The National Geological Survey and the Mineral Resource and Petroleum Agency should provide training at the local level on geology and the fact that it is not a mineral. It is not clear how Mineral Resource and Petroleum Agency is responsible for state-funded enterprises and what the exploration license holder spends on local environmental protection. This money can be spent on SIA, maybe a small amount of money.	Suggestion was received. Will be incorporated in the recommendation.
115	2020.07.28	Ganbat (Ministry of Mining)	SIA should be done before a mining license is issued. In approving the deposit's reserves, it is best to include specific social impact proposals in the Feasibility Study section, stating that such costs will be incurred. After the feasibility study was prepared, the Environmental Impact Assessment team decided what to do with the SIA, but there is a lack of coherence as the feasibility study does not include the related costs because it is done after the feasibility study.	Was incorporated. The SIA will be launched at the same time as the Environmental Assessment phase.

116	2020.07.28		Companies that have developed a feasibility study include two provisions. One is the cost of working with the community, and the other is the cost of social responsibility. It is not clear what the costs are going to be going towards, whether it's a celebration or something, but the provisions are agreed upon with the local authorities. Prior to the development of a detailed feasibility study, an SIA study will be conducted, and whether it will be approved together with the status study, what will be done, and how to include it will be discussed. The SIA identified these problems, and these are the costs to solve those problems, so maybe it would be best to change the cost of social responsibility in the Feasibility Study to include the cost of solving problems from the SIA, and so on.	Suggestion was received. Incorporated in the recommendation.
117	2020.07.28	Group work, Joint 2nd team of lawyers and environmental experts	The suggestion is to evaluate the lifestyle changes that occur depending on the pasture	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
118	2020.07.28		Please include issues such as water use rights in the property rights section, and access to water resources	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
119	2020.07.28		Consideration should be given to changes in traditional land rights and their implementation	Was incorporated. In assessing the social impact, Team meetings will be organized and a survey of Team residents will be conducted to identify and address the needs to be addressed in the Environmental and Social Impact Assessment, Environmental and Social Management Plan, and local development contracts.
120	2020.07.28		In identifying the affected persons, please identify both, directly and indirectly, affected parties. People in the direct area of the license are directly affected, but also please note that there are other parties along the transport route, along the supply route, and people who are not related to the province or the soum in the administrative unit but are indirectly affected.	Suggestion was accepted. Incorporated in the recommendations on how to improve the methodology during the implementation phase of the procedure and consideration during method testing.
121	2020.07.28		Based on human rights, it has been suggested to identify the rights of the parties involved in the implementation of the mining project that will be affected and determine the scope on this basis so that those rights will not be left out and be	Suggestion was accepted. Incorporated in the recommendations on how to improve the methodology during the implementation phase of the procedure and consideration during method testing.

			organized.	
122	2020.07.28		The management plan stated that in order to find the number of human rights abuses in a year, they took the number of votes submitted to the National Human Rights Commission each year, which seems limiting, since herders living in rural areas were not always able to contact the National Human Rights Commission in the province. They address the Team leaders and soum heads, maybe they directly address the company. To consider mining-related complaints in the administrative and other courts.	Suggestion was accepted. Incorporated in the recommendations on how improve the methodology during the implementation phase of the procedu and consideration during method testing.
123	2020.07.28		The number of broken wells was counter, but in addition, to include open sources of water since the drying up and depletion of those has a significant impact on herders' livelihoods.	Was incorporated. In assessing the social impact, Team meetings will organized and a survey of Team residents will be conducted to identify a address the needs to be addressed in the Environmental and Social Impa Assessment, Environmental and Social Management Plan, and loc development contracts.
124	2020.07.28		The changes in religion have been included in a very general way, with mountains and shrines being worshiped by local people. According to the law, national quality sacred mountains are under protection, and while mountains with a local quality or ones which are climbed during Tsagaan Sar have no protection. Cemeteries are also affected. Remove their protection.	Suggestion was received. Incorporated in the recommendation.
125	2020.07.28		Take the name of the methodology, its goal is the impact of mining and infrastructure projects, and the main name, SIA, seems to apply to all projects, so we need to identify the differences.	Suggestion was received. Incorporated in the recommendation.
126	2020.07.28		It is suggested that the gene pool and genetic changes and effects in the cattle associated with the mine be considered.	Was incorporated. In assessing the social impact, Team meetings will organized and a survey of Team residents will be conducted to identify a address the needs to be addressed in the Environmental and Social Impa Assessment, Environmental and Social Management Plan and loc development contracts.
127	2020.07.28		I hope there is attention on the monitoring system on the implementation of the monitoring and approval of the evaluation report. Because we have been doing Environmental Impact Assessment Methodology since 2006, and there are still issues related to that assessment.	Suggestion was received. Incorporated in the recommendation.
128	2020.07.28	Group work, Ministry of Labor and Social Welfare, NHRCM joint 3rd team	SIA and further legislation and implementation of human rights issues in it might create a more stable legal environment. Approve as a direct procedure rather than a temporary procedure	Feedback will be given in the recommendation.

129	2020.07.28	Group work, 4th group of civil society	Before issuing a license, the government itself should be responsible for it. The idea is to have a multi-stakeholder assessment and approval.	Was incorporated. The SIA will be launched at the same time as the Environmental Assessment phase.
130	2020.07.28	Group work, 5th team of evaluation companies	There are a lot of terms that are not commonly used, and the question is how we understand the terms that have been translated directly from abroad. I would like the meanings explained in detail.	Suggestion was accepted. The Recommendations section also provides suggestions for further improvement of the definition of actions to be taken by government agencies and changes in legislation.
131	2020.07.28		When we are talking about affected people, direct and indirect impacts, and impact zones, how do we make sense of them? Whether the people along the road belong in that group or not, the issue of supply almost turns global. I would like to give directions and restrictions on this.	
132	2020.07.28		What if we stop the problem of 10 years? If I move anywhere today, my rights might not be respected.	Suggestion was received. Feedback given in the Recommendations section.
133	2020.07.28		It is said that the Citizens' Meeting will select the members of the evaluation team, how will the conference decide who will make the decision and how many tickets need to be issued? When you try to identify the stakeholders, you get a huge list. It is not clear from the regulations who will be excluded and what will be the proposal.	Suggestion was received. Feedback given in the Recommendations section.
134	2020.07.28	Dr. Emma Wilson, University of Oxford	To include information on who this method is for and how to use it	Suggestion was accepted.
135	2020.07.28		It is important to clarify why SIA is needed and to what extent, for example, if exploration is involved, and what areas will be covered. If so, there is need to determine if the impact assessment should be the same. There is need to determine the goal project impact assessment.	Suggestion was accepted.
136	2020.08.03	Suggestion from Dr. Emma Wilson, University of Oxford, Mannon Donahue, Researcher of the School of Geography and Environment, Oxford University, Stephen, Cambridge University Researcher, Troy Sternberg, Gobi Design Project Researcher	Enclosed suggestions	Was incorporated. Suggestion was developed separately and the draft methodology was revised.

## **FIVE. MONGOLIA'S INTERNATIONAL ROLE AND RESPONSIBILITY, AND BASIC CONCEPTS TO ADOPT FROM INTERNATIONAL PRACTICE**

Article 10.2 of the Constitution of Mongolia states that “Mongolia shall fulfill in good faith its obligations under international treaties to which it is a Party.” As for the interrelation of the international and national legal environment, the Article 10 of the Constitution stipulates that the international treaties to which Mongolia is a Party become effective as domestic legislation upon the entry into force of the laws on their ratification or accession.

Our country has acceded to and ratified more than 100 international multilateral treaties and agreements, which prioritise protection of human rights. In addition, more than 300 of the current laws contain a provision stating that “If an international treaty to which Mongolia is a party provides otherwise than this law, the provisions of the international treaty shall prevail.” This proves that Mongolia adheres to a principle of monism, which respects the supremacy of international law<sup>55</sup>. As a member of the world community, we are accountable to a number of international organisations, including the United Nations, for the implementation of ratified treaties and conventions, and for implementing the recommendations of development organisations.

### **Regular Review of the Human Rights Situation in Mongolia (UPR), UN 2020**

In May 2020, the 36<sup>th</sup> session of the UN Human Rights Council held the regular review (UPR) of the human rights situation in Mongolia<sup>56</sup>. During the review, Item 16 of the Development, Environment, Business and Human Rights Section of Chapter IV: Implementation of International Humanitarian and Human Rights Obligations from the report of the Office of the United Nations High Commissioner for Human Rights was emphasised. The Item 16 states that “The Committee on Economic, Social and Cultural Rights expressed their concerns about the negative impacts from mining projects on the economic, social and cultural rights of herders. The Committee also expressed concerns that nomadic herders’ rights to their pasture, hay land and water resources were continuously infringed owing to mining activities on their traditional lands; free, prior and informed consent of herders was not obtained when licenses for mining in their traditional territory were granted; and compensation to herders affected by mining projects was not adequate. Therefore, the Committee urged Mongolia to conduct human rights and environmental impact assessments prior to the issuance of a mining license, and to ensure that all stakeholders affected by the project are actively involved in the assessments<sup>57</sup>. This suggests that there is an immediate need for developing a social impact assessment and that

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<sup>55</sup> In recent years, the involvement of various entities, such as the government, state-owned and other legal entities, individuals, and non-governmental organisations, in addition to the state as the traditional subject of international law in international legal disputes has gone beyond the boundaries theory and has become more common in legal practice. International disputes show that disputes over legal entities and activities in the mining sector are predominant.

<sup>56</sup> <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G20/061/32/PDF/G2006132.pdf?OpenElement>

<sup>57</sup> Report of the Office of the United Nations High Commissioner for Human Rights, 2020, page 3, 16. The Committee on Economic, Social and Cultural Rights expressed concern at the adverse impact of mining projects on herders’ economic, social and cultural rights. It also expressed concern that nomadic herders’ rights to their pasture, hay land and water resources were continuously infringed owing to mining activities on their traditional lands; free, prior and informed consent of herders was not obtained when licenses for mining in their traditional territory were granted; and compensation to herders affected by mining projects was not adequate. The Committee urged Mongolia to carry out human rights and environmental impact assessment processes before the mining licenses were granted and to ensure that all stakeholders affected by such projects effectively participated in the assessment processes.

there is a need to conduct the social impact assessment in conjunction with the environmental impact assessment in accordance with international principles.

Furthermore, the Minority and Indigenous People Section of the above report states that “The Committee on the Elimination of Racial Discrimination recommended that Mongolia amend the Minerals Law, the Law on Licensing and the General Administrative Law to ensure that the rights of ethnic minorities, in particular those practising reindeer herding, to meaningful consultation, prior to the issuance of mining licenses or exploration permits on lands that they traditionally used or occupied, were guaranteed.”<sup>58</sup>

### **Report of the European Commission on the implementation of the International Conventions on Sustainable Development and Good Governance in Mongolia, 2020**

The report on the implementation of the International Convention on Sustainable Development and Good Governance in Mongolia in 2018-2019, issued jointly by the European Parliament and the Council of Europe on February 10, 2020<sup>59</sup> reads as follows: “Environment. In 2017, the UN Special Rapporteur on Human Rights and the Environment emphasised that additional actions are needed in environmental standard and protection, and further action is needed to ensure an in-depth assessment of major gold mining projects, as well as it is needed to appoint an Environmental Ombudsman.”

The Implementation Section of the International Covenant on Economic, Social and Cultural Rights (CESCR) states that “On the basis of the latest findings of 2015, the International Covenant on Economic, Social and Cultural Rights expressed concerns about the negative impacts of mining on herders' economic, social and cultural rights. Legislations also need to be enacted against discrimination on the basis of sexual orientation, gender and disability. Therefore, Mongolia needs to bring its legal environment in line with the requirements of the Covenant.”<sup>60</sup> The section on the implementation of UN conventions on environmental protection and climate change raises concerns stating that “Ensuring transparency in the mining sector is not enough... and the activities of “ninja miners” working in mines have a negative impact on the environment and encourage child labour. In 2017, the UN Special Rapporteur on Human Rights and the Environment visited Mongolia for the first time. He recommended that Mongolia needs to make progress in protecting the environment, amend laws in order to reduce the severe impacts of mining and coal burning of Mongolia, an in-depth assessment needs to be conducted on major gold mines and negative impacts should be reduced. The Rapporteur also recommended that it is necessary to appoint an Environmental Ombudsman under the current legislations, to make environmental information more transparent, and set up a grievance mechanism. The 2018 report by the UN Special Rapporteur on Human Rights and the Environment provides detailed recommendations on air pollution, minerals and mining sector,

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<sup>58</sup> Report of the Office of the United Nations High Commissioner for Human Rights, 2020, pg 10, 72. The Committee on the Elimination of Racial Discrimination also recommended that Mongolia amend the Minerals Law, the Law on Licensing and the General Administrative Law to ensure that the rights of ethnic minorities, in particular those practising reindeer herding, to meaningful consultation, prior to the issuance of mining licenses or exploration permits on lands that they traditionally used or occupied, were guaranteed.

<sup>59</sup> <https://ec.europa.eu/transparency/regdoc/rep/10102/2020/EN/SWD-2020-23-F1-EN-MAIN-PART-1.PDF>

<sup>60</sup> The EU Special Incentive Arrangement for Sustainable Development and Good Governance (‘GSP+’) assessment of Mongolia covering the period 2018 – 2019, Brussels, Feb 10 2020: <https://ec.europa.eu/transparency/regdoc/rep/10102/2020/EN/SWD-2020-23-F1-EN-MAIN-PART-1.PDF>

environmental protection, information transparency, public participation in decision-making process, and decisive measures related thereto.

In Mongolia, the concept of social responsibility has not been enshrined in law. Hence, there has been no methodology for assessing social impact. Although social responsibility is understood as an adherence to ISO 26000:2012 standard, there is currently no methodology to apply this standard directly. Mongolian economic entities and organisations are required to prepare reports for government organisations. Therefore, their reporting process is limited to the form defined by the government in accordance with laws and regulations.

In the case of Singapore, Hong Kong, Indonesia, Canada, and Australia (with a few exceptions), however, the government does not impose requirements on approving social impact assessments, and companies do so through their own internal regulations. The reason is that it requires a lot of funding to operate in the extractive sector, and the experienced financiers prefer to provide funding to projects that are socially and environmentally friendly, less risky, and have the capacity to reduce and eliminate risks. In other words, there is no information available on the requirements and approvals of government agencies in the open sources of government agencies in these five countries. As a result, companies compete in the market for the quality and reputation of their work. The government requires investors to have independent experts review their impact assessments. Similar to social impact assessment, these countries differs from Mongolia in that the feasibility study is developed in accordance with the requirements of the financier, rather than in accordance with the requirements of the state regulatory body, and the companies compete with each other and raise funds on the basis of their social responsibility reputation.

### **5.1. Basic international policies and principles aimed at estimating social impact**

Mining and infrastructure projects are costly and can directly affect the indigenous people living in the project area, their living conditions, incomes, heritage, and livelihoods. It also can directly or indirectly affect their health, education and security. A number of documents, initiatives and methodologies have been approved by international development organisations, and recommendations and guidelines have been issued to implement economic activities in line with social responsibility, to assess and estimate social impacts, and to promote responsible activities.

The basic principles that must be adopted from international practice have the following common goals and significance:

- Ensuring and protecting human rights;
- Promoting social responsibility and sustainable development;
- Estimating, reducing and eliminating future environmental, social, economic and health risks;
- Rational use and conservation of natural resources using new and advanced techniques and technologies;

- Realistic and fair assessment of human labour;
- Establishing and strengthening mutual understanding between government, citizens and businesses;
- Ensuring the participation of stakeholders, planning activities and making decisions based on their opinions;
- Increasing competitive advantage, reducing costs and creating long-term sustainable income;
- Increasing the value of attracting investors and customers, financing large projects, and raising funds;
- Correctly calculating the company's risk and reducing costs;
- Increasing staff productivity and providing ethical support;
- Preventing from reputation risk.

It is possible to improve domestic initiatives by comparing the scope and content of these documents. Therefore, 23 international standard documents and initiatives (Table 5) that are most often cited in documents such as research papers related to sustainable mining development and responsible mining, and evaluation reports on major infrastructure projects, and programmes<sup>61</sup> are studied (Table 5.) and the policy and scope to be considered in the development of procedure and methodology for social impact assessment.

## 5.2. *International standards related to social impact assessment*

Table 5. List of international human rights, environment, social standards and principles (*extractive industries*)

No	Name of Documents/Standards
1	Universal Declaration of Human Rights, 1946
2	UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, 1998
3	ILO Indigenous and Tribal Peoples Convention, 1989 (No.169)
4	<b>Rio Declaration on Environment and Development, 1992</b>
5	Sustainable Livelihoods Guidance Sheets, 2000
8	UN Global Compact
9	GRI Global Reporting Initiative, 2014
10	The Equator Principles
11	IFC Performance Standards on Environmental and Social Sustainability, 2012
12	EBRD Guidance on ESIA, 1998

<sup>61</sup> 6. Mongolia Budget Expenditure and Risk Management Report, IMF

7. Audit evaluation of the state-owned concession project, 2018



13	ISO 26000:2010 Guidance on Social Responsibility
14	Extractive Industries Transparency Initiatives (Open Government Partnership)
15	IRMA Standard for Responsible Mining IRMA-SDT-001 Draft v2.0, 2016
16	Responsible Mining Index Methodology
17	ICMM 10 principles
18	Social Accountability International 8000, 2008
19	OECD Guidelines for Multinational Enterprises
20	VPI (Voluntary Principles Initiative) Voluntary Principles on Security and Human Rights
21	Responsible Mineral Development Initiative
22	United Nations Guiding Principles on Business and Human Rights
23	Mapping Mining to the Sustainable Development Goals: An Atlas, 2016

### 5.3. Extractive Industries and International Human Rights Standards and Principles

Table 6. Breakdown of international human rights, environmental and social standards and principles

No.	Document / Standard	General Information	Main Principles
1	Universal Declaration of Human Rights, 1946	<p>The Universal Declaration of Human Rights was proclaimed by United Nations General Assembly Resolution No.217 (A/III) in Paris on December 10, 1948. The Declaration was the first in the world to establish the idea that "All human beings are born free and equal in dignity and rights" based on experience. The Declaration, which consists of a total of thirty articles, forms the basis of international and regional human rights treaties and laws.</p>	<p>The basic principles of human rights are defined as follows:</p> <p><b>EQUALITY</b> As human beings, everyone has the same values and is entitled to the same respect.</p> <p><b>NON-DISCRIMINATION</b> No one shall be discriminated against on the basis of race, sex, language, religion, political or other opinion, national or social origin, property or birth.</p> <p><b>UNIVERSALITY AND INALIENABILITY</b> Human rights are inseparable and inalienable from human beings as long as they exist. Everyone in every corner of the world is entitled to them. Therefore, it is universal for all people to enjoy equal human rights without discrimination.</p> <p><b>HUMAN VALUE AND DIGNITY</b> Human values and dignity are equally valued and respected for all human beings as human beings. Everyone is equally respected, regardless of age, culture, ethnicity, race, sex, gender orientation, language, ability, social status, citizenship or political affiliation.</p> <p><b>INDIVISIBILITY</b> All human rights, including civil, political, socio-economic, cultural and collective rights, are unified and indivisible.</p> <p><b>INTERDEPENDENCE AND INTERRELATEDNESS</b> Human rights apply to every aspect of life, whether it be at homes, markets, schools, or workplaces. In other words, when one right is violated, it affects other rights. On the other hand, when the protection of one right is improved, it is more possible to exercise another right. Everyone is born free and equal in dignity and rights. They are endowed with reason and conscience, and they should treat one another in a spirit of brotherhood.</p> <p>The principle of corporate social responsibility is defined as follows:</p> <ul style="list-style-type: none"> <li>• <b>Human rights</b> 1<sup>st</sup> principle: Business entities shall uphold and respect internationally recognised human rights principles.</li> <li>2<sup>nd</sup> principle: Human rights shall not be ignored.</li> <li>• <b>Labour</b></li> </ul>

			<p>3<sup>rd</sup> principle: Business entities shall recognise and respect the right to associate and enter into collective bargaining agreements.</p> <p>4<sup>th</sup> principle: All forms of forced labour shall be eliminated.</p> <p>5<sup>th</sup> principle: Child labour shall be eliminated.</p> <p>6<sup>th</sup> principle: Discrimination in employment and occupation shall be eliminated.</p> <ul style="list-style-type: none"> <li>• <b>Environment</b></li> </ul> <p>7<sup>th</sup> principle: Entities shall support activities aimed at preventing environmental problems.</p> <p>8<sup>th</sup> principle: Entities shall encourage and take the initiative to be aware of our responsibilities to the environment</p> <p>9<sup>th</sup> principle: Entities shall encourage and support the development and dissemination of environmentally friendly technologies.</p> <ul style="list-style-type: none"> <li>• <b>Fighting corruption</b></li> </ul> <p>10<sup>th</sup> principle: Economic entities and organisations shall work against all forms of corruption, including bribery.</p>
2	<p>UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, 1998</p>	<p>This International Convention was ratified in order to contribute to the protection of the right to health and favourable living environment of all persons and future generations. Each Member State shall adhere to the provisions of this Convention by guaranteeing their citizens' right to receive information on environmental issues, to participate in decision-making and to have their rights protected.</p> <p>The following information is considered environmental information:</p> <p>a) The state of elements of the environment, such as air and atmosphere, water, soil, land, landscape and natural sites, biological diversity and its components, including genetically modified organisms, and the interaction among these elements;</p> <p>b) Factors, such as substances, energy, noise and radiation, and activities or measures, including administrative measures, environmental agreements, policies, legislation, plans and programmes, affecting or likely to affect the elements of the environment within the scope of subparagraph a) above, and cost-benefit and other economic analyses and assumptions used in environmental decision-making; and</p>	<p>Three pillared policy:</p> <ol style="list-style-type: none"> <li>1. Access to information</li> <li>2. Public participation in decision-making</li> <li>3. Access to justice</li> </ol> <ul style="list-style-type: none"> <li>• Making environmental information transparent, accessible and integrated</li> <li>• In the event of any imminent threat to human health or the environment, whether caused by human activities or due to natural causes, all information which could enable the public to take measures to prevent or mitigate harm arising from the threat and is held by a public authority is disseminated immediately and without delay to members of the public who may be affected.</li> <li>• Public participation in decisions on specific activities: <ul style="list-style-type: none"> <li>- The public concerned shall be informed, either by public notice or individually as appropriate, early in an environmental decision-making procedure, and in an adequate, timely and effective manner, inter alia, of: <ol style="list-style-type: none"> <li>a) The proposed activity and the application on which a decision will be taken;</li> <li>b) The nature of possible decisions or the draft decision;</li> <li>c) The public authority responsible for making the decision;</li> <li>d) The envisaged procedure, including, as and when this information can be provided: <ul style="list-style-type: none"> <li>- The commencement of the procedure;</li> <li>- The opportunities for the public to participate</li> <li>- The time and venue of any envisaged public hearing;</li> <li>- An indication of the public authority from which relevant information can be obtained and where the relevant information has been deposited for</li> </ul> </li> </ol> </li> </ul> </li> </ul>

