



SWEDISH ENVIRONMENTAL
PROTECTION AGENCY

ENVIRONMENTAL GOVERNANCE PROGRAMME

Integrating Environment and Human Rights into the Governance of the Mining Sector



Mongolia 2020-2023 Impacts Review Report

ULAANBAATAR 2024

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With the financial support of the Swedish Environmental Protection Agency, the United Nations Development Programme improved the legal framework and implementation system for the protection of the environment and human rights in the mining sector of 10 target developing countries, supported the multifaceted joint participation of the parties, and strengthened the accountability mechanism for environmental protection in the sector. A Programme aimed at strengthening the governance and control system has been implemented.

ULAANBAATAR 2024

INTRODUCTION OF REPORT WRITERS AND THEIR DISCLAIMER

The review report of the impacts of the Environmental Governance Programme is written by Mr. O.Batbold and Ms. N.Ariuntuya, who are experts in social and environmental governance in mining sector and founders and executive team of the Council for Sustainable Development and Social Responsibility (CSS) in Mongolia.

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Ariuntuya Nominkhuu, Mining and Economy Journalist, Editor

N.Ariuntuya is a journalist with specialization in mining and economy and has extensive experience in the sector as she worked for 10 years as a chief editor of the Mongolian Mining Journal until 2019. Since 2019 she has been working as an Executive Director of the Council for Sustainable Development Social Responsibility NGO, and co-founded Mining Insight magazine and is working as the CEO and Editor-in-Chief Since 2021. She was a researcher for the study "Opportunity (Benefit) and Trend of new technology in the Mining sector of Mongolia" implemented by the New Tech - New Deal project as well as a Coordinator for the Project "Monitoring of the Glass Accounts of the State-Owned Mining Companies" funded by the Natural Resource Governance Institute, a manager of the project on "Development of strategic communication plan of the Ministry of Mining", and a member of the Committee for Minerals Sector 2025, Public Discussion to improve Productivity, Competitiveness, and Transparency. Ariuntuya also worked as the editor of the "Annual report-2017" by the Mineral Resources and Petroleum Authority of Mongolia and the author of the comic book "How do you benefit from mining as a citizen?", co-author of the "Environmental Impact Assessment and Stakeholder Participation" manual, and authored the commentary for Mongolia +40°C documentary photo book and co-authored several books about Ulaanbaatar city heritage, culture, and history, and was the editor for over 60 books.

They crafted this review report by providing insights and analyses based on their knowledge and experiences. It is important to note that their views and interpretations are subjective and may not necessarily represent the views of all stakeholders. The information presented in this report is intended for informational purposes only, and readers are encouraged to exercise their judgment and seek additional perspectives as needed. The report writers assume no liability for any actions taken or decisions made based on the content of this review. Additionally, the report does not endorse or promote any specific agenda or interests, aiming instead to offer a balanced and informed assessment.

Photos by: P.Jargalsaikhan, R.Ariunbileg, Ch.Enkhjargal, N.Bayarsaikhan

CONTENTS

1. PROGRAMME OVERVIEW.....	4
1.1 Background	5
1.2 Objective	5
1.3 Key activities	6
2. PROGRAMME STATISTICAL DATA.....	8
2.1 About the partner organizations	9
2.2 Amended Legal Documents	10
2.3 Knowledge Products	11
2.4 Capacity building activities	13
2.5 Beneficiaries.....	14
3. RESULTS DATA (QUANTITATIVE AND QUALITATIVE)	16
4. CASE STUDIES	20
4.1 Case Study 1: Integrating Human Rights Due Diligence practices in the mineral resources sector of Mongolia.....	21
4.2 Case Study 2: Introducing Responsible Mining Codex into the mining sector of Mongolia	25
4.3 Case Study 3: Adoption of Methododoloy for rehabilitation of land damaged by mining of common minerals	28
4.4 Case Study 4: Demonstration of Participatory Environmental Monitoring (PEM) in the mining regions of Mongolia.....	31
4.5 Case Study 5: Enhancing the legal framework for Social Impact Assessment of infrastructure projects.....	35
5. CONCLUSION.....	40
5.1 Limitations and lessons learnt.....	40
5.2 Conclusions	40
5.3 Recommendations	41
5.4 Future Project Recommendations	41

ABBREVIATIONS

BHR	Business and Human Rights
EIAs	Environmental Impact Assessments
EIA	Environmental Impact Assessment
EGP	Environmental Governance Programme
GASI	General Agency of Specialized Inspection
HIA	Human Rights Impact Assessment
HRDD	Human Rights Due Diligence
LLC	Limited Liability Company
MET	Ministry of Environment and Tourism
MLSP	Ministry of Labor and Social Protection
MMHI	Ministry of Mining and Heavy Industry
MNMA	Mongolian National Mining Association
NGO	Non-Governmental Organization
NHRC	National Human Rights Commission
PEM	Participatory Environmental Monitoring
SIA	Social Impact Assessment
UNDP	United Nations Development Programme
UNGPs on BHR	United Nations Guiding Principles on Business and Human Rights
WAMS	Women's Association of Minerals Sector

LIST OF ANNEXES

Annex 1. List of Assessments and studies conducted by EGP Phase 2

Annex 2. List of Guidelines and Knowledge Products produced by EGP Phase 2

Annex 3. List of EGP Annual Reports

1. PROGRAMME OVERVIEW



From the "Women and the Mine of the Future Mongolia Country Study Report, 2022



1.1 Background

The mineral sector plays a dominant role in Mongolia's economy. As part of the government's policy to support an export-oriented economy, the mineral resources sector has been designated as the leading sector of Mongolia's economy. Between 2009 and 2012, the mining industry experienced the highest growth in yield. While the overall impact of the sector on the economy tends to be positive, ensuring environmental governance for sustainable management of natural resources, in alignment with human rights and the rule of law, remains a critical concern for Mongolia.

Despite the positive aspects, the mineral sector poses challenges, with ongoing negative environmental and social impacts, especially affecting local communities. The lack of a robust system to enforce environmental legislation results in the mineral resources sector often disregarding the principles of human rights and the rule of law during mining operations. In the decision-making process of the mineral resources sector, there is a noticeable absence of business participation, cooperation, joint efforts, and accountability among stakeholders, including government, business, civil society, and local communities. Insufficient knowledge and capacity on environmental management tools and instruments further hinder stakeholders at all levels from implementing effective environmental governance, necessary for the sustainable management of natural resources in the mineral sector.

To address these challenges, the United Nations Development Programme, with financial support from the Swedish Environmental Protection Agency, has implemented a Programme aimed at strengthening the environmental governance system and legal framework for environmental protection and human rights in the mining sector. Mongolia is one of the 10 target developing countries for this Programme, conducted in two phases: the first phase from 2018 to 2020 and the second phase from 2020 to 2023.

1.2 Objective

The Environmental Governance Programme for Sustainable Management of Natural Resources is a collaborative initiative between the Swedish Environmental Protection Agency and the United Nations Development Programme. This Programme is designed to assist target countries in integrating environmental and human rights principles into the management framework of the mineral resources sector. Implemented on both international and regional levels, the Programme facilitates the exchange of innovative policy approaches among countries and regions.

The primary objective of the Environmental Governance Programme (EGP) is to identify and implement comprehensive solutions for the sustainable management of natural resources. By addressing the root causes of issues such as misunderstandings, conflicts, environmental degradation, inequality, exclusion, and poverty, the EGP emphasizes the importance of mutual respect for the environment and human rights.

The EGP operates across various key outcome areas:

1. Enhancement of mining laws, policies, and regulations.
2. Strengthening of capacities for implementation and enforcement.
3. Establishment of improved mechanisms for community participation.
4. Introduction of new processes to promote gender equality.
5. Enhancement of multi-stakeholder platforms.
6. Implementation of new initiatives for private sector due diligence.

Through these targeted efforts, the Environmental Governance Programme seeks to foster a holistic and sustainable approach to the management of natural resources, promoting environmental stewardship and safeguarding human rights in the target countries, including Mongolia.

1.3 Key activities

During the second phase of the Environmental Governance Programme spanning 2020-2023, numerous legislative changes were proposed, discussed, and supported by local citizens. Additionally, extensive capacity-building activities and training seminars were organized, engaging a substantial number of individuals. Seven major studies and assessments (Annex 1) were conducted, resulting in the development of manuals, guidelines, and instructions (Annex 2).

These efforts were undertaken within the following six key areas of Programme activities in Mongolia.

1.3.1 As a pivotal element in fortifying the environmental legal framework, the implementation of laws and regulations, and the mechanism to uphold human rights principles in the mining sector, comprehensive assessments and research were conducted. The findings regarding the implementation of environmental laws and regulations, human rights, and gender status in the mining sector were presented to stakeholders. Furthermore, support was provided for the introduction of the amendment to Mongolia's Law on Environmental Impact Assessment, alongside successful advocacy work targeting citizens, industry experts, policymakers, and decision-makers. Simultaneously, changes in the social impact assessment of infrastructure projects in line with international trends were newly incorporated into the EIA procedure and presented to the stakeholders of the sector.

1.3.2 Within the main activity of fostering responsible participation, cooperation, and mutual responsibility among relevant parties, a guide for conducting Participatory Environmental Monitoring (PEM) in the mining sector was developed and introduced in five provinces.

