



AMEP Newsletter | Issue 8 | Date: July 27, 2021

Adam Smith International

Adam Smith International (ASI) is a leading global advisory company that works locally to transform lives by making economies stronger, societies more stable, and governments more effective. The company has over 25 years of experience of delivering lasting reforms and improving the conditions and welfare of citizens across the globe by providing high quality international expertise and advice to partner governments around world. ASI has 250+ staff and employs over 2,000 consultants in 30 countries.

ASI has been working in partnership with the Mongolian government since 2011 and established a subsidiary company in Ulaanbaatar in 2014. Our operations over this period have mainly focused on projects in the extractives industries, infrastructure development and governance reform. Head of ASI Mongolia, Mandkhai Bayarsaikhan, oversees the management and operations of the subsidiary company. She has been with ASI since 2016, managing infrastructure, energy and extractives sector projects in East Africa, Southeast Asia, and the UK. Mandkhai also acts as the Project Director of AMEP 2 with oversight of program implementation and management.

IN THIS ISSUE

In this newsletter edition, we would like to start off by introducing you to Adam Smith International (ASI), the lead implementer of the Australia Mongolia Extractives Program Phase 2 (AMEP 2), and our consortium partner Sustainability East Asia (SEA). ASI has partnered with SEA and the Environmental Auditors' Association of Mongolia (EAAM) to implement EASY2020, one of our 2020-21 activities that contributes to improving Mongolia's investment environment for the extractives sector. This newsletter focuses on the progress and outcomes of this activity.



SUSTAINABILITY
EAST ASIA LLC

Sustainability East-Asia (SEA) has been operating in Mongolia for 15-years. We are a Mongolian registered and majority owned business with office in Ulaanbaatar. Trusted by international lenders and financial institutions, SEA provides environmental and social assessments, due diligence and monitoring to the European Bank of Reconstruction and Development, International Finance Corporation, Asian Development Bank, Belgium Investment Company for Developing Countries and Dutch Entrepreneurial Development Bank across the country. SEA also provides international standard health, safety, social and environmental services to both global and local companies including WS Atkins International, Oyu Tolgoi, Erdene Mongol, Khan Bank, IFC Water Management Roundtable and Adam Smith International.

AMEP 2020-2021 DELIVERABLES

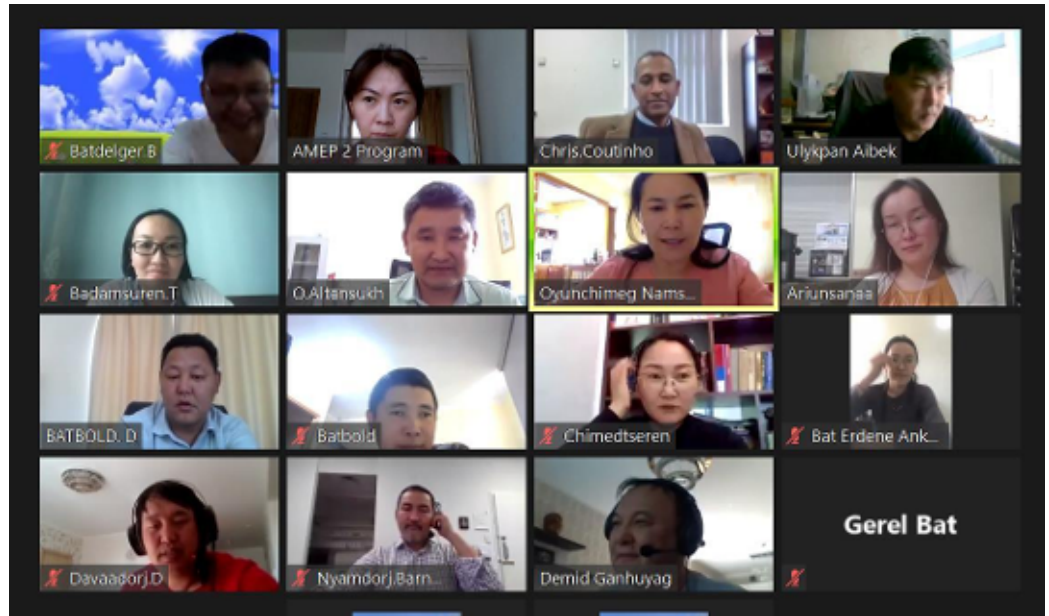
All AMEP 2-produced reports and studies are publicly available. Please visit AMEP website to view a series of deliverables in royalty,

environmental auditing, exploration licensing and more. Here is the direct link to the reports: amep.mn/news-detail/31

AMEP collaborates with the Environmental Auditors' Association

The EAAM worked as the main implementing partner of EASY 2020 project, one of AMEP 2's six activities this year, which aims to improve institutional capacity to administer certification systems for environmental auditors and auditing companies. The certification systems that assure professional standards are essential as Mongolia seeks to adopt more international practices common in the mining sector.

As a result of this activity, EAAM is now the first Mongolian professional association to have its certification system recognized as compliant with ISO 17024.



EAAM Board Members were trained to implement a management system that ensures open feedback and supports constant learning for environmental auditors. The new and improved auditing certification system was based on principles to offer value and meet the needs and demands of clients. With the help of AMEP 2 experts, the EAAM developed and revised about 20 internal documents to establish itself as an exemplary professional institution that offers excellent service to its members.

Based on a gap analysis report, Mr. Chris Coutinho, Senior Advisor of Exemplar Global, developed a 12-series environmental training module that meets international standards for EAAM. Mr Coutinho stated, "Core competency can be developed by improving auditors' skills and adopting right attitudes toward environmental auditing. This result-based training module is based on theory to practice and designed to teach systemic knowledge to environmental auditors."

Leaders and members of the association attended a total of 16 trainings to increase their understanding and capacity on the new regulations. Furthermore, the EAAM held workshops and discussions for the Ministry of Environment and Tourism, the Ministry of Mining and Heavy Industry, professional associations in environmental auditing, and mining companies. Dr. Bayarmaa, B., Laboratory Director at the Mongolia's Institute of Chemistry and Chemical Technology, who received the training said, "The training made me realize the importance of environmental auditing. The bandwidth of our knowledge about environmental auditing was expanded. We need to provide our client with not just one but several evidences to increase the value of our work. To minimize the environmental impact of any type of mining, infrastructure, and agricultural projects should be the concern of not only environmental auditors but also the goal of all corporations, communities, and governments."

It is our pleasure to report that environmental auditing system that was put in place will help increase mining companies' confidence in receiving/expecting higher quality environment auditing services. Another key outcome of the activity is that the Mongolian Bankers' Association, whose members are investors in mining projects, welcomed the introduction of system change in the EAAM and expressed the possibility to require a "report done by certified auditor" in their credit assessment and valuation for loans. This activity contributes to improving the accountability of mining companies in their operations and environmental impact which, in turn, improves investors' confidence in those mining projects.