		<p>c) The state of human health and safety, conditions of human life, cultural sites and built structures, inasmuch as they are or may be affected by the state of the elements of the environment or, through these elements, by the factors, activities or measures referred to in subparagraph b) above.</p>	<p>examination by the public; - An indication of the relevant public authority or any other official body to which comments or questions can be submitted and of the time schedule for transmittal of comments or questions; and - An indication of what environmental information relevant to the proposed activity is available; and e) The fact that the activity is subject to a national or transboundary environmental impact assessment procedure.</p> <ul style="list-style-type: none"> <li>• Environmental policies, plans, programmes, normative acts with legal consequences, protection of violated rights, organisation of meetings of the parties, and ensuring the right to vote.</li> </ul>
3	ILO Indigenous and Tribal Peoples Convention, 1989 (No.169)	<p>Employees belonging to indigenous and tribal peoples shall have equal access to equal opportunities and equal rights for men and women in employment. Convention No.169 of 1989 on Indigenous and Tribal Peoples states that human rights and fundamental freedoms must be fully enjoyed by them without discrimination. This means that cultural practices that restrict the rights of indigenous and tribal women must be addressed and stopped. Convention No.169 is the only international instrument that explicitly addresses the protection from sexual harassment (Article 20.3 (d)). In 1989, the Organisation issued a Resolution on Indigenous and Tribal Peoples to encourage the ratification of Convention No.169.</p>	<p>The ILO's work with indigenous peoples is divided into two parts: the adoption and monitoring of standards, and the provision of support to indigenous and tribal peoples and to the state. The main policy is to ensure that indigenous and tribal peoples enjoy their fundamental rights and enjoy their traditions, customs, land rights, use of natural resources in their traditional areas, and support their right to employment, vocational training, handicrafts, manufacturing in rural areas, social security, health, education services, support their contacts and cooperation across borders, etc. The Convention has sections on Deliberate measures to establish equality; Discrimination; Diversity; Sexual harassment; and Women entrepreneurs.</p> <p>Convention No.169, which deals with the rights of indigenous and tribal peoples, regulates the casual employment in Article 20.3. The measures taken shall include measures to ensure:</p> <ul style="list-style-type: none"> <li>- that workers belonging to the peoples concerned, including seasonal, casual and migrant workers in agricultural and other employment, as well as those employed by labour contractors, enjoy the protection afforded by national law and practice to other such workers in the same sectors, and that they are fully informed of their rights under labour legislation and of the means of redress available to them.</li> </ul>

4	Rio Declaration on Environment and Development, 1992	<p>In 2012, the United Nations Conference in Rio de Janeiro, Brazil, adopted the “The Future We Want” document, stating that a green economy is the way to sustainable development and poverty reduction. The adoption of the Development Programme 21 at the 1992 UN Summit on Environment and Development in Rio de Janeiro, Brazil, has made sustainable development a global priority. The conference called on countries around the world to set sustainable development goals and implement the Rio Declaration.</p>	<p><b>27 principles of the Rio Declaration on Environment and Development:</b></p> <p><b>Principle 1. Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature.</b></p> <p><b>Principle 2. States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction.</b></p> <p><b>Principle 3. The right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.</b></p> <p><b>Principle 4. In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.</b></p> <p><b>Principle 5. All States and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world.</b></p> <p><b>Principle 6. The special situation and needs of developing countries, particularly the least developed and those most environmentally vulnerable, shall be given special priority. International actions in the field of environment and development should also address the interests and needs of all countries.</b></p> <p><b>Principle 7. States shall cooperate in a spirit of global partnership to conserve, protect and restore the health and integrity of the Earth's ecosystem. In view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command.</b></p> <p><b>Principle 8. To achieve sustainable development and a higher quality of life for all people, States should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies.</b></p> <p><b>Principle 9. States should cooperate to strengthen endogenous capacity-building for sustainable development by improving scientific</b></p>
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			<p>understanding through exchanges of scientific and technological knowledge, and by enhancing the development, adaptation, diffusion and transfer of technologies, including new and innovative technologies.</p> <p><b>Principle 10.</b> Environmental issues are best handled with the participation of all concerned citizens, at the relevant level. At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities, and the opportunity to participate in decision-making processes. States shall facilitate and encourage public awareness and participation by making information widely available. Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided.</p> <p><b>Principle 11.</b> States shall enact effective environmental legislation. Environmental standards, management objectives and priorities should reflect the environmental and developmental context to which they apply. Standards applied by some countries may be inappropriate and of unwarranted economic and social cost to other countries, in particular developing countries.</p> <p><b>Principle 12.</b> States should cooperate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries, to better address the problems of environmental degradation. Trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided. Environmental measures addressing transboundary or global environmental problems should, as far as possible, be based on an international consensus.</p> <p><b>Principle 13.</b> States shall develop national law regarding liability and compensation for the victims of pollution and other environmental damage. States shall also cooperate in an expeditious and more determined manner to develop further international law regarding liability and compensation for adverse effects of environmental damage caused by activities within their jurisdiction or control to areas beyond their jurisdiction.</p> <p><b>Principle 14.</b> States should effectively cooperate to discourage or prevent the relocation and transfer to other States of any activities and substances that cause severe environmental degradation or are found to be harmful to human health.</p>
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			<p><b>Principle 25.</b> Peace, development and environmental protection are interdependent and indivisible.</p> <p><b>Principle 26.</b> States shall resolve all their environmental disputes peacefully and by appropriate means in accordance with the Charter of the United Nations.</p> <p><b>Principle 27.</b> States and people shall cooperate in good faith and in a spirit of partnership in the fulfilment of the principles embodied in this Declaration and in the further development of international law in the field of sustainable development.</p>
5	Sustainable Livelihoods Guidance Sheets, 2000	<p>Depending on the specifics of each phase of a mining project, various social impacts can occur and there are many different ways to assess it. Basically, there are two types of methodological approaches to assessing local social impact and potential risks:</p> <ul style="list-style-type: none"> <li>- Expert-oriented or top-down.</li> <li>- Community-based or bottom-up</li> </ul> <p>The first approach is based on social sciences and the results of other research, while the second approach takes into account more local specifics, focusing on local social conditions, values, and livelihoods. A good combination of these two approaches is important for predicting and responding to the social impacts and risks of mining. There is also a widespread multi-disciplinary approach to impact assessment and monitoring.</p> <p>Individuals, households, and local communities vary in the type and amount of capital they have, and those with the proper amount of many different capital are considered to have richer life choices and opportunities. It is believed that a variety of factors contributing to vulnerabilities (such as environmental change and challenges) have a direct impact on capital and that policies, systems and governance processes have an indirect effect on the number and the amount of capital.</p>	<p>SLGSs deem that the following five capitals play an important role in creating and maintaining people's livelihoods at the local level. The SLGSs are very similar to the manual and methodology of the International Association for Impact Assessment in that it categorises capitals as human, social, economic or financial, physical and natural capital.</p> <ul style="list-style-type: none"> <li>• Human Capital – Local human capital is defined in terms of population size, age, characteristics, education, skills, health, etc.</li> <li>• Social Capital – The social factors, personal connections, participation in groups and organisations, etc. that individuals need to make a living. The social capital at the local level is defined in terms of various indicators such as population migration, local population structure, characteristics, number of cooperatives and groups, family structure, and crime rate.</li> <li>• Financial Capital – Personal assets and financial resources (work, family income, cash, savings, loans, etc.) needed to support and improve one's livelihood.</li> <li>• Physical Capital – The basic infrastructure and means of production necessary for individuals' livelihood. It is important to understand issues such as the level of access to public-owned local infrastructure (buildings, facilities, services, etc.) and housing, and their types and sizes.</li> <li>• Natural Capital – This capital is natural resources and environment that contributes to local advantage and sustainable development. These are resources that provide financial and other benefits to the community, such as minerals, pastures, water, fertile agricultural land, and forests. There are also other environmental resources that support tourism, such as lakes and rivers, and have social, cultural and recreational value. It is assumed that mining projects can affect these capitals and thus local livelihoods.</li> </ul>
8	UN Global Compact	<p>The Global Compact was initiated by the United Nations and was first introduced to the public at the 1999 World Economic Forum to help businesses become more socially responsible for sustainable</p>	<p>A total of 10 principles have been identified in four main areas: Human Rights, Labour, Environment and Anti-Corruption. Those are:</p> <p><b>Principle 1.</b> Businesses should support and respect the protection of internationally proclaimed human rights;</p>