1.3.3 In line with the key activity of supporting the principles of responsible mining, more than 30 mining companies in Mongolia formally endorse the Responsible Mining Codex.

1.3.4 Within the overarching goal of reducing and eliminating human rights violations in the mining industry, a guideline for assessing the impact on human rights was developed and implemented in coal mines. Furthermore, in accordance with the United Nations Guiding

Principles on Business and Human Rights, support was extended to a Women Association of Minerals Sector for acquiring capacity to conduct human rights due diligence as a standard in the operations of the mining companies.

- 1.3.5** As part of the primary activities aimed at mitigating land degradation and abandoned areas resulting from mining activities, training and technical support were provided for the inventory of areas affected by mining. The guide for rehabilitating lands damaged by common mineral extraction was developed, contributing to changes in the legal environment for monitoring mining activities. Training sessions were conducted for stakeholders, particularly law enforcement officials and enterprises.
- 1.3.6** Technical instructions and methodological guidances were presented to stakeholders to enhance the capacity of key stakeholders in further improving the management of natural resources. In 2020, 500 copies of the manual of "Guideline for inspection of environmental law violations and enforcement of the Law on Offence" were delivered to the state specialized inspectors. These manuals were distributed to central and local inspectors, and an electronic version was made available on the UNDP website.



Figure 1. Demonstration of seedling by livestock for rehabilitation, Ochirtnyam mine site, 2021

2. PROGRAMME STATISTICAL DATA



The participants of the Kyrgyz-Mongolian exchange program on environmental governance of the mining sector are at the PEM monitoring site of Bayanjargalan soum, Tov province, 2023

2.1 About the partner organizations

In the second phase of the Environmental Governance Programme, its activities were executed on a national scale, with a strong emphasis on collaboration with vital partners such as Mongolian ministries, government agencies, local governors' offices, professional associations, enterprises, and non-governmental organizations.

- In October 2021, a working group led by the Ministry of Environment and Tourism (MET) was established with the primary goal of drafting relevant amendments to existing Law on Environmental Impact Assessment. The EGP supported this working group hiring national consultants to who conducted a desk review on Environmental Impact Assessment (EIA) review and approval procedure and analyzed the effectiveness of enforcing EIA procedures. Furthermore, the national consultants conducted a comprehensive study of legislative requirements and offered policy recommendations for enhancements along with estimated costs associated with implementing these legislative changes within the sector.
- The working group with the General Agency for Specialized Inspection actively monitored and evaluated the implementation of relevant laws and regulations and developed the "Guideline for inspection of environmental law violations and enforcement of the Law on Offence".
- In conjunction with the working group of the Ministry of Foreign Affairs, the EGP conducted the National Baseline Assessment on Business and Human Rights and developed the Covid-19 rapid self-assessment tool for businesses, and UNGPs on BHR videos.
- The working group formed by the Ministry of Environment and Tourism (MET) and the Ministry of Labor and Social Protection (MLSP) was established to develop draft procedures for Social Impact Assessment (SIA), with a specific emphasis on mining and infrastructure projects. EGP supported the working group hiring national consultants to draft the SIA procedures. Subsequently, a draft amendment to the EIA procedure developed with the support of the EGP consultant and submitted to MET has been approved by the Government's decree and has now become effective.
- Collaborating with the National Human Rights Commission (NHRC), an assessment of the human rights impact of mining activities was conducted at the Tavan Tolgoi coal cluster deposits. Subsequently, a Human Rights Impact Assessment guideline was developed based on the findings, and additional training sessions and seminars were organized for mining companies. With this assessment, the issues of the environmental crime and human right violations in the mining sectors brought to the attention of national and sub-national policy makers as the key findings were included in the Annual Status Report on Human Rights and Freedoms in Mongolia by the NHRC.
- The Mongolian National Mining Association, Women's Association of Minerals Sector, Responsible Mining NGO, Step Without Borders NGO, Tuna Tergel San NGO, and Onon Ulz River Movement NGO served as key partners in collaboratively organizing training sessions and both in-person and online meetings to develop responsible mining standards, introduce participatory environmental monitoring methods, and conduct human rights due diligence.

- Within the framework of the EGP, the team collaborated with various enterprises in Mongolia's mining sector, conducting evaluation studies, facilitating bilateral meetings, and delivering capacity-building training sessions.
- Specialized EIA companies, including Eco Trade Consulting LLC, Green Crown LLC, and various other environmental organizations, joined forces in a collaborative initiative. This comprehensive effort aimed to promote sustainable practices and raise ecological awareness within the business sector.
- Central Geological Laboratory and the Laboratory of the Institute of Chemistry and Chemical Technology jointly conducted research and analysis in the fields of geology and chemistry, contributing valuable insights to scientific advancements and mine sector applications.
- Collaborating with civil society organizations from five provinces, the EGP successfully executed participatory environmental monitoring involving all stakeholders in the mining sector.

2.2 Amended Legal Documents

In collaboration with the government, private sector, and civil society organizations across various domains, including the assessment of Mongolian law implementation and research on environmental laws, human rights, and gender status in the mining sector, significant modifications have been incorporated into the following legal documents.

- When assessing the application of the rule of law, the state of implementation of laws, and regulations effective in Mongolia was thoroughly reviewed. Through this process, comprehensive conclusions were drawn, and proposals for directional changes were formulated and subsequently discussed with relevant stakeholders.
- Examining the state of environmental legislation implementation in the mining sector involved scrutinizing provisions of existing rules and regulations, leading to the identification of areas that required amendment. The proposed amendment to the EIA law was submitted.
- Conducting an assessment of the impact of mining activities on human rights led to the identification of areas requiring changes for the protection and upholding of human rights.
- An inventory of areas destroyed and abandoned due to mining activities was conducted, prompting proposals for amendments to related regulations of that specific type.
- The efficiency of the environmental impact assessment procedures was reviewed and the proposals for changes in the relevant clauses of the EIA procedure were discussed by stakeholders.
- A gender-based analysis of roles and skills within the mining sector was conducted, integrating gender considerations into the industry's laws and regulations.
- The Mongolian National Mining Association has revised its bylaws, making it mandatory for member companies to adhere to the Responsible Mining Codex.

- Under the guidance of a Working Group composed of representatives from all pertinent national stakeholders and led by the Ministry of Environment and Tourism and the Ministry of Labor and Social Protection, a draft procedure for social impact assessments has been developed in accordance with international trends for projects to be implemented in the mining, industry, and infrastructure sectors, and related changes in the EIA procedures have been approved by the Government's decree and now are being implemented.
- Significant alterations to the legal framework have been enacted to mandate the application of rehabilitation methods for lands damaged by mining of common minerals. This accurately developed guide for rehabilitation of land damaged by mining of common minerals, crafted in collaboration with stakeholders, received official approval through Order No. A/328 of the Minister of Environment and Tourism in August 2022 and was formally registered with the Ministry of Justice and Home Affairs of Mongolia for enforcement.

2.3 Knowledge Products

- In 2020, an assessment was conducted to explore the potential for decentralization and enhancing the quality and productivity of the environmental impact assessment (EIA) system. This involved introducing amendments to the Law on EIA, with the goal of achieving a more rational distribution of environmental assessment project categories. The approach included coordinating with local state environmental administrations, conducting detailed environmental impact assessments for specific projects at the local level, and empowering competent authorities in decision-making based on reports at the local level.
- The assessment suggested that by decentralizing the authority, there could be a more balanced workload and improved quality of the assessments. As a result, there is a proposal to investigate the feasibility of establishing a sub-committee responsible for discussing and resolving environmental impact assessment reports at the local level. Additionally, the aim is to further enhance and strategically define the project categories outlined in the appendix of the EIA Law. Suggestions will be developed to explore the potential for determining the general structure and capacity building in order to optimize the overall efficiency of the environmental impact assessment process.
- A national baseline assessment of business and human rights was carried out in support of the implementation of the UN Guiding Principles on Business and Human Rights, which is the world's most influential basic principle for the promotion and further implementation of responsible business principles approved by the Office of the United Nations High Commissioner for Human Rights. A series of cross-stakeholder discussions on the baseline assessment were conducted. Based on the work initiated by the EGP, National Action Plan on Business and Human Rights was drafted, consulted through special discussions in sectors such as mining, agriculture, gender, judiciary, law, state and civil society and approved by the Government by Resolution No 231 on 14 June 2023.

- Through a contractual agreement with the NHRC, a monitoring on the follow up actions of the Human Rights Impact Assessment (HIA) of the coal mining and transportation activities of the Tavan Tolgoi cluster deposit was conducted and a "Human Rights Impact Assessment" guide was developed with a total of 70 pages of content. The monitoring revealed that several follow-up measures were taken by the relevant parties to improve the human rights situations in the area, including dispatching of medical teams, truck road constructions, better sanitary facilities, better roster management, and improved control of air pollution in the mining sites.
- A practical guide and methodology for participatory environmental monitoring (PEM) in mining areas was developed. Participatory monitoring of mining activities by involved parties serves as a crucial mechanism for enhancing mutual understanding and cooperation. This approach contributes to the reduction of mining-related conflicts and maximization of benefits. The PEM guide was translated into English for the usage of the EGP Global Team as a contribution to the PEM Global Guide. An updated PEM guide has been produced in 2024.
- Responsible Mining Codex, guidelines and training modules were developed.
- Guide for rehabilitation of land damaged by mining of common minerals was developed.
- A global study "Women and Mine of the Future" was conducted. Compiling a valuable data of gender in Mongolia's mining industry for the last 10 years (2010-2020) and assessing the impact of mining industry development trends and supply chains on women in the industry, the report provides a set of policy implications, including 19 conclusion items and 13 recommendations for the attention of the government and mining companies to empower and support women in their career paths in the mining sector, while fighting against gender stereotypes, bias or discrimination that may hinder their advancement in the sector.
- Staff of the Ministry of Mining and Heavy Industry and Erdenes Tavan Tolgoi JSC were involved in "Integrated capacity building: Ethics of Civil Servant Training", jointly organized by the EGP, UNDP's "Towards a Professional and Citizen-Centered Civil Service in Mongolia" project and the WAMS.
- To set-up a peer-to-peer learning platform between Kyrgyzstan and Mongolia on environmental and mining governance, an introductory online workshop was conducted, followed by a learning exchange program organized in both countries between the national stakeholders of the two counties.

2.4 Capacity building activities

The Environment Governance Programme (EGP) recognizes the critical importance of capacity building in advancing effective environmental governance. Within the framework of EGP, capacity building activities serve as a cornerstone for empowering individuals, organizations, and communities with the knowledge and skills necessary to navigate the complex landscape of environmental stewardship and sustainable practices. These activities encompass a diverse range of efforts to upgrade the regulatory environment, educational initiatives, assessments, training Programmes, workshops, and collaborative efforts aimed at fostering a deep understanding of environmental issues, enhancing governance capabilities, and promoting proactive measures for rehabilitation. By engaging in following capacity building activities, participants are not only equipped to address contemporary mining and environmental challenges but are also positioned to contribute meaningfully to the formulation and implementation of robust governance strategies that foster environmental sustainability.

- A three days training course was organized on "Mining Rehabilitation and Toxic and Hazardous Chemical Substances and Waste Management" involving a total of 100 geological and environmental inspectors of the General Agency for Specialized Inspection in 21 provinces and the capital city of Mongolia.
- In the process of establishing an electronic database for Environmental Management Plans (EMP) and their implementation reports, all EMPs and reports submitted by enterprises and organizations to the Ministry of Environment and Tourism (MET) in printed versions in recent years were scanned and uploaded to the electronic database.
- In collaboration with the Ministry of Foreign Affairs, an extensive training Programme on Business and Human Rights was organized in Ulaanbaatar, drawing participation from over 100 representatives across various sectors. This training marked a significant milestone as the first large-scale event aimed at disseminating knowledge and information in the field of Business and Human Rights nationwide. The initiative underscores a commitment to raising awareness and fostering understanding of the critical intersection between business practices and human rights considerations.
- A multi-stakeholder consultation meeting was held to monitor and analyze the implementation of the recommendations of the Human Rights Impact Assessment (2018) of coal mining and transportation operations at the Tavan Tolgoi coal cluster deposit.
- A series of trainings on PEM were organized for local citizens, representatives of mining companies, and members of the local management councils, and practical field work was carried out at several mines. A national workshop on PEM was organized to enable the PEM teams to exchange their experiences, learn from each other and consult with the government and non-governmental counterparts on institutionalizing the PEM mechanism in the mining governance.
- Training on the "Responsible Mining Codex" guidelines for its implementation, as well as guidelines for evaluating implementation, was conducted for 16 mining companies.
- A guideline on rehabilitation of land damaged by mining of common minerals was developed, and pilot demonstration and training in the case of Tuul River protected zone were conducted.

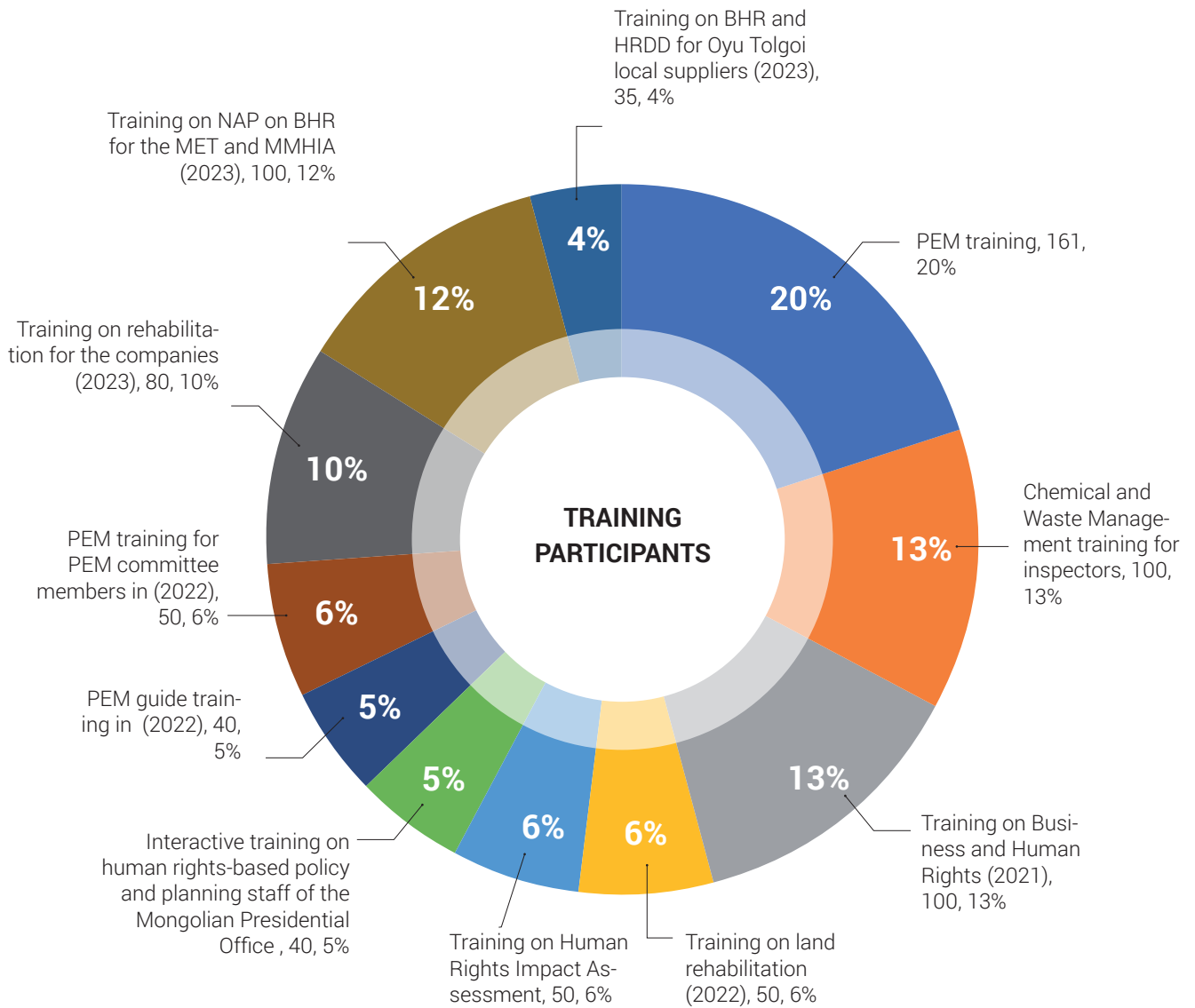
- Training on Human Rights Impact Assessment, attended by over 50 officials from the National Human Rights Commission Secretariat and its local representatives from 21 aimags, line ministries, government agencies, and NGOs.
- Interactive training on human rights-based policy and planning, attended by 40 staff of the Mongolian Presidential Office.
- The Women’s Association of Minerals Sector was supported by capacity building to conduct training and practical case studies on Human Rights Due Diligence (HRDD) for the mining companies.
- Training on the new methodology for rehabilitation of land damaged by mining operations of common/construction minerals was organized (2023) involving representatives from the mining companies and the Ministry of Environment and Tourism.
- Training on the newly approved National Action Plan on Business and Human Rights was conducted (2023) for the government officers from the Ministry of Environment and Tourism and the Ministry of Mining and Heavy Industry.
- Training on Business and Human Rights and Human Rights Due Diligence was conducted (2023) for the local suppliers to Oyu Tolgoi mining project in Khanbogd, Umnogobi province.
- Field demonstration training on PEM was conducted (2023) in Bayanjargalan and Baganuur, involving local participants and CSO representatives.

2.5 Beneficiaries

TABLE 1. Number of EGP Capacity building training participants, 2020 – 2023

Training conducted in 2020 & 2022	Total Participants
• PEM training	161
• Chemicals and Waste Management training for inspectors	100
• Training on Business and Human Rights (2021)	100
• Training on land rehabilitation (2022)	50
• Training on Human Rights Impact Assessment	50
• Interactive training on human rights-based policy and planning for staff of the Mongolian Presidential Office	40
• PEM guide training in 2022	40
• PEM training for PEM committee members in 2022	50
• Training on rehabilitation for the companies (2023)	80
• Training on NAP on BHR for the MET and MMHIA (2023)	100
• Training on BHR and HRDD for Oyu Tolgoi local suppliers (2023)	35

CHART 1. EGP Capacity building training participants, number and percentage




Moreover, 500 copies of the manual of "Guideline for inspection of environmental law violations and enforcement of the Law on Offence" were printed out and delivered to the state specialized inspectors all over the country.

3. RESULTS DATA (QUANTITATIVE AND QUALITATIVE)



Training "Chemicals management and operational safety in mining sector", 2019



The Environmental Governance Programme has demonstrated significant achievements and impacts through a combination of quantitative and qualitative measures. The following section outlines key results obtained during the EGP 2nd phase:

A. Improved Legislative Framework:

Quantitative Indicators:

- 1 national plan ("Action Plan for the Protection of Human Rights in Business Activities, Prevention of Human Rights Violations, and Restoration of Violated Rights" approved by the Government Resolution No. 231 dated June 14, 2023 <https://legalinfo.mn/mn/detail?lawId=16758850092381>)
- 2 regulations (the Guide for rehabilitation of land damaged by mining of common minerals by MET Order No. A/328 in August 2022 and Regulations for Strategic and Cumulative Environmental Impact Assessment and Environmental Impact Assessment by the Government Resolution No 58 on 08 February 2023) amended. <https://legalinfo.mn/mn/detail?lawId=16758850092381>)
- 1 rule (Responsible Mining Codex) of the National Mining Association of Mongolia was approved.
- Some amendments are underway (the Law on Detailed Environmental Impact Assessment and a draft SIA procedure was submitted to the MET for approval).

Qualitative Assessment:

- Feedback of the stakeholders emphasized the effectiveness and relevance of legislative changes.

B. Capacity Building:

Quantitative Indicators:

- 11 of training sessions, few national level workshops, and some capacity-building activities conducted
- 806 stakeholders involved in training and capacity-building activities.

Qualitative Assessment:

- The substantial enhancement in participants' skills, knowledge, and confidence, as evidenced by the positive feedback, practical application of acquired insights, and demonstrated proficiency in various environmental management are recorded by the participants feedback. (Attached case studies demonstrating improved skills).

C. Environmental Impact Assessments (EIA) Review and Database:

Quantitative Indicators:

- 196 volumes EIAs and 581 their implementation reports were scanned and uploaded to the database
- 100 % of availability to relevant the reviewers and experts of EIA
- 500 copies of the manual for state inspectors, "Ensuring human rights and the rule of law in environmental, geological, and mining monitoring: Methodology for investigation of cases of environmental violations" were handed over to the GASI.



Field visit to the Min Kush uranium mine rehabilitation site during Kyrgyz-Mongolia Learning Exchange Programme, Kyrgyzstan, 2023

Qualitative Assessment:

- Stakeholders have an improved understanding of the importance of revising EIA procedures and decentralizing the approval authority.

D. Developing relevant changes in EIA procedures that align social impact assessment with international trends and standards:

Quantitative Indicators:

- Several stakeholder consultation meetings and working group members discussions were organized and relevant changes in the EIA procedures to align social impact assessment with international standards were approved.

Qualitative Assessment:

- With the introduction of social impact assessments on large infrastructure projects in accordance with the updated procedures, stakeholders' awareness and understanding are increasing, along with a growing tendency to appreciate its importance.

E. Mining Sector Compliance:

Quantitative Indicators:

- 38 mining companies adhering to the Responsible Mining Codex.

Qualitative Assessment:

- The mining sector demonstrates a commendable commitment to environmental sustainability and social responsibility, as evidenced by initiatives extending beyond quantitative measures, such as proactive steps, community engagement, and environmentally responsible practices, reflecting a genuine dedication to fostering positive impacts on both the environment and local communities, surpassing mere adherence to the Responsible Mining Codex.

F. Human Rights Impact Assessment:**Quantitative Indicators:**

- 1 coal cluster mining company included.
- Qualitative assessment:
- Improvements in human rights protection and positive impacts on affected parties are observed.

G. Land Rehabilitation:**Quantitative Indicators:**

- 1 practical demonstration was conducted along the Tuul River in the area affected by common minerals mining, operated by 'Ochirnyam' LLC.
- 100 % of the area rehabilitated.

Qualitative Assessment:

- There is an enhanced understanding of the requirements for ecological improvements and sustainable land use practices, accompanied by the adoption of measures contributing to long-term ecological sustainability in common minerals mining in Mongolia.



Kyrgyz-Mongolia Learning Exchange Programme, PEM site, Bayanjargalan, Tuv province, 2023

4. CASE STUDIES



A photo view of the coal transportation taken during the Human Rights Impacts Assessment in Tavantolgoi coal cluster deposits, Umnogovi province, Mongolia, 2021

4.1 Case Study 1:

Integrating Human Rights Due Diligence practices in the mineral resources sector of Mongolia

Human Rights Due Diligence (HRDD) for businesses is becoming a legal requirement in numerous countries worldwide. In Mongolia, the government's endorsement of the "National Action Plan for Business and Human Rights" on June 14, 2023, marks an official mandate for the implementation of HRDD processes. The HRDD is a novel concept for the country, however, with the support of the UNDP's Environmental Governance Programme and Business and Human Rights Project, a pilot initiative was implemented during 2022-2023. This endeavor, focusing on empowering associations within the mining, food, and wool cashmere industries, seeks to introduce HRDD practices within these sectors. Consequently, the awareness and comprehension of HRDD are progressively disseminating within these specific industries.

A step to spread awareness from gender to human rights

The Women's Association of Minerals Sector (WAMS), a nationwide association, is a relatively recent civil organization, operating since 2020. In 2018, the first "Mineral Resources - Women" conference was organized by women within the industry. The success of this event led to the formation of the association during the subsequent year's conference. Given its name and initial purpose, the WAMS can be perceived as an organization dedicated to women's rights. Despite its short existence, the association has made significant strides in enhancing gender awareness and challenging stereotypes within the mineral resources industry. A notable shift occurred in 2022 when Erdenes Tavantolgoi JSC, the nation's largest coal mining company embarked on HRDD, signaling a crucial transition from a focus on gender to a more encompassing human rights perspective. This marked the commencement of a new phase, expanding the scope of the association's activities.

The WAMS was selected for this UNDP programme by its proficiency in developing gender e-learning products in the mining sector and their contribution to crafting the Responsible Mining Codex.

Sh. Baigalmaa, Consultant of the WAMS:

Generally, empowering the targeted beneficiaries based on their experience saves time and efforts of human resources. Without knowing the business processes of the industry, it is a waste of time to become competent in conducting HRDD. With the help of these capabilities of the association, the project achieved significant results in a very short time.

After the completion of the capacity building training, the WAMS conducted the HRDD at the largest state-owned company of coal mining. It was great learning for the WAMS. In the minerals sector this HRDD conduct was the first time though at same time it has huge impact in the sector. This was succeeded with the committed effort and dedicated leadership of the company along with the capable team of HRDD conduct of the Association and its skilled practices.



Figure 2. WAMS signing a MOU with Erdenes Tavan Tolgoi to conduct HRDD, 2022

O.Tuya, Head of the WAMS:

HRDD was completely new knowledge for all the participants. We all learned while conducting the HRDD at Erdenes Tavantolgoi. And we all adhered to the principle of non-accusation while learning together. The knowledge I acquired during the training became well-organized as I conducted a baseline study.

Sh.Baigalmaa, Consultant of WAMS:

During the implementation of the project, we were greatly encouraged by the fact that small changes appeared immediately. After inspecting the workplace, the office underwent decoration. The company's management highly appreciated the participation of its colleagues. Every Friday was designated as a day to listen to the employees, flexible work hours were introduced, and both employees and management gained valuable knowledge and understanding. It was gratifying to observe improvements in attitudes on the ground, enhancements in organizational culture, positive shifts in people's attitudes and behaviors, and a noticeable commitment to respecting human rights.



Figure 3. Kid's room established at Erdenes Tavan Tolgoi head office as a follow up of the HRDD recommendations, 2022

The project resulted in the establishment of the initial experience in knowledge, competence, and methodology for conducting Human Rights Due Diligence (HRDD) in the mining sector. The paramount outcome is not solely the development of knowledge products, but also the establishment of a proficient team capable of conducting HRDD. Indeed, it is encouraging news for the mineral resources industry that such skills are being cultivated, anticipating their increasing importance in the future.

One of the advantages of HRDD is that once a company has completed a comprehensive HRDD and acquired the necessary knowledge, they will have the capability to conduct it independently.



Figure 4. HRDD conduct at the company site, 2022

Nevertheless, in the case of the WAMS, this knowledge and experience did not pertain solely to one project. Currently, one of the main activities of the WAMS is the HRDD. They tirelessly advocate for the positive impact on future value growth by promoting a company that respects human rights in all aspects of business, extending beyond mining. The training sessions and presentations have raised awareness and motivation among business organizations, both large and small, regarding their duties and responsibilities to respect human rights. In 2023, following the project, WAMS consultants disseminated the knowledge of Responsible Business and Human Rights to 310 individuals across 202 organizations. With the backing of UNDP, knowledge and experience were shared freely, except for the DEM program, which involved 24 individuals from 20 organizations.

O. Tuya, Head of the WAMS NGO:

By empowering NGOs, we have gained new insights. We are now sharing this knowledge with others. Additionally, we have cultivated a habit of continuous positive improvement and view everything through the "lens" of human rights. This has provided us with the ability to address problems from a human rights perspective.

The objective of the DEM, or Decent Employment Awareness Program, was to instigate behavioral change in 20 small businesses through increased awareness of decent employment practices. To achieve this objective, the WAMS aims to enhance collaboration between employees and employers by modifying workplace conditions. When individuals engage in their work, they often consider what improvements they wish they could implement. By highlighting this as a proposal for work enhancement, unexpected creative initiatives have emerged from employees. From self-sorting and workplace inspections to hazard recognition, signage, and implementing one delivery vehicle in 20 businesses, various changes have been introduced. Even the simple act of relocating a trash can resulted in improved order, increased productivity, enhanced cooperation, and a decrease in anger and frustration, surprising everyone involved.

The significance of making small changes to enhance work methods and practices is apparent to everyone. However, because these changes often go unspoken, they remain unknown and unexpected. Through guidance, workplace conditions for everyone improved significantly. The crucial transformation initiated by rearranging the workplace is the realization that employers and employees are, in essence, co-workers. Recognizing that the foundation of development lies in the participation of all involved, the DEM underwent a shift in their own mindset. The DEM emphasized that the most vital outcome of the project was the realization that healthy and safe workplaces are fostered not solely by employers, but also by employees. They are confident that they have never gained such simple yet profound knowledge from any other project.

The empowerment of three associations led by WAMS, coupled with the knowledge transfer from Women's Association of Minerals Sector to SMEs, represents a significant investment by the Environmental Governance Program.

4.2 Case Study 2:

Introducing Responsible Mining Codex into the mining sector of Mongolia

Commencing the Evolution of Responsibility in Mining

The inception of responsible mining in Mongolia emerged in 2006, however a tangible implementation initiated by the Environmental Governance Programme of UNDP. In 2017, the Programme issued the initial standard requirements for responsible mining, followed by the development of the "Responsible Mining Benchmark" and "Responsible Mining Codex" in 2020, in collaboration with the Mongolian National Mining Association (MNMA). Subsequently, the first 16 companies underwent training and adoption, with MNMA now actively advancing and expanding the initiative across the industry.

In 2006, shortly before Mongolia's accession to the Extractive Industries Transparency Initiative (EITI), MNMA pioneered an initiative to promote responsible mining practices. Building upon this initiative, more than 80 organizations and citizen representatives endorsed a Declaration outlining the 8 principles of responsible mining for adoption by mining companies. Additionally, the NGO "Responsible Mining Initiative" was established to oversee implementation. While the principles of responsible mining were integrated into Mongolia's National Security Concept and pertinent parliamentary and governmental documents, progress has been hindered by sluggish implementation.



Figure 5. Training on Responsible Mining Codex for Baganuur Mine, 2021

N. Alгаа, one of the drivers to establish criteria for responsible mining and former Executive Director of MNMA, reflected on the challenges faced, stating:

"The NGO 'Responsible Mining Initiative' dedicated significant effort to implementing the principles of responsible mining. However, there was a notable lack of knowledge and experience in executing these principles. While the objectives of good corporate governance and social responsibility align closely, there was a dearth of practical experience in their implementation within Mongolia. Despite the NGO's efforts to develop evaluation criteria for responsible mining and present them to stakeholders, they were met with resistance. The reluctance stemmed from uncertainties regarding who would conduct evaluations, when they would occur, and how they would be conducted. Additionally, the absence of widely accepted guidelines and evaluation methods compounded the issue."

Based on a 2017 study conducted by UNDP, the mining sector's high susceptibility to corruption stems from inadequate regulation within the legal framework. In response to this finding, UNDP and MNMA have collaborated to develop a methodology aimed at assessing and enhancing the accountability of mining companies. The objective is to establish comprehensive requirements and indicators that encompass the full spectrum of mining impacts and effectively underscore the sector's accountability.

As part of the study, 24 international initiatives were examined, and over 600 requirements were analyzed for potential inclusion. These formed the basis for determining the criteria of the codex. Subsequently, the "Voluntary Codex of Responsible Mining" was formulated, comprising 29 criteria tailored to the developmental stages and maturity levels of Mongolian companies. The Baganuur mine underwent evaluation and testing using this methodology. Following the successful trial, 16 leading mining companies were convened for training and practical implementation of the Codex. This initiative concluded with the recognition that the Codex could be expanded and refined under the stewardship of the industry's professional organization.

In 2019, the Ministry of Mining and Heavy Industry (MMHI) and the MNMA launched the "Let's Unite Responsibly" campaign. As part of this initiative, 8 prominent companies signed a Memorandum of Understanding, marking the commencement of the "Responsible Mining Programme". Presently, 38 companies have embraced the "Responsible Mining Codex", with this number steadily increasing.

G. Erdenetuya, Executive Director of MNMA,

noted that mining companies voluntarily accepted and implemented the Responsible Mining Codex. Since 2022, MNMA has updated its regulations, and member organizations are now required to directly implement the codex. Companies complying with the Codex's requirements can address 7-8 out of the 17 Sustainable Development Goals, a significant metric. Given the diverse stakeholders in the mineral sector, including companies, government agencies, civil society, and local interests, Responsible Mining Codex serves as the nexus for their intersection and collaboration.

Over the past five years, MNMA has enhanced the codex established by the Environmental Governance programme and formulated a comprehensive document named the "Responsible Mining Programme." As part of this initiative, 23 independent external evaluation auditors have undergone training, and these professionals have commenced conducting external assessments of companies.



Figure 6. Signing of MOU by the Mongolian National Mining Association with the companies to join the Responsible Mining Codex at the Mining Week 2022

Self-assessment of companies

Oyutolgoi	Energy Resources	Platinum Land	Southgobi Sands	Khangad Exploration
100%	91.6%	91.6%	83%	89.2%

Evaluating the criteria for determining a responsible mining company in Mongolia using this specific codex marks significant progress in the development of the mineral resources sector. MNMA is actively engaged in broadening the scope of the codex and its implementation among small and medium-sized companies. A positive indicator of support for the "Responsible Mining" Programme is the enhancement of inter-sectoral partnerships and the increasing active involvement of civil society organizations. Memorandums of cooperation endorsing the Programme have been established with the "Mongolian Coal" Association (08.03.2023), the Ministry of Environment and Tourism (08.14.2023), and the energy sector "Newcom" group (08.18.2023).

As the codex becomes widely disseminated, responsible practices in Mongolia's mineral resources sector will be established. This will benefit all stakeholders involved in the mineral resources sector and contribute to the sustainable development of Mongolia.

4.3 Case Study 3:

Adoption of Methodology for rehabilitation of land damaged by mining of common minerals

The land degradation and destruction of land due to climate change and commercial activities represent a critical issue for Mongolia. Notably, common mineral miners, often engaged in sand, clay, gravel, and gravel extraction for construction purposes, contribute significantly to the areas left without proper rehabilitation. A case in point is the mounds and heaps of stones and dirt left behind after the construction of the Darkhan Road. These sand and gravel quarries and pits, reminiscent of war remnants, are prevalent in almost every settlement across Mongolia.

Provisions within the Law on Widespread Minerals mandate that common mineral mining companies must rehabilitate areas where resources have been depleted. However, the enforcement of this law is notably inadequate. Few enterprises engage in rehabilitation efforts, and those that do are unable to meet the necessary requirements. This deficiency arises from several factors: the rehabilitation methods tailored for large mining companies prove overly burdensome for small-scale enterprises involved in Common Mineral extraction, requiring substantial financial investments. Additionally, the absence of clear guidance on rehabilitation procedures further complicates the situation.

The methodology and guidelines, serving as a comprehensive framework, were developed and sanctioned by the Ministry of Environment and Tourism under the auspices of the Environmental Governance Programme by the UNDP. Following its endorsement, the model underwent continuous refinement, and pertinent stakeholders received comprehensive training to facilitate its implementation. This methodology is operationalized under the mandate of Ministerial Order No. A/328 of 2022 issued by the Minister of Environment and Tourism. Throughout the methodology's development, extensive engagement was fostered with representatives from



Figure 7. Field demonstration training on rehabilitation of land damaged by common construction minerals mining operations, 2022

pertinent government bodies and mining companies. It received unanimous approval through iterative discussions, underscoring its practical applicability and significance for real-world rehabilitation initiatives.

The novel method was formulated by "Green Crown" LLC, drawing upon the approved approach delineated in Ministerial Order No. 138 of 2015 issued by the Minister of Environment, and MNS 5917: 2008, titled "Environment, Rehabilitation of Land Damaged by Mining, and General Technical Requirements."

According to this methodology, a standard rehabilitation process was executed within the sand and gravel mining zone of "Ochirnyam" LLC, in area of khoroo 13 of Khan-Uul District. Demonstrative training sessions and practical exercises were arranged, with participation from the General agency of Specialized Inspection, Capital Department of Specialized Inspection, Department of Specialized Inspection of Tuv aimag, Department of Environment of Tuv aimag and common mineral producing enterprises of Ulaanbaatar City, and in Altanbulag sum of Tuv aimag.

B. Altangerel, a researcher at "Green Crown" LLC,

who spearheaded the development of the Common mineral rehabilitation methodology tailored to Mongolia's conditions and facilitated a demonstration training session at the premises of "Ochirnyam" LLC, outlined the characteristics and benefits of the method as follows:

"The area of common minerals varies significantly among enterprises. Some companies possess several hundred hectares of land, while others operate on much smaller parcels, sometimes only a few tens of hectares. The size of the area often correlates with the intended use of common minerals, the available resources, and the duration of operations. However, many companies, particularly those operating in common minerals, manage relatively small areas, often just a few tens of hectares. Consequently, the scope of rehabilitation efforts is proportionally reduced. This method offers valuable insights into rehabilitating smaller areas, as demonstrated by the practices at "Ochirnyam" LLC.

In our standard restoration approach, we seeded perennial plants across one hectare and spread grasses for fertilization through trampling by small livestock. Utilizing the trampling action of sheep and goats is a simple yet effective method for seed planting. For this purpose, we prepared 20 sheep, 10 bales of hay, and 1,000 liters of water in advance within the training area. While there are associated costs, they are substantially lower than employing large machinery. Moreover, the primary advantage lies in its environmental friendliness; it does not involve the use of heavy machinery or fuel. Given that common mineral mining companies near Ulaanbaatar are predominantly situated in suburban and peri-urban areas, this rehabilitation method is well-suited for implementation."

Ts. Batsaikhan, Executive Director of the "Association of Sand, Gravel, and Gravel Production Companies,"

remarked, "The previous method was overly cumbersome and impractical for our operations. Having a clear and user-friendly methodology tailored for common mineral miners significantly streamlines our processes and encourages adherence across our companies. Moreover, involving companies in the method's development ensured that it resonated well with industry needs, facilitating smooth implementation."



Figure 8. Training on rehabilitation of land damaged by common minerals mines, 2021

Following the training, feedback obtained from participating enterprises indicated a consensus on the significance of effective common mineral recovery strategies. Key suggestions emphasized the importance of training sessions, ensuring equivalent rehabilitation in operational areas, regular environmental rehabilitation practices, organizing diverse forms of related training, and fostering knowledge exchange among enterprises. This underscores a substantial gap in training and discourse within this domain, highlighting a pressing need for further initiatives in this regard.

In Mongolia, the demand for infrastructure and construction is steadily growing, consequently increasing the demand for common minerals. As such, there remains a critical need to empower common mineral mining enterprises to conduct rehabilitation efforts, facilitate essential training sessions, enhance communication among enterprises through training initiatives, and regularly organize knowledge-sharing activities. It is imperative to showcase rehabilitation methods in widely distributed mineral extraction areas and conduct demonstration training sessions accordingly to address these needs effectively.

4.4 Case Study 4:

Demonstration of Participatory Environmental Monitoring (PEM) in the mining regions of Mongolia

PEM: Fostering Citizen Engagement in Environments of Diminished Trust

N. Bayarsaikhan leads the NGO "Steps Without Borders," a prominent civil society organization dedicated to addressing issues within the mining sector. With over a decade of experience, she has actively engaged with communities affected by mining activities, advocating for their rights and demanding lawful conduct from mining companies. In 2011, Bayarsaikhan pioneered the development of a model and manual for citizens' evaluation cards, aimed at ensuring compliance with mineral license holder regulations. Her ongoing efforts have focused on facilitating citizen participation in mining activities and fostering community oversight. Leveraging her extensive experience, Bayarsaikhan played a pivotal role in the selection process for the Participatory Environmental Monitoring (PEM) methodology initiated by the UNDP's Environmental Governance Programme. Chosen for her expertise, she spearheaded the implementation of the PEM project starting in 2020.

N. Bayarsaikhan:

reflects on the outcomes of the PEM project, stating, "It was crucial to devise a simple method acceptable to all stakeholders. I am pleased that our initial objective of imparting knowledge to stakeholders, fostering an understanding of the industry, and initiating cooperation, comprehension, and citizen participation has been surpassed. Presently, the fundamental principle of mutual benefit is fully realized, local development is defined, environmental preservation is upheld without harm, citizens actively engage in safeguarding their right to a healthy and safe environment, and the company refrains from leveraging administrative measures to quell citizen protests. We are progressing towards a collaborative approach with citizens, assuming shared responsibility."



Figure 9. Field monitoring, Airag sum, 2021



Figure 10. PEM committee establishment meeting, Bayanjargalan soum, 2020

Currently, PEM projects are underway at various companies, including "Bayan-Airag Exploration" in Durvuljin soum of Zavkhan aimag, "Tsetsens Mining & Energy" in Bayanjargalan soum of Tuv aimag, "SGS Mining" in Bayandun soum of Dornod aimag, "Goviin Shandast Khuleg" and "Eco khelkhee" in Dalanjargalan soum of Dornogovi aimag, "Yantai Uul" and "Men Li da" in Airag soum, "Sora Gobi" in Khuvsgul soum, and "Baganuur" JSC. PEM implementation teams, along with N. Bayarsaikhan, are pleased to observe positive changes across all these projects.

N. Bayarsaikhan emphasized the importance of raising awareness among citizens and local administration officials regarding mining and environmental issues as the foundation for the successful implementation of PEM. However, initially, this task posed significant challenges. Overcoming obstacles began with addressing the lack of understanding and support from companies, followed by mediating between the company and citizens to foster mutual understanding. Eventually, one notable success story emerged from the PEM project implemented in Bayanjargalan soum, Tuv aimag.

In Bayanjargalan soum, during the initial meeting to implement PEM at "Tsetsens Mining & Energy" company, emotions ran high as herders expressed their frustration by crying and even throwing utensils at the company representatives, accusing them of dishonesty. Among the disheartened crowd was Herder X, profoundly troubled by the receding water levels in his well due to the activities of "Tsetsens Mining & Energy" company.

Recognizing the key role of herders in the PEM initiative, efforts were made to engage Herder X and enlighten him about the significance of the project. Consequently, he began monitoring the water levels in his well and another neighboring well situated at a similar distance from the mine on a regular basis. Over the course of three years, he diligently conducted measurements in both wells during the first 10 days of every month. Remarkably, during this period, there was no decline in the water levels of either well.

Despite uncertainties regarding the continuity of PEM, Herder X remains committed to monitoring his well's water levels conscientiously. Furthermore, neighboring community members engaged

in mining activities have sought his assistance in monitoring their wells. Undeterred, Herder X tirelessly emphasizes the importance of participating in the PEM initiative to his peers.

This serves as a common contention, suggesting that the decline in well water levels is attributed to mining activities. Among the myriad of herders who harbor skepticism towards the mine and are vigilant in conserving their water resources, one individual stands as a testament to the affirmative outcomes stemming from PEM involvement. Likewise, the adoption of PEM has engendered a shared comprehension among the community members, the local administration, and the company. Numerous instances of collaborative environmental monitoring underscore the establishment of mutual cooperation.



Figure 11. PEM committee meeting, Bayandun sum, 2022

Another compelling illustration lies in the narrative of the PEM team operating in Airag soum, Dornogovi aimag. The implementation of PEM at Min Li Da, a Chinese-invested fluorspar company, faced initial challenges. In June 2020, stakeholders including staff from the NGO "Motherland Together," local authorities, and herders in the affected region participated in PEM training sessions. Selecting "Min Lee Da" company, which was entangled in numerous environmental and social disputes with locals and herders, proved pivotal for the PEM initiative. Herders held a prevalent perception that Chinese companies were negligent, insular, and inefficient. The inaugural meeting was fraught with mistrust, suspicion, anger, and tears, rendering mutual understanding and collaboration seemingly elusive. However, through meticulous planning and adept facilitation of the consultation session, a consensus was ultimately reached, paving the way for constructive engagement.

Presently, the PEM initiative has been operational at the facilities of the "Min Li Da" company for three years. During this period, 25 individuals have actively engaged in nearly 20 training sessions, overseeing the monitoring of flora, waste disposal, chemical management, and groundwater quality through 14 meticulous measurements, all of which have been meticulously documented in a comprehensive database. Notably, the collaboration between the "Min Li Da" company and local residents has been pivotal. The company has actively solicited and incorporated

citizen feedback into its Environmental Management Systems, leading to the restoration of 3.2 hectares of small-scale mining sites within the pastoral lands of the herders. Inhabitants of the soum attest that complaints lodged by citizens have notably dwindled, highlighting the tangible benefits derived from the PEM initiative.

N. Bayarsaikhan:

emphasized, local residents often lack the knowledge and skills necessary to monitor and address issues within the mining sector. Moreover, there's a prevalent distrust towards information provided by both companies and local administrations. Participation in PEM empowers citizens to uncover the truth firsthand and collaboratively resolve conflicts as they arise.

Environmental liability represents one of the most detrimental, trust-decaying, and project-hindering issues within the mining industry. Despite environmental challenges being apparent to all, identifying their causes and discerning the truth requires specialized knowledge and skills. PEM stands as a successful Programme that bridges this critical gap, addressing environmental concerns effectively.

Over the course of three years of PEM implementation, residents in affected areas have acquired legal knowledge, monitoring techniques, and amassed substantial data on environmental shifts, meticulously measured and recorded. Through collaborative research, concerted efforts, and shared information and comprehension, misunderstandings and suspicions have dissipated. N. Bayarsaikhan remains steadfast in her conviction that PEM can be universally implemented across all mining operations in the future.

Several proposals and initiatives for the continuation of PEM are emerging. For instance, each mining company enters into a Cooperation Agreement with the local soum and communities. If this agreement incorporates clauses for joint PEM implementation, it can benefit the company, the administration, and the affected citizens. An example of this successful approach is evident in the operations of "Bayan-Airag Exploration" in Durvuljin soum, Zavkhan aimag. Here, the PEM team has fostered a strong rapport with the company and soum administration, effectively implementing PEM practices. The team has committed to integrating "regular PEM implementation with local participation" into the environmental responsibilities outlined in the Cooperation Agreement.

The PEM project by UNDP's Environmental Governance Programme has been successfully implemented, and as a result, mutual understanding between mining and local communities is emerging. Therefore, in 2023, the EGP has given grants to 6 NGOs, namely "Onon Ulz Goliinkhon Movement", "Bayan Saran Gumuda", "Tuna Tergel Fund", "Ekh Oron hamtiin huh", "Goviin huh salhi" and "Saraana Nature Conservation Fund" to continue PEM in local areas.

However, successful implementation requires expertise, methodological guidance, and support. Consequently, there is a growing need for consultants to facilitate participation, mediation, and training in both knowledge and methodologies.

4.5 Case Study 5:

Enhancing the legal framework for Social Impact Assessment of infrastructure projects

Mongolia has commenced the implementation of Social Impact Assessments in line with international standards.

The legal framework for impact assessment of any projects in Mongolia was established and regulated by the Environmental Impact Assessment (EIA) Law and Regulations, approved in 1998 and revised in 2012. EIA procedures address the issue of social impact assessment in an overly general manner.

Therefore, with the support of UNDP's Environmental Governance Programme, the Ministry of Environment and Tourism (MET) has made new detailed changes to the EIA regulations that regulate social impact assessment in accordance with global trends and standards. The revised procedure was approved and became effective with the Government Resolution No. 58 in February 2023.

This approach ensures that the impact of large projects is evaluated in terms of society, human rights, and local interests, in accordance with international standards. Most importantly, it provides a framework for resolving conflicts that arise from previously unregulated relations.

Environmental researcher, Dr. I. Byambakhuu:

The modification in the environmental impact assessment process is highly significant, enhancing the comprehensive examination and evaluation of potential adverse effects on environmental components, as well as potential impacts on society and their interrelationships.

Through a detailed examination of social impact assessment, it becomes possible to systematically identify, predict, and evaluate both the positive and negative consequences that may arise in social relations within the project's impact area. This scientific approach enables realistic planning of measures to prevent, reduce, or eliminate adverse impacts, while also providing opportunities to explore ways to enhance positive impacts. Moreover, in addition to improving the transparency of information related to the project, there will be an increased level of participation from local citizens who may be directly or indirectly affected during the impact assessment process. This comprehensive engagement is designed to allow citizens to share their opinions during the stages of identifying, predicting, and evaluating potential positive and negative effects on society. This inclusive approach offers a more realistic reflection of citizens' thoughts and positions. The expected outcome is an enhancement in project transparency and a reduction in misunderstandings between the project implementer and stakeholders, particularly the local community members directly affected by the project, throughout its implementation period.

The revised regulations mandate a comprehensive examination of the opinions and recommendations of residents within the project's impact area. Clear provisions have been made to address various aspects, including resettlement, adaptation to new environments, conditions for maintaining stable household income, compensation, grievance mechanisms, and detailed implementation plans - all of which have been thoroughly reviewed and incorporated.

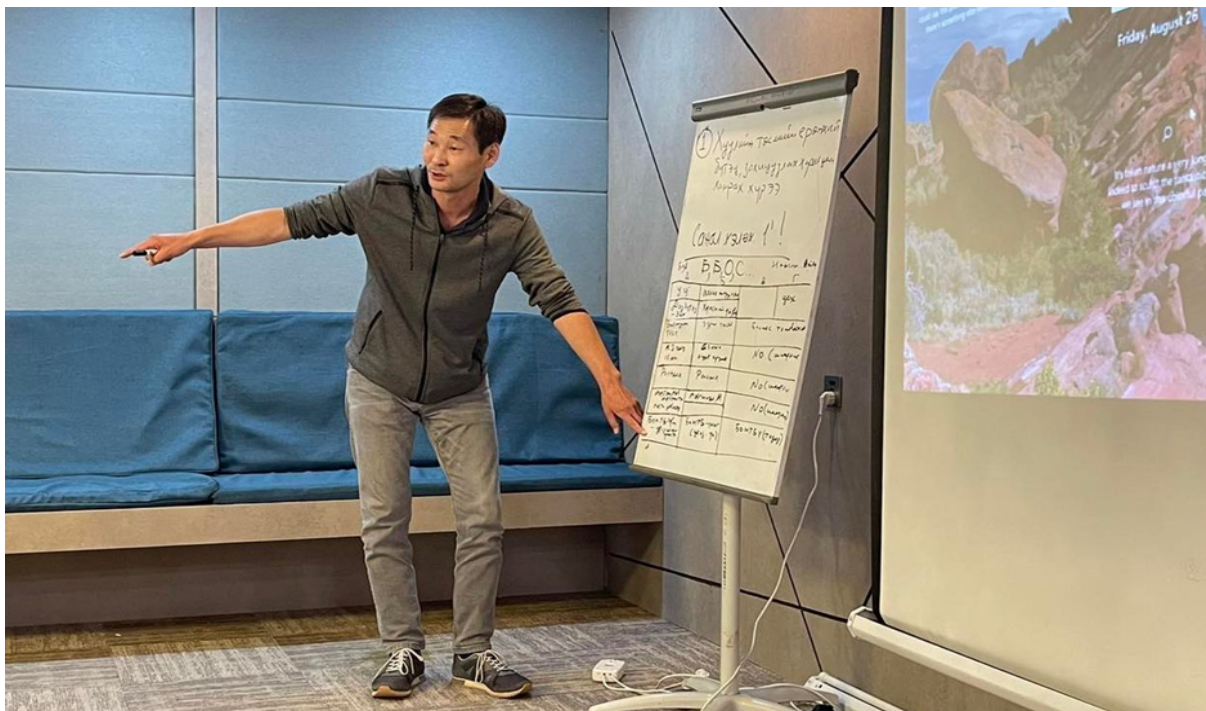


Figure 12. EIA law working group meeting, 2022

Furthermore, the social impact assessment document endorsed by the Ministry of Environment and Tourism holds special significance as it is internationally recognized. Prior to this modification, a separate evaluation, aligning with the standards established by international banking and financial organizations, was conducted alongside addressing social impact issues in accordance with the Environmental Impact Assessment (EIA) regulations. In reality, combining two separate social impact assessments into one streamlined process is an efficient improvement, making operations smoother and saving time and money for project implementers.

G. Enkhmunkh, Head of the Department of Environmental Assessment and Audit of the Ministry of Environment and Tourism:

Revised procedures and methods are a progressive step in line with international trends. Currently, amendments are underway for the Law on Detailed Environmental Impact Assessment to incorporate aspects related to social impact assessment. The revised law will establish regulations encompassing both environmental and social impact issues, providing clarity to the general regulations. The UNDP's Environmental Governance Project is actively supporting and collaborating on the revision of this Environmental Impact Assessment (EIA) law.

Implemented under the new procedure and methodology, social impact assessments are now underway for major infrastructure projects, showing promising early results. Particularly notable are the social impact assessments conducted for the Erdeneburen hydroelectric power plant and the "Project to increase water supply in Ulaanbaatar city," supported by the United States Millennium Challenge Fund during the development and formulation of these procedures and methods. Additionally, the "Darkhan Leather Production Complex Establishment" project, executed in accordance with the updated regulations, provides another exemplary experience for other projects to follow. These assessments are regarded as well-executed, serving as benchmarks for best practices.

The comprehensive regulation of social impact assessment represents a significant advancement for our country, addressing not only environmental concerns but also safeguarding human rights. However, the existence of procedures and methods alone cannot resolve all challenges. New requirements are emerging to facilitate the full and effective implementation of these regulations. Issues such as personnel qualifications, training for relevant experts, acknowledgment of the importance of social impact assessment, and fostering a proper understanding pose ongoing challenges that need attention and support for successful implementation.



Figure 13. EIA Law working group meeting, 2022

G. Enkhmunkh, Head of the Department of Environmental Assessment and Audit of the Ministry of Environment and Tourism:

The challenge in fully implementing this significant regulation, established within the legal framework, lies in the imperative to foster a shared and accurate understanding of social impact assessment within society. The execution and efficacy of impact assessment are monitored annually through the Environmental Management Plan (EMP). In accordance with the Environmental Impact Assessment (EIA) procedure, a Working Group responsible for on-site inspection of EMP implementation is formed by the decision of the local governor. The members of this working group, comprising environmental and development policy experts, along with representatives from local government organizations, truly need to acquire a precise understanding of social impact assessment.

On the other hand, professional organizations overseeing Environmental Impact Assessments (EIA) should be appropriately guided, disseminate international trends, showcase exemplary practices in social impact assessment as benchmarks, facilitate the exchange of mutual experiences, and consequently enhance the effectiveness of implementation.

In 2023, the Ministry of Environment and Tourism (MET) conducted several training sessions for professional assessment organizations and mining enterprises to support the implementation of regulations. The Professional Council members under the MET, responsible for reviewing Environmental Impact Assessments (EIA), and experts from provincial and capital Environmental Departments received specific information in this area, with capacity-building training organized in stages. Additionally, acknowledging the shortage of qualified personnel in Mongolia for social impact assessment and addressing the social issues of affected citizens, the MET is currently exploring options for training and specializing personnel in this field.

Defining the basic conditions for social impact assessment with this procedure and methodology will be an important support for the development of a national-level methodology for social impact assessment within the framework of the development of environmental impact assessment for large-scale projects.

5. CONCLUSION



Field monitoring of the PEM team of Dalanjargalan soum, Dornogobi province, 2023



5.1 Limitations and lessons learnt

- Due to the restrictions and lockdowns imposed by the Government of Mongolia to restrict the outbreak of the COVID-19 pandemic, the key activities to interact with the stakeholders in both of rural and city areas were postponed and canceled.
- Currently, the country seeks to redefine its human rights policy and implementation system in light of the COVID-19 pandemic, climate change, and digital transformation, which can provide new opportunities for the country's newly declared development policy.
- Collaborative efforts and synergy with the similar projects of other international organizations and donor countries are significant to maximize the impacts of the programme.

5.2 Conclusions

- EGP has played a crucial role in guiding companies toward sustainable operations by promoting adherence to responsible mining standards, participatory environmental monitoring, rehabilitation norms, and human rights considerations, among other key aspects.
- The Programme promoted a harmonious collaboration among state organizations, civil organizations, and private entities, thereby cultivating improvements in legal and regulatory frameworks.
- EGP engaged in piloting initiatives in practical field settings to implement and fine-tune the new standards and rules.
- EGP demonstrates that local community members, especially women, can play a major role in improving environmental and human rights protection in mining operations.

5.3 Recommendations

- It is advisable to persist in concentrating efforts on enhancing the legal framework for mining governance, with the overarching goal of ensuring the sustainability and impact of the Programme. This can be achieved through regulatory mechanisms, such as amending the Environmental Impact Assessment (EIA) Law and other related regulations.
- There is a requirement to scale up and institutionalize the Participatory Environmental Monitoring (PEM) mechanism by providing support to civil society organizations. This strategy aims to expand the number of stakeholders engaged in facilitating the PEM model within the mining sector.
- Expansion of the Programme's scope into mining, climate change, and forestry is essential. In this context, it is recommended to align and synergize efforts with existing national policies and Programmes, including the Rehabilitation-2024 initiative and the "Billion Tree" national campaign. This collaborative approach will contribute to a more comprehensive and integrated impact in addressing environmental challenges.
- Facilitating regional partnerships with fellow countries involved in the Environmental Governance Programme (EGP) is essential for fostering peer-to-peer learning. This collaborative effort can focus on the implementation of environmental governance, law enforcement, mine rehabilitation, human rights consideration and gender inclusiveness. By sharing experiences and best practices, such regional collaborations can enhance the effectiveness and impact of environmental initiatives across diverse contexts.

5.4 Future Project Recommendations

Within the framework of the "Environmental Governance" program of the United Nations Development Program, numerous innovative projects and programs have been implemented, making significant contributions to the governance, development, and sustainability of the mineral resources sector. Examples include the introduction of human rights due diligence conduct in mining companies, the establishment of standards for responsible mining, the development and implementation of rehabilitation techniques in common minerals mined areas, the promotion of participatory environmental monitoring, and enhancement of the legal framework for social impact assessments in infrastructure projects.

It is crucial to conduct training and promotional activities to disseminate these newly introduced methods, aligning them with relevant policies and activities throughout the industry.

For instance, since 2007, demonstration trainings on rehabilitation, demonstration events featuring standard rehabilitation practices, exchange of experiences, and facilitation of information campaigns have led to a unified societal understanding of rehabilitation, fostering the correct knowledge and attitudes to discern the distinction between technical and biological rehabilitation methods.

Cultivating the correct knowledge and understanding of innovative concepts such as PEM, HRDD, and social impact assessment, along with providing education and enlightenment to local employees through training activities, guiding professional organizations towards the right direction, introducing international trends, and presenting good practices as benchmarks, combined with the implementation and support of information and experience exchanging, proves effective in facilitating the successful implementation and widespread dissemination of newly developed methods.

Within the framework of multilateral and bilateral development cooperation in Mongolia, technical assistance projects have been extensively implemented in the mining sector since 2010. As of January 2024, cooperative projects with Switzerland, Canada, and Australia in this area have been ended. Projects such as the World Bank's EITI initiative to strengthen transparency in the extractive industry, the BGR's Sustainable Management of Mineral Resources consulting project as part of German development cooperation, and the new Climate-Smart Mining project Asian Development Bank are currently underway.

As the mining sector retains its pivotal role in Mongolia's economy, its contribution to budget revenue across all levels is expected to rise, alongside its growing environmental and social impact. Concurrently, the Mongolian government is formulating policies aimed at enhancing mining exploration, extraction, and processing activities. Hence, it is imperative to focus on the following areas to foster sustainable and inclusive development within the mineral resources sector and reinforce good governance. Notably, the ongoing projects mentioned above will not intersect with the following activities.

- Effective management of mining revenue, including allocation and expenditure
- Enhancement of local-level capacity for proper management of budget and local development funds in mining areas
- Contribution to mitigating carbon emissions and addressing climate change in the mining sector
- Pilot initiatives to foster cooperation and partnerships among stakeholders at the local level
- Promotion of community participation, human rights, and multilateral governance in the mining sector
- Alignment of policy planning for exploration and production of critical minerals with the Sustainable Development Goals.

Annex 1.

List of Assessments and Studies conducted by EGP 2

No.	Name	Year	Link
1	Desk review on EIA review and approval procedure	2020	https://www.undp.org/mongolia/publications/desk-review-eia-review-and-approval-procedure
2	National Baseline Assessment on Business and Human Rights	2020	https://www.undp.org/mongolia/publications/national-baseline-assessment-business-and-human-rights
3	Covid-19 rapid self-assessment tool for businesses	2021	https://www.undp.org/sites/g/files/zskgke326/files/publications/UNDP-RBAP-2020-Human-Rights-Due-Diligence-and-COVID-19-Update-2021-MNG.pdf
4	Women and the Mine of the Future Study	2022	https://www.iisd.org/system/files/2023-04/women-mine-of-the-future-mongolia.pdf

Annex 2.

List of Guidelines and Knowledge Products produced by EGP2

No.	Name	Scope/Users	Year	Link
1	Guideline for inspection of environmental law violations and enforcement of the Law on Offence	State specialized inspectors	2020	https://www.undp.org/mongolia/publications/guideline-inspection-environmental-law-violations-and-enforcement-law-offence
2	E-learning tool for responsible mining – mine closure and environmental management plan	All stakeholders of the mining sector	2020	https://www.youtube.com/watch?v=xnyeSSxMz6w
3	Human rights impact assessment guideline	NHRCM, Tavan Tolgoi coal cluster deposits	2021	https://www.undp.org/mongolia/publications/khuniy-erkhed-noloolokh-baydlyn-unelgee
4	UNGPs on BHR	MFA	2020	https://www.undp.org/mongolia/publications/nubyn-biznes-ba-khuniy-erkhiyn-uidirdakh-zarchmuud
5	BHR Videos	MFA	2020	https://www.youtube.com/playlist?list=PLMVO_7rytXgv5vSIDtLfcAt9kf5P3yt4Z

6	Participatory Environmental Monitoring Guide	Steps Without Border NGO	2021	https://www.undp.org/mongolia/publications/khamtyn-oralcootoy-baygal-orchny-monitoring-garyn-avлага
7	Responsible Mining Codex	Mongolian National Mining Association	2021	https://www.miningmongolia.mn/page/
8	Guide for rehabilitation of land damaged by mining of common minerals	GASI	2021	https://legalinfo.mn/mn/detail?lawld=16531276372281
9	Covid-19 rapid self-assessment tool for businesses	MFA	2021	https://www.facebook.com/watch/?v=938144010628216&ref=sharing
10	Updated PEM Guide	Steps Without Border NGO	2024	https://www.undp.org/mn/mongolia/publications/khamtyn-oralcootoy-baygal-orchny-monitoring-garyn-avлага

Annex 3

List of EGP Annual Reports

No.	Name	Link
1	EGP Annual Report 2020	https://www.undp.org/mongolia/publications/sepa-annual-report-2020
2	EGP Annual Report 2021	
3	EGP Annual Report 2022	
4	EGP Annual Report 2023	

