

ARMENIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE MULTI-STAKEHOLDER GROUP'S MEETING MINUTES No. 2

Date: 25 November 2016 | Time: 12:00 PM-14:00 | RA Government

Attendees:

Members of the Multi-Stakeholder Group

Chairman:	Davit Harutyunyan	Minister-Chief of RA Government Staff
	Karen Isakhanyan	Deputy Minister of Territorial Administration and Development of RA
	Tigran Khachatryan	Deputy Minister of Economic Development and Investments of RA
	Davit Ananyan	Deputy Minister of Finance of RA
	Khachik Hakobyan	Deputy Minister of Nature Protection of RA
	Vardan Gevorgyan	Deputy Minister of Energy Infrastructure and Natural Resources of RA
	Perch Khachatryan	Head, Legal Assistance Service, “Zangezur Copper and Molybdenum Combine” Closed Joint Stock Company (CJSC)
	Vahe Vardanyan	Deputy General Manager, “Geomining” Limited Liability Company (LLC)
	Armen Stepanyan	Senior Manager for Sustainable Development, “GeoTeam” Closed Joint Stock Company
	Artur Nikoghosyan	Advisor to General Manager, “Agarak Copper and Molybdenum Combine” Closed Joint Stock Company
	Sona Ayvazyan	Deputy Director, “Transparency International Anti-corruption Center” NGO
	Artur Grigoryan	Chairperson, “EcoRight” non-governmental organization
	Erik Grigoryan	Co-president, “Association of Young Environmental Lawyers and Economists” NGO
	Inga Zarafyan	Chairperson, “Ecolur” Informational NGO

RA Government Staff

Karapet Vardanyan	Assistant to RA Prime Minister
Aram Asatryan	Project Manager, “Enhanced Transparency in the Mining Sector” Project implemented by the Staff of the Government of the RA

Lusine Tovmasyan	Expert, “Enhanced Transparency in the Mining Sector” Project implemented by the Staff of the Government of the RA
Lilya Shushanyan	Advisor to the Minister-Chief of RA Government Staff

Guests:

Deborah Grieser	USAID Armenia Mission Director
Rabab Shamayleh	USAID Armenia
Judith Margaret Farnworth	British Ambassador to Armenia
Artashes Davtyan	British Embassy to Armenia
Margareta Christianson	Chargé d'affaires of the Embassy of Sweden
Lukas Gasser	Ambassador of Switzerland to the Republic of Armenia
Narine Tadevosyan	World Bank, EITI Consultant
Artak Melkonyan	UN, Chief Advisor
Artur Hambardzumyan	Civil society representative

Absent members:

Harutyun Movsisyan	Associate Professor, Department of Search and Exploration of Mine Sites, Yerevan State University; expert of “Sustainable Development Centre”
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Minutes taker: Lusine Tovmasyan

AGENDA

1. Opening of the RA EITI MSG Meeting; Welcoming Remarks by the Chairperson of the MSG; Announcement on the Adoption of RA Prime Minister Decree “On Setting Up the RA EITI Multi-Stakeholder Group and Approving Its Composition”

D. Harutyunyan welcomed the members of the Group on the occasion of the first official meeting of the EITI MSG. He presented the importance of the EITI implementation in terms of improvement of investments and the business environment of the country and enhancing the transparency and accountability of the mining sector. The activities aimed at the implementation of the Standard since the announcement of the Prime Minister of the Republic of Armenia on 28 July 2015 on the willingness to implement the Standard were presented. It was announced that the composition of Armenia’s EITI Multi-Stakeholder Group had been approved by Decree N 1104-A of the RA Prime Minister dated 25 November 2016. The course of activities of digitizing and publishing the data available at the Geological Fund SNCO was presented.

D. Harutyunyan urged the members of the RA EITI MSG to become actively involved in the activities of implementation of the Initiative, particularly in the development of the two-year Work Plan of the EITI. He also communicated the assignment of the RA Prime Minister to the members of the RA EITI MSG representing the Government to responsibly take part in the activities of implementation of EITI.

D. Harutyunyan thanked the international partner organizations for providing assistance in the effective implementation of EITI and expressed his confidence in the continuous effective cooperation.

2. Speeches on Implementation of EITI in Armenia

- **Representatives of the Extractive Companies in MSG**

The members representing the extractive companies in MSG welcomed the implementation of the Initiative in Armenia. Once more, they expressed their willingness for cooperation in this format; they stated that the MSG members of their constituency were selected in accordance with the established procedure, by the entities representing the sector and hold the appropriate mandate to represent the interests of the extractive entities and cooperate with the representatives of the Government and the civil society, in order to succeed in the implementation of EITI with joint efforts.

- **Representatives of the Civil Society in MSG**

The MSG members representing civil society stated that albeit the EITI is not directly related to environmental protection, they also attach importance to environmental issues. It was noted that, according to the national priorities and Work Plan approved by the MSG, EITI enables to make efforts to improve the environmental and social standards. Importance was attached to the role of EITI in terms of enhancing financial accountability, as well as integrating comprehensive information on the mining industry.

- **Donor Representatives (USAID Armenia, the British Embassy to Armenia and the World Bank)**

Deborah Grieser, USAID Armenia Mission Director, Judith Margaret Farnworth, UK's Ambassador to Armenia and Narine Tadevosyan, World Bank EITI consultant, made welcoming remarks.