		development. Today, it is the largest network of sustainable development and social responsibility, bringing together 13,000 companies from 170 countries.	<p><b>Principle 2.</b> Make sure that businesses are not complicit in human rights abuses;</p> <p><b>Principle 3.</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p><b>Principle 4.</b> The elimination of all forms of forced and compulsory labour;</p> <p><b>Principle 5.</b> The effective abolition of child labour;</p> <p><b>Principle 6.</b> The elimination of discrimination in respect of employment and occupation;</p> <p><b>Principle 7.</b> Businesses should support a precautionary approach to environmental challenges;</p> <p><b>Principle 8.</b> Undertake initiatives to promote greater environmental responsibility;</p> <p><b>Principle 9.</b> Encourage the development and diffusion of environmentally friendly technologies; and</p> <p><b>Principle 10.</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>
9	GRI Global Reporting Initiative, 2014	The Global Reporting Initiative was first launched in 1999 in the form of a Sustainable Development Report Handbook and has now grown into an independent international standardisation body in Amsterdam, the Netherlands. In 2015, more than 7500 organisations are using the reporting system. The International Reporting Initiative is a non-profit organisation in the United States that, at the request of its financiers and consumers, has launched a sustainability report to make its environmental, social, and economic activities more transparent. Sustainability reports have become the most widely used format for companies to report, and the reporting standard is named the International Reporting Initiative (GRI). The GRI standard was developed based on US labour standards and supplemented by the OECD guidelines and UN principles.	<p>6 key issues of the company is highlighted:</p> <ul style="list-style-type: none"> <li>- Corporate governance</li> <li>- Financial reporting</li> <li>- Compliance with legislation</li> <li>- Risk management</li> <li>- Report and feedback</li> <li>- Internal monitoring</li> </ul> <p>Within the scope of the above 6 issues, there are reports on the following: environmental, social and economic impact assessments conducted by the company, the process of reporting and feedback between management and employees in relation to the assessment, the process of complying with external requirements or financing agreement requirements, transparency, stakeholder participation, grievance redressal mechanism for complaints received and resolved, training and development issues, good corporate governance, introduction of best practices, and technical and technological solutions.</p>
10	The Equator Principles	In 2003, IFC defined the Ecuador Principles Policy Framework, which was adopted by 94 international financial institutions in 34 countries to define the risk management framework for major projects and programmes. The standard is regularly updated, with	<p><b>Principle 1:</b> Project Review and Categorisation</p> <p><b>Principle 2:</b> Environmental and Social Assessment</p> <p><b>Principle 3:</b> Applicable Environmental and Social Standards</p> <p><b>Principle 4:</b> Environmental and Social Management System and Equator Principles Action Plan</p>

		<p>one version becoming the IFC's Environmental and Social Sustainability Performance Standard and the other the World Bank's Environment, Health and Safety Handbook.</p> <p>These principles were adopted in order to make ethical and socially responsible investments by financial institutions. Hence, the financial institutions that have adopted the standard require companies, when funding, to ensure that Ecuador's standards are met.</p>	<p><b>Principle 5:</b> Stakeholder Engagement  <b>Principle 6:</b> Grievance Mechanism  <b>Principle 7:</b> Independent Review  <b>Principle 8:</b> Covenants  <b>Principle 9:</b> Independent Monitoring and Reporting  <b>Principle 10:</b> Reporting and Transparency</p> <p>Companies are required to document the relevant environmental and social impact assessments to the extent that they are considered adequate<sup>62</sup>. The Assessment Documentation may include, where applicable, the following:</p> <ol style="list-style-type: none"> <li>1. Assessment of the baseline environmental and social conditions;</li> <li>2. Consideration of feasible environmentally and socially preferable alternatives;</li> <li>3. Requirements under host country laws and regulations, applicable international treaties and agreements including the 2015 Paris Climate Change Agreement;</li> <li>4. Protection and conservation of biodiversity (including endangered species and sensitive ecosystems in modified, natural and Critical Habitats) and identification of legally protected areas;</li> <li>5. Sustainable management and use of renewable natural resources (including sustainable resource management through appropriate independent certification systems);</li> <li>6. Use and management of dangerous substances;</li> <li>7. Major hazards assessment and management;</li> <li>8. Efficient production: total energy consumed per output scaling factor, delivery and use of energy;</li> <li>9. Pollution prevention and waste minimisation, pollution controls (liquid effluents and air emissions), and waste management;</li> <li>10. Greenhouse gas emissions level and emissions intensity;</li> <li>11. Water usage, water intensity, water source;</li> <li>12. Land cover, land use practices; and</li> <li>13. Consideration of physical climate risks and adaptation opportunities, and of viability of Project operations under changing weather patterns / climatic conditions.</li> </ol>
11	IFC Performance Standards on Environmental and Social	IFC's Environmental and Social Sustainability Performance Standards are one of the ways in which the IMF implements risk management, and this document reflects the IMF's commitment to environmental and social sustainability. The standard	<p>The key social risks and impacts of the project that the assessment described are listed below:</p> <ul style="list-style-type: none"> <li>- Economic Impacts</li> <li>- Population and Influx</li> <li>- Employment</li> </ul>

<sup>62</sup> Exhibit II: Illustrative List of Potential Environmental and Social Issues to be Addressed

<p>Sustainability, 2012</p>	<p>has become a globally recognised standard in the mining industry. The IFC has an independent Compliance Advisor/Ombudsman to handle community grievances related to IFC-financed projects. IFC's Environmental, Health, and Safety Guidelines are technical recommendations for this standard.</p> <p>IFC requires countries and organisations that receive soft or other loans and grants from IFC or implement projects and programs funded by IFC to implement this Standard.</p>	<ul style="list-style-type: none"> <li>- Land Use and Displacement</li> <li>- Cultural Heritage</li> <li>- Community Health, Safety and Security</li> <li>- Cumulative Impacts</li> </ul> <p>The main principles are:</p> <ul style="list-style-type: none"> <li>• <b>Assessment and Management of Environmental and Social Risks and Impacts:</b> Investors and clients need to properly manage their environmental and social activities and shall ensure the participation of all potentially affected stakeholders in some important business decisions, such as financiers, clients, customers, employees and local communities. It is believed that this will be addressed through the establishment of an appropriate management structure, composition and system of activities, which will have a positive impact on the organisation's financial, social and environmental outcomes.</li> <li>• <b>Labour and Working Conditions:</b> In this section, the organisation's employees are considered to be valuable human resources according to the standard, and the establishment of a sound management-worker relationship is considered to be the key to success. There is a need to protect the fundamental rights of employees, to pay them fairly, to reward them, to keep them working in a healthy and safe environment, to make their productivity process more efficient, and to create conditions for employees to work stably.</li> <li>• <b>Resource Efficiency and Pollution Prevention:</b> All parties involved in the business are responsible for reducing pollution and introducing control technologies and practices, as urbanisation, infrastructure development, project implementation, and industrialisation are considered to carry risks of increasing environmental, air, water, and land pollution and harming local communities. They need to be addressed in a way that is as cost-effective as possible, based on their financial capabilities.</li> <li>• <b>Community Health, Safety, and Security:</b> Businesses are required to have a safety and security official in post, and to conduct regular planning and risk assessments, considering that there is a risk of equipment malfunction, human resource negligence, loss of toxic substances, and subsequent damage to citizens and natural resources, as well as the spread of disease and infection. Moreover, they are required to ensure safety of all stakeholders.</li> <li>• <b>Land Acquisition and Involuntary Resettlement:</b> It is necessary to take into account that the project implementation, acquisition of land possession and use rights lead to the displacement of some individuals and groups, and</li> </ul>
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12	EBRD Guidance on ESIA, 1998	The EBRD recommends that countries and organisations that receive funding from soft or other loans and grants from the EBRD or implement projects and programmes funded by the EBRD to implement this Guidance. In case of noncompliance with this Guidance, the funding is withheld.	<p>The basic principles are as follows: Detailed impact assessments will be conducted, focusing on issues related to air, noise, surface and groundwater resources, soil, crops, pastures, woody and shrub species, flowering plant species, decontamination, and waste management. The EBRD will issue a non-technical review, which will address the following issues: These include:</p> <ul style="list-style-type: none"> <li>• Detailed introduction and description of the proposed project;</li> <li>• Rationale, reasons, and goals of the project;</li> <li>• The geographical location of the project area and the geographical regions affected by the project;</li> <li>• Description and conclusion of the current situation of the geographical area that may be affected by the project activities;</li> <li>• Any serious environmental or social impacts;</li> <li>• Any major issues or opportunities that may arise;</li> <li>• Basic terms of the environmental and social action programme;</li> </ul>

			<ul style="list-style-type: none"> <li>• Accumulated impacts and risks;</li> <li>• A systematic plan for how to address environmental and social issues, an explanation of trends and activities; and</li> <li>• Monitoring of project activities.</li> </ul> <p>The section on relevant issues also addresses the following regional issues, which are used for impact assessments and non-technical conclusions:</p> <ul style="list-style-type: none"> <li>• Climatic conditions;</li> <li>• Susceptibility to climate change and probability of changes in freshwater resources levels;</li> <li>• Geomorphology and geological features;</li> <li>• Groundwater and surface water resources;</li> <li>• Biological and ecological resources;</li> <li>• Flowering and woody plants;</li> <li>• Species of protected and endangered animals;</li> <li>• Residents and indigenous peoples of the protected area;</li> <li>• Land location, appearance, and soil analysis;</li> <li>• Air quality and current pollution load;</li> <li>• Noise and vibration;</li> <li>• Social and economic issues;</li> <li>• Demographics (population, distribution, trends, age and sex classification, migration);</li> <li>• Social structure (information on nations, ethnic groups, tribes, clans, their structures, minority groups, as well as indigenous and at-risk communities);</li> <li>• Power relations and governance issues;</li> <li>• Conflicts and social misunderstandings, their origins, history, and assumptions;</li> <li>• Land possession and use rights and terms;</li> <li>• Economic activities (formal and informal economy);</li> <li>• Education;</li> <li>• Population health indicators and relevant information;</li> <li>• Gender issues;</li> <li>• Issues of vulnerable groups;</li> <li>• Cultural heritage;</li> <li>• Public health, safety and security; and</li> <li>• Employment issues and working conditions.</li> </ul>
13	ISO 26000:2010 Guidance on	The guidance, which aims to contribute to global sustainable development, was adopted by Mongolia in 2012, but it is a voluntary standard and has not been	<p>The Guidance outlines 7 key principles.</p> <ul style="list-style-type: none"> <li>• Accountability</li> <li>• Transparency and disclosure</li> </ul>

	Social Responsibility	<p>implemented in practice. This Voluntary Social Responsibility Guidance is a comprehensive effort to ensure that all parties contribute equally to sustainable development starting from 2010. Because this guidance covers all sectors, they do not cover in detail public participation and the environment, especially water issues, which are the most vulnerable parts of mining operations.</p> <p>This guidance, approved to improve the social responsibility of business organisations, contains a set of guidelines that can be applied to all sectors and emphasises corporate governance and fundamental rights. The basic concept is that good governance combined with proper management reduces operational risk and saves organisational costs.</p>	<ul style="list-style-type: none"> <li>• Ethical behaviour</li> <li>• Respect for the stakeholder interests (the part that can and may affect the activities of an organisation, such as an individual or a group)</li> <li>• Respect for rule of law</li> <li>• Respect for international norms of behaviour</li> <li>• Respect for human rights</li> </ul> <p>The above 7 principles address the following issues.</p> <ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Human rights</li> <li>• Labour environment</li> <li>• Environment</li> <li>• Fair operating practices</li> <li>• Protecting the rights and interests of consumers</li> <li>• Community involvement and development</li> </ul> <p>The standard provides a detailed and clear definition section on how to communicate with stakeholders in accordance with the definition and how to breakdown and estimate the issues on each topic.</p>
14	Extractive Industries Transparency Initiatives (Open Government Partnership)	<p>In 2007, Mongolia joined the EITI, which now has 52 countries in the world, to improve the governance of the extractive sector, to hold the public and private sectors accountable, and to increase the economic efficiency of the sector. In 2013, we joined the Open Government Partnership (OGP) and are taking steps to make government operations smarter, more open and transparent, to create a unified government information system, and to bring it in line with international standards. In particular, EITI is becoming the most effective standard for increasing the accountability of industry stakeholders, balancing their relationships systematically, and improving international and domestic cooperation. Most importantly, citizens of wealthy countries are increasingly using EITI-disclosed information to hold governments and companies accountable and to influence government policies to address emerging issues based on factual information. It is also</p>	<p>In order to define the legal and institutional framework such as contracting and licensing and establishment of multi-stakeholder groups, to estimate exploration and production, to calculate the revenue and income distribution of the extractive sector, to determine social and economic expenditures, and to determine outcomes and impacts, the initiative aims to obtain 13 types of information both from the government and business entities, to collate and review the information, to clarify discrepancies, to create a database open to the public and, most importantly, to establish a tripartite agreement.</p> <p>This standard requires that a wide range of information be timely disclosed to the public, including the licenses held by companies operating in the extractive industries, the agreements entered into with them, the beneficiaries of the companies, the taxes and fees paid, and the sales of products. Countries are also committed to the international community under their National Plan of OGP to ensure the transparency of contracts and information on beneficiaries in the extractive industries.</p>

		important to clarify the competition area by providing the public with detailed information on state-owned companies operating in the sector. There is a growing perception among large companies and responsible investors that the country implementing the initiative has a favourable working environment.	
15	IRMA Standard for Responsible Mining IRMA-SDT-001 Draft v2.0, 2016	<p>Initiative for Responsible Mining Assurance (IRMA), an international organisation, initiated the IRMA Standard for Responsible Mining IRMA (STD-001 Draft v2.0) in 2014 and has been improving it with inputs from trade unions, mining companies, professional researchers, civil society organisations and local communities of the affected areas. The aim of this standard is not only to ensure that mining companies operate on the basis of human rights and environmental sustainability, but also to provide guidance in this area.</p> <p>The process outline is: Defining the project scope, collecting data, analysing and evaluating using the selected methods, preparing reports, establishing environmental and social management system in the internal structure, monitoring and re-evaluating environmental and social impact assessments, ensuring stakeholder participation in monitoring and managing environmental and social impacts, ensuring environmental and social information transparency, and reporting.</p>	<p>There are 4 main frames. The standard has advanced the sector by taking the ISO 26000 Social Responsibility Standard as a whole in one section. The remaining 3 sections covered important issues in the mining sector, such as:</p> <ul style="list-style-type: none"> <li>- Business Reputation;</li> <li>- Planning;</li> <li>- Social Responsibility; and</li> <li>- Environmental Responsibility.</li> </ul> <p>Implementation of the standard has been one of the criteria for raising funds in some countries, such as Australia and Canada, while the use of the standard in the United States and Africa has also been linked to fundraising. Within the framework of social responsibility, an organisation is required to meet the following conditions:</p> <ul style="list-style-type: none"> <li>• Fair Labour and Terms of Work;</li> <li>• Occupational Health and Safety;</li> <li>• Community Health and Safety;</li> <li>• Mining and Conflict-Affected and High-Risk Areas;</li> <li>• Security Arrangements;</li> <li>• Artisanal and small-scale mining; and</li> <li>• Cultural Heritage.</li> </ul> <p>These are implemented in line with planning and through Environmental and Social Impact Assessment and Management, Free, Prior and Informed Consent from Citizens, Community Support and Outreach Policy, Resettlement, Emergency Preparedness and Response, and Closure Planning and Financing Policy. The basic requirements are:</p> <ul style="list-style-type: none"> <li>- Environmental and social impact assessments must be completed after the development of the project model and prior to the start of any project-related activities;</li> <li>- The risk level must be analysed in detail, and the amount of impact should be calculated together with the cost;</li> </ul>

			<ul style="list-style-type: none"> <li>- Re-perform impact assessments as soon as any changes are made to the plan, design or model; and</li> <li>- Environmental and social impact assessments must be conducted and documented in a way that is transparent to the public.</li> </ul>
16	Responsible Mining Index Methodology	The RMI was developed by the Responsible Mining Foundation in Amsterdam, the Netherlands, in 2017 and approved in 2018. It was put up for public discussion and updated and the final version was approved and published in 2020. The foundation is funded by the government, civil society organisations, and similar charitable foundations. It adheres to the principle of not receiving funding from mining companies. The aim is to develop the minerals and metallurgy sector more responsibly by ranking mining companies in economic, environmental, social and governance indicators, and by identifying and disseminating the best practices in the minerals and metallurgy sector.	<p>The RMI is guided by the United Nations Sustainable Development Goals:</p> <ol style="list-style-type: none"> <li>1. Ensure transparency of mine information</li> <li>2. Implement the principle of open information of activities</li> <li>3. Get feedback on the companies' operations</li> </ol> <p>There are 6 areas: Economic Development, Business Activities, Continuous Management, Public Well-being, Occupational Environment, and Environmental Responsibility. According to this standard, measurements are made in three areas: Company Motivation, Operations and Results. The evaluation will be measured by the company's approved indicators. The mine is evaluated separately and the overall performance is published in the RMI Report. The performance standard is measured by whether the company is transparent, accountable, and accessible to the public in these six areas.</p>
17	ICMM 10 principles	In 1998, 9 major mining companies launched the Global Mining Initiative to address the sector's challenges, under which the Mining and Metals Sustainable Development Project was implemented for two years. During this project, companies made ambitious commitments to reduce risk. Subsequently, the International Council on Mining and Metals was established in 2003 <sup>63</sup> . The 10 principles have been adopted to achieve the 17 Sustainable Development Goals.	<p>The main principles are:</p> <ul style="list-style-type: none"> <li>• Establishing business ethics and sound governance;</li> <li>• Integrating sustainable development principles in decision-making;</li> <li>• Respect human rights;</li> <li>• Implementing effective risk management;</li> <li>• Improving health and safety;</li> <li>• Working in an environmentally friendly manner;</li> <li>• Improving biodiversity conservation and landscape protection, and improving land use planning;</li> <li>• Responsible use of minerals;</li> <li>• Ensuring social participation; and</li> <li>• Implementing participatory and transparent reporting.</li> </ul> <p>These principles are provided with explanations on how to ensure transparency, openness, participation, and implementation of the concepts and principles of sustainable development, and identified the most pressing social issues and the principles of mitigation of harmful impacts on society and the environment.</p>
18	Social Accountability	The Social Accountability International 8000 is a voluntary certification standard, first developed by the	US companies and NGOs are required to meet the following 8 criteria to obtain the certificate:

<sup>63</sup> International Council on Mining and Metals (ICMM)



	<p>International 8000, 2008</p>	<p>US Social Accountability International in 2001 in collaboration with trade unions and NGOs, and improved in 2004 and 2008.</p> <p>The certificate is certified by the independent and authorised Social Accountability International under the supervision of an organisation called the Social Accountability Certification Service.</p>	<ul style="list-style-type: none"> <li>• <b>Child Labour:</b> No use or support of child labour; policies and written procedures for remediation of children found to be working in situation; provide adequate financial and other support to enable such children to attend school; and employment of young workers conditional;</li> <li>• <b>Forced and Compulsory Labour:</b> No use or support for forced or compulsory labour; no required 'deposits' - financial or otherwise; no withholding salary, benefits, property or documents to force personnel to continue work; personnel right to leave premises after workday; personnel free to terminate their employment; and no use nor support for human trafficking;</li> <li>• <b>Health and Safety:</b> Provide a safe and healthy workplace; prevent potential occupational accidents; appoint senior manager to ensure OSH; instruction on OSH for all personnel; system to detect, avoid, respond to risks; record all accidents; provide personal protection equipment and medical attention in event of work-related injury; remove, reduce risks to new and expectant mothers; hygiene- toilet, potable water, sanitary food storage; decent dormitories- clean, safe, meet basic needs; and worker right to remove from imminent danger;</li> <li>• <b>Freedom of Association and Right to Collective Bargaining:</b> Respect the right to form and join trade unions and bargain collectively. All personnel are free to: organise trade unions of their choice; and bargain collectively with their employer. A company shall: respect right to organise unions &amp; bargain collectively; not interfere in workers' organisations or collective bargaining; inform personnel of these rights &amp; freedom from retaliation; where law restricts rights, allow workers freely elect representatives; ensure no discrimination against personnel engaged in worker organisations; and ensure representatives access to workers at the workplace;</li> <li>• <b>Discrimination:</b> No discrimination based on race, national or social origin, caste, birth, religion, disability, gender, sexual orientation, union membership, political opinions and age. No discrimination in hiring, remuneration, access to training, promotion, termination, and retirement. No interference with exercise of personnel tenets or practices; prohibition of threatening, abusive, exploitative, coercive behaviour at workplace or company facilities; no pregnancy or virginity tests under any circumstances;</li> <li>• <b>Disciplinary Practices:</b> Treat all personnel with dignity and respect; zero tolerance of corporal punishment, mental or physical abuse of personnel; no harsh or inhumane treatment;</li> <li>• <b>Working Hours:</b> Compliance with laws &amp; industry standards; normal workweek, not including overtime, shall not exceed 48 hours; 1 day off</li> </ul>
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19	OECD Guidelines for Multinational Enterprises	In May 2011, governments in the OECD and adhering countries adopted an update of the OECD Guidelines. Although some fundamental shortcomings remain such as the lack of enforcement mechanisms, the update introduced substantial new provisions in areas such as due diligence, supply chain responsibility and human rights. The procedures that NCPs should follow when handling complaints were also improved. The Guidelines apply to all sectors of the economy and to all global operations of enterprises operating in or from OECD and adhering countries.	<ul style="list-style-type: none"> <li>• <b>Disclosure</b> Enterprises should disclose all material matters regarding their activities, structure, financial and non-financial (i.e. social and environmental) performance, ownership and governance. Enterprises should also disclose information about their business relationships and activities and the impacts of those relations.</li> <li>• <b>Human Rights</b> Enterprises should respect human rights, both in practice and through a policy commitment. They should carry out human rights due diligence to assess and address actual and potential human rights impacts, and have processes that enable remediation.</li> <li>• <b>Employment and Industrial Relations</b> Enterprises should honour fundamental labour rights standards and provide decent working conditions and wages that satisfy the basic needs of workers and their families.</li> <li>• <b>Environment</b> Enterprises should identify, prevent and mitigate adverse impacts to the environment and public health and safety. They should establish an environmental management system and continually improve environmental performance, including reducing greenhouse gas emissions.</li> <li>• <b>Bribery and Corruption</b> Enterprises should not offer or accept bribes, either directly or indirectly. They should have appropriate ethics and compliance programmes and internal controls in place to prevent and detect bribery. They should be transparent about their efforts to fight corruption.</li> <li>• <b>Consumer Interests</b> Enterprises should use fair marketing and advertising practices; ensure the quality and reliability of their goods and services; and provide accurate,</li> </ul>

			<p>verifiable and clear information to enable consumers to make informed decisions.</p> <ul style="list-style-type: none"> <li>• <b>Science and Technology</b> Enterprises should contribute to the development of local and national innovative capacity through the transfer of new technologies, granting use of intellectual property rights and employing local personnel.</li> <li>• <b>Competition</b> Enterprises should adhere to competition laws and regulations and refrain from engaging in anti-competitive behaviour.</li> <li>• <b>Taxation</b> Enterprises should contribute to the public finances of host countries through timely payments of taxes in line with both the letter and spirit of tax law and regulations. They should avoid shifting of profits or losses to reduce their tax burden.</li> </ul>
20	VPI (Voluntary Principles Initiative) Voluntary Principles on Security and Human Rights	<p>The VPSHR is a guide to safety and human rights only in the extractive industries. It is not only a response to international criticism that the company's security procedures may pose a risk to local people's rights, but also provides guidance to companies on respect for human rights in protecting the company's facilities. The VPSHR is a multi-stakeholder collaboration mechanism for learning from each other, solving problems together, and introducing and strengthening best practices on security and human rights issues. It also provides a capacity building environment for key players to implement these issues in a multi-structured environment.</p> <p>Companies implementing the VPSHR need to develop systems to report and investigate human rights abuses committed by public and private security forces.</p>	<p>The VPSHR mainly focuses on civil and political human rights, which includes the right to life, the right to freedom from illegal arrest and detention and protection from cruel, inhuman or degrading treatment, etc. Therefore, the VPSHR is based on current international standards and best practices and provides guidance to companies on the following three issues.</p> <ul style="list-style-type: none"> <li>• <b>How to assess human rights risks related to security, mainly focusing on human rights violations:</b> <ol style="list-style-type: none"> <li>a. Reviewing human rights records of public and private sector security forces;</li> <li>b. Evaluating the capacity of law enforcement and judicial agencies;</li> <li>c. Analysing the conflict, especially focusing on the root cause and nature; and</li> <li>d. Monitoring the equipment transitions.</li> </ol> </li> <li>• <b>How to work with public security forces:</b> <ol style="list-style-type: none"> <li>a. Reviewing of security personnel human rights implementation records for preventative purposes</li> <li>b. Providing human rights training to security agencies</li> <li>c. Consulting with stakeholders on experiences with interaction with security forces</li> </ol> </li> <li>• <b>Communication with the private security service:</b> <ol style="list-style-type: none"> <li>a. Incorporating Voluntary Initiatives into security agreements</li> <li>b. Providing guidance on the use of force, the relationship between law enforcement services and threats</li> <li>c. Recording and reporting alleged violations by private security services</li> </ol> </li> </ul>

21	Responsible Mineral Development Initiative	<p>The Responsible Mining Initiative in Mongolia dates back to 2006, and with the support of the Asia Foundation, stakeholders from governmental, non-governmental, private and business organisations and researchers developed a Declaration of Responsible Mining Initiative in 2007, and representatives from more than 80 organisations and citizens joined and signed<sup>64</sup>. Definition of responsible mining - Transparent and comprehensive activities in the mineral sector that respects the rights of all stakeholders, especially local communities, is not harmful to the environment and human health, is based on international best practices, respects the rule of law, and generates sustainable profits for Mongolia. It was agreed that the following 8 principles should be implemented in order to carry out mineral exploration and mining activities responsibly.</p>	<p>At the plenary session, the definition and principles of Responsible Mining were defined as follows:<sup>65</sup></p> <ul style="list-style-type: none"> <li>• Ensuring multi-stakeholder participation;</li> <li>• Transparent and open;</li> <li>• Respect for rule of law;</li> <li>• Accountable to the environment and human security;</li> <li>• Invest in future development;</li> <li>• Efficient;</li> <li>• Humane and ethical; and</li> <li>• Based on advanced technology.</li> </ul> <p>In 2016, the NGO that initiated these Principles of Responsible Mining published the Guide to Responsible Mining, with the support of the United Nations Development Programme.</p>
22	United Nations Guiding Principles on Business and Human Rights	<p>Within the framework of the UNDP project “Business and Human Rights in Asia: Promoting Responsible Business through the Development of Regional Partnerships” between 2017-2023, the MoFA of Mongolia and the National Plan Development Working Group, business representatives and representatives from NGOs such as trade unions agreed to cooperate with the above-mentioned programme in certain areas. In 2019, by order of the Minister of Foreign Affairs, a working group involving other relevant organisations was established and the process of developing a plan was officially launched. The significance is to disseminate the concept of the UN Principles of Business and Human Rights, to ensure the active participation of government, non-governmental organisations and businesses in the development of national plans, to objectively assess the impact of business activities on human rights and to define goals accurately.</p>	

<sup>64</sup> Davis, Rachel and Daniel M. Franks. 2014. “Cost of Company-Community Conflict in the Extractive Sector.” Corporate Social Responsibility Initiative Report No.66. Cambridge, MA: Harvard Kennedy School. Page 13.

<sup>65</sup> A framework for cooperative decision – making. Flyer of Asia foundation. 2007.

23	Mapping Mining to the Sustainable Development Goals: An Atlas, 2016	World Economic Forum, UNDP, Sustainable Development Solutions Network, Columbia Centre on Sustainable Investment. In 2016, the Colombia Centre on Sustainable Investment, the Sustainable Development Solutions Network, UNDP, the World Economic Forum, and the GIZ agreed that the mining sector has a key role to play in achieving the Global Sustainable Development Goals. It is designed to provide the necessary linkages for mining companies to move towards sustainable development goals.	This document is an important guideline for the responsible development of the mining sector, recommending good practices that can be understood and implemented to reflect the 17 Sustainable Development Goals in all activities in the mining sector. Structurally, it provides a detailed explanation of how each objective should be understood, implemented, and implemented by mining companies, governments, local governments, and research institutions.
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## **SIX. RECOMMENDATIONS**

*Translation from Mongolian to English in Progress*