

INFRASTRUCTURE STRATEGY FOR SOUTHERN MONGOLIA

A BRIEF REPORT ON THE CONSULTATIVE WORKSHOP

**23 September 2008
Dalanzadgad, Umnugovi**

Executive Summary

About fifty residents from Umnugovi, Dundgovi and Dornogovi Aimags attended the **Infrastructure Strategy for Southern Mongolia** Consultative Workshop organized jointly by World Bank and Umnugovi Aimag Governor's Office in Dalanzadgad city on September 23, 2008 expressing their views, ideas and concerns around the current and future mining sector development in the region.

The participants of the workshop represented herders, farmers, growers, social activities small businesses, environmental groups, NGOs, Associations and producers that reside in these three Gobi Aimags. All of them attended the workshop as an active citizen and have not represented interests of any political party, government and mining companies. The workshop participants were well respected, active community members in their respective aimags and soums, who have their own opinions about the potential consequences from the mining sector development, willingness to share them with the other citizens and wish to convey their ideas and concerns to the decision makers. (The details on the participants and their background is attached to the end of the report.)

Among the participants were groups and individuals who have worked hard to protect the nature and environment in their community, herders concerned about the future access to pasture land and water sources in the future, small business owners, having seen the mining companies as new market opportunity, willing to sell their goods and services to them, social workers and teachers, worried about the potential hazards to the society as a result of expanded mining operations, and local NGOs working for development. There was one thing that was common to all the people. It was their genuine willingness to communicate their thoughts and concerns on *what* the mining sector development *will bring* and *what it will leave behind* in the Southern Gobi Region.

After the opening and brief introduction, the participants were split into three groups, namely, Economic Development Potential, Impacts on Social Issues and Environmental Impact and Consequences, in accordance with their background, experience and interests. At each group, the members discussed and openly debated the positive and negative impacts that can potentially occur within the above three areas of development as a result of various mining projects to be implemented in the Southern Gobi Region. In the beginning of the discussion, members talked about their own individual experience, ideas and expectations. Once all the members spoke, the group leader facilitated the meeting in a way that all the issues arising are grouped, categorized and prioritized. In addition, the group members determined the most able and appropriate organizations and institutions to resolve these important issues identified. Also, they talked about their personal expectations and hopes from the future mining sector development.

During the workshop, Economic development group identified and presented a total of six, complex issues that were then broken down into specific activities. Social sector group was able to discuss and present numerous issues and problems categorized into three large areas – Demography, Health and Culture and Education, with proposed solutions. The Environmental group members identified 7 major areas of concerns and proposed specific activities and actions targeting the issues.

Each of the groups prepared and made a presentation structured “Problems/issues, Proposed Activities and Responsible parties” to the larger group. The other participants asked questions and made additional comments once they heard the group presentations. After the group presentations, the workshop continued with an Open Forum, main purpose of which was to provide an opportunity to the participants to communicate any ideas and thoughts left undiscussed during the previous sessions and express any other concerns to the fellow citizens. A number of people actively participated in the

session with a lot of interesting comments and suggestions, all of which is placed at the end of this report.

It should be noted that the staff members from World Bank and Umnugovi Aimag Governor's Office has done an excellent job in the preparation and organization of the workshop and that they have also participated the event as observers.

Priorities

Throughout the consultative workshop, the following issues and concerns have been raised at numerous occasions by the participants both at the individual group discussions and the larger meetings. And these include:

- **Nature and Environment** (Water sources depleted and water use worsened. Shortage of pasture land. Wild life migrated or disappearing. Soil erosion. Air pollution. Desertification. What will be left in Gobi after the natural resources are taken out? Forestification and growing trees is key and should be done by Gobi people and Mining companies in a wider scale. Mining companies should work hard on preserving the affected areas.)
- **Legal environment** must be improved (Mineral Deposits Law, Budget Management and Finance Law and Nature and environment protection laws and respective laws need to be revised, changed and improved. Stability agreements. Laws and regulations in regards to corruption. Legislation on the idea of distributing shares or cash to citizens from the Mining pot. Update Regional Development Policies in Mongolia and create a new Southern Region.)
- **Lack of information among the general public and increase the participation of people in decision making** (Lack of information on government priorities and policies in regards to Mining sector; government's current negotiations with mining companies; assessment on nature and environmental consequences; No information on the needs and demands of mining companies in terms of procurement; False expectations and misunderstanding among the ordinary citizens; Increase civic participation in the decision making.)
- **Preparation of ourselves** (Re-train local residents for the future job opportunities. Businesses need to learn to produce new, improved products and services for the mining companies. Government and legislators need to learn how develop new policies well suited to mining sector development and Mongolia priorities. Good governance practices implemented. Develop the required new laws and regulations. Бизнесүүд шинэ бараа, үйлчилгээг өндөр түвшинд хийж сурах. Take measures against the potential negative, social consequences as a result of the mining sector development.)
- **Benefits to Gobi Region** (Training Gobi residents. Provide them new job opportunities. Develop new markets for the local producers. Improve the life quality. As the natural resources depleted think about the next sustainable sources of development from now on.)
- **Maintain the development of traditional economic sectors.** (Traditional sectors such as Tourism, Livestock and Agriculture must not be ignored. They require specific policies and strategies well suited to the new conditions. Also, a SME sector needs to be developed with the strategy to supply to the mining industry, which will again require careful planning and policy.)

- **Potential consequences on Culture, Customs and Heritage** (The mining development can bring negative impacts on traditional, nomadic lifestyle and culture that has been in Mongolia for thousands of years due to increased population with different background, township development, decreased pasture land and environmental disasters. Historical and archeological sites can be destroyed. Flow of migrant workers from our Southern neighbour might result in unforeseen consequences in our culture, family structure, demography and social aspects. Maintain genes of Mongolians.)

The following table shows briefly the issues and proposed activities come out of the individual group discussions.

Nature and Environment	Economic Deveopment	Social Issues
<p>1. Changes in water resources (Ground water reduced, Water level went down, Shortage of drinking water, River and stream dry out)</p> <p>2. Changes in pasture land (Shortage of pasture, More land taken for towns and mining, Plants reduced in number and types, Traditional nomadic culture disappear.)</p> <p>3. Soil erosion (Multitracking, Desertification, Waste from towns and mining, Ninja mining effects, Dust storms)</p> <p>4. Air pollution (Increased dust, Ground water decreased, air dried, rainfall reduced)</p> <p>5. Changes in livestock and wild life (Animal quality degraded, Increased diseases, Stealing, Wild life disappears)</p> <p>6. Historical and archeology sites affected (Historical and natural sites disappear and their uniqueness lost,)</p> <p>7. Legislation (Environment protection laws not punctual, implementation is weak, Many areas being deserted, Weak local government, No one gets responsibility for nature and environmental damages, Increased corruption)</p>	<p>1. Increase the people's access to open and transparent information, and their participation in decision making (Development priorities and strategies, Demands and procurement of Mining companies, Profitability of the mining companies and their community activities)</p> <p>2. Develop SMEs and maintain traditional economic sectors (tourism, livestock, agriculture)</p> <p>3. Infrastucture development (electricity, road)</p> <p>4. Preparation of ourselves (human resources, training of locals. Private sector. National and local governments for better policy)</p> <p>5. Development of towns(housing, hospital, schools, public services)</p> <p>6. Economic development policies (Stability agreement, New Southern Region, New Development Priorities, Preferences to local residents, Shares and Cash to citizens from the Mining Fund/Pot)</p>	<p>1. Demography</p> <ul style="list-style-type: none"> ▪ Civil registration ▪ Migration ▪ Increased crimes ▪ Legal issues ▪ Social issues of Ninjas <p>2. Health</p> <ul style="list-style-type: none"> ▪ Food security and hygiene ▪ Infectious diseases ▪ Disabled from mining accidents ▪ Occupational diseases ▪ Drinking water access (increased water solidity) ▪ Diseases from increased dust and chemicals ▪ Health education ▪ Human reproduction safety. <p>3. Culture, Education</p> <ul style="list-style-type: none"> ▪ Re-train people ▪ Conflicts on culture and customs difference ▪ Sports facilities ▪ Family planning (divorce) ▪ Lack of well trained workers (school dropouts, schools and nurseries for children) ▪ Gender