Deborah Grieser said that she was happy to participate in the first official meeting of the RA EITI MSG and congratulated her Armenian partners on that important Initiative. As, due to the Initiative, the Government is manifesting willingness to implement the Global Transparency Standards in order to improve natural resource management, USAID, together with other international partners,

is willing to support the activities of implementation of the Initiative. USAID is also providing assistance to the activities of digitizing the data available at the Geological Fund SNCO and their publication on the www.geo-fund.am interactive website.

Ambassador **Judith Margaret Farnworth** too expressed her joy on the occasion of participating in the first official meeting of the RA EITI MSG and welcomed the decision of the RA Government to implement the EITI Standard, because it is considered to be an important impetus by the Government to become more accountable to its citizens in Armenia's natural resource management. The Lady Ambassador mentioned that, from the beginning of the process, they have assisted with providing consultancy on how to join the Initiative and maintain the membership status. Well-managed mining can be more profitable for Armenian citizens, and EITI can be a good tool in this regard. The Lady Ambassador informed that EITI started in 2002 upon the recommendation of Prime Minister of the United Kingdom. The format of the Multi-Stakeholder Group is one of the strengths of EITI. The experience of other countries shows that EITI is a strong mechanism for building trust between the three parties which can also extend to environmental and social impact issues. The Lady Ambassador noted that the United Kingdom is ready to further assist with the process of implementation of EITI in Armenia.

Narine Tadevosyan, World Bank EITI consultant, communicated the welcoming remarks of Laura Bailey, World Bank Country Manager in Armenia on the occasion of the first official meeting of the RA EITI MSG. **Narine Tadevosyan** noted that as a result of long discussions, the EITI Multi-Stakeholder Group has already been formally created, and the activities required for filing the application for EITI candidature have begun and are continuing. *The World Bank too is ready to assist with the activities of regulating the mining sector, especially with the implementation and putting into action of EITI.*

3. Questions and Answers

The representatives of mass media present at the meeting addressed the MSG members with their questions or concerns thereafter the meeting continued without the representatives of mass media.

4. Presentation by the MSG Constituencies of Their Spokespersons

The constituency of the MSG representing the RA Government nominated **Khachik Hakobyan** as the constituency spokesperson.

It **was suggested** by the civil society constituency to discuss the consideration submitted by the International Secretariat of the EITI, and then nominate the spokespersons if the constituencies.

5. Discussion of the Draft ToR for the MSG

- **Brief Presentation of the ToR for RA EITI MSG; Discussion of Provisions Which Had Not Been Agreed upon**

The key provisions of the Draft ToR for the MSG which had been discussed by the MSG members **were presented** briefly. **It was announced** that meetings were held with the members of the MSG representing the extractive entities on 27 September and with the members of the MSG representing the civil society on 3 October: the recommendations and considerations submitted on the ToR of the MSG were discussed and agreed upon.

- **The Procedure for Selection of Alternate Members of the MSG; the Number of Alternate Members, Including by Constituency**

It was stated that the constituencies of the MSG representing the extractive companies and the civil society have submitted a recommendation on having one alternate member per the respective constituencies.

It was suggested that, as each MSG member representing the Government of the RA represents his/her sector, each member of the MSG representing the Government of the RA should have an alternate member, who should be a representative of the same sector, taking into account the specificity of the constituency representing the Government of the RA.

The MSG **came to an agreement** about the number of alternate members.

- **Section 58 of Draft ToR for the MSG**

It was discussed and **decided** by the general agreement of MSG **to remove clause 58** of the ToR, pursuant to which a MSG member can be dismissed from the MSG by the general agreement of MSG members (consensus) where there are grounds to believe that the participation of the member may damage the activities of EITI or the reputation of the process of implementation of EITI in the Republic of Armenia, in accordance with the EITI Association Code of Conduct.

It was proposed that in the future, upon demand for having such a regulation, the MSG may make a change to the ToR of the MSG by general agreement.

- **Applying the Chatham House Rule**

It was stated that the MSG members had submitted a recommendation to apply the Chatham House Rule in the minutes of the MSG meetings, according to which the opinions expressed at the meeting should not be attributed to any particular speaker, and only the names of those present at the meeting should be revealed in the minutes. An exception may be established: at the request of the participant of the meeting, an opinion or speech may be presented in the minutes mentioning the name of the person.

As a result of the discussion, in view of the effectiveness of the activities of the MSG, the MSG came to a general agreement on stipulating a provision in the ToR according to which the opinions (suggestions, remarks, speeches) expressed/made at an MSG meeting shall be presented in the minutes anonymously; however, exceptions may be made at the request of the participants.

- **Considerations of EITI International Secretariat**

- ✓ The recommendation of the International Secretariat of EITI **was presented**: to have a provision in the ToR of the MSG, pursuant to Requirement 1.4. b) i. The significance of the said Requirement **was discussed** and **it was decided by the general agreement** of the MSG members to specify a provision in the ToR of the MSG in accordance with the Requirement 1.4. b) i., as follows: “Members of the multi-stakeholder group should have the capacity to carry out their duties.”

- ✓ The concern of the EITI International Secretariat **was discussed**: the approval of the MSG members by the Decree of the RA Prime Minister could have a controlling and restricting nature. The MSG came to a common **agreement** that the approval of the MSG members by the Decree of the RA Prime Minister has no such nature because each constituency elects and nominates MSG members through an election which takes place according to the procedure established by the constituency.

- ✓ The recommendation of the EITI International Secretariat **was presented**: to publish the procedures of the three constituencies of the MSG for election and replacement of their members. **It was decided** that the constituencies would make available the procedures for electing the MSG members approