

Looking Ahead



As an on-demand facility, AMEP consistently engages its partners in identifying and implementing activities that contribute to the improved investment environment for Mongolia's extractives sector.

AMEP received a total of 48 proposals from 21 organisations since it initiated the 2020-21 activity planning process in April 2020. "We are pleased to see the interest and demand to improve the investment environment of the extractives sector among our Mongolian partners.

AMEP will select five to six of the strongest proposals to achieve our mutual goal and submit them for approval. The final decision will be made by the Government of Mongolia and the Australian Department of Foreign Affairs and Trade, with input from the AMEP Advisory Committee," said Mrs. Kirsten Livermore, AMEP Team Leader. AMEP expects to announce selected activities in August 2020.

AMEP 2 has been working on six activities since April 2019 to assist Mongolia to sustainably manage its resource-led growth. It is our pleasure to share the progress we have been making with our partners in each of the six areas of our initiatives.

1. MONVAL

- Financial Regulatory Commission (FRC) established a 15-member Working Group (WG) consisting of representatives from the Ministry of Finance, Ministry of Mining and Heavy Industry (MMHI), Mongol Bank, Mongolian Stock Exchange (MSE) and professional associations to develop Mongolian Valuation Code (MONVAL) and initiate the associated regulatory process. The WG has reviewed a draft MONVAL 2020 and legal report on MONVAL and have been providing their feedback to FRC. An international and two local experts under AMEP 2 are assisting the WG and FRC. Information and training sessions were conducted for the key stakeholders including FRC, MSE officials, journalists, and partners from the Natural Resource Governance Institute. About 30 geologists attended an introductory training on mineral valuation codes and Mineral Resources and Mineral Reserves Code; additional 20 certified appraisers learned about international mineral valuation code (IMVAL); MONVAL was shared with the School of Geology and Mining, Mongolian University of Science and Technology (MUST).
- International mineral valuation expert Steve Gemell engaged Mongolian public, private, and civil society partners by sharing international best practice on valuation codes and presenting on topics relating to IMVAL template and Foreign Codes (5 countries). His presentations are available in Mongolian on AMEP 2's website.

2. Feasibility Studies

- MMHI requested support from AMEP 2 to revise the 2012 regulation on feasibility studies. Based on the scope provided by MMHI, AMEP 2 experts provided a comparative assessment report on international practice in preparing, receiving, reviewing, and using feasibility studies.
- MMHI established a 16-member WG led by Mr. Munkhtur B., Director of Geology and Mining Policy Coordination. The WG includes representatives from AMEP 2, Mineral Resources and Petroleum Authority of Mongolia (MRPAM), Open-Pit Mining Engineers' Association, Mining Designers' Association, Geology and Mining School of MUST, Mining Rescue Unit, Mongolian Mineral Processing Association, and Building Material Manufacturers' Association. AMEP 2 has been supporting the WG by producing a Feasibility Studies (FS) concept note and a gap analysis done on the existing practice/regulations and international best practices.
- Government and professional association officials from MMHI (4), Mongolian Mining Designers' Association (16), and Minerals Council (10) attended AMEP-led briefing sessions on international best practice of feasibility studies. AMEP 2 also organized round table discussions on the effectiveness of current regulations, challenges, and gaps that should be addressed in the FS review among 30 representatives from public, private, and civil society groups. Points raised in these meetings will be further discussed by the WG.

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AMEP 2 Update: 2019-2020 (cont.)

3. Support the Implementation of New Transfer Pricing (TP) Rules

AMEP 2 has been engaging with the Australian Tax Office (ATO) to initiate strategic cooperation with Mongolian Tax Authority (MTA). An expert from ATO will soon be mobilized to train and work with personnel in relevant departments in MTA and General Department of Taxation to implement Mongolia's new transfer pricing rules.

4. Completion of data entry for Mongolia's Geological Catalogue system

AMEP 2 geologists entered additional 452 reports of approximate location maps into the Mongolian Geological Cataloguing System at mris.mn. This platform makes Mongolia's geological, spatial, and geoscience metadata available for public and helps attract international and local investors. Since its launch in August 2017, a total page view has reached 119,000 of which 13 thousand are domestic and 2,083 are international users representing 64 countries.

5. Coalbed Methane (CBM) – Queensland, Australia's Regulatory Good Practice

AMEP 2 together with the Petroleum Department, MMHI, MRPAM, and industry officials identified that the state of Queensland in Australia has experience of developing and regulating a successful coal bed methane (CBM) industry that could be useful for Mongolia. The Centre for Natural Gas at the University of Queensland (UQ) has been selected as a potential partner for this task.

6. Development of Guidance for the National Accounting Standard for Exploration and Mining Operation

Draft guidance will be developed for the national accounting standard for exploration and mining operation. AMEP 2 is in the process of contracting KPMG, a leading audit firm, who will consult the Accounting Department staff at the MoF on the guidance and implementation.

AMEP 2 is continuing to work on the delivery of these activities. In the meantime, AMEP 2 reaches out to its existing and potential partners in public, private, and civil society sectors whose priority areas could benefit from this technical assistance. Feel free to contact us with your feedback and/or to exchange ideas. ■

Partner Consultations

AMEP 2 held a series of stakeholder consultations online and in person by observing social distancing rules due to COVID-19 in April and May 2020. The main purpose was to consult with industry, government, and civil society partners in potential collaborations for AMEP 2's second year workplan.



-- OUR OBJECTIVE:

Help improve the investment environment for the extractives sector in Mongolia through the collaboration between the government, industry and civil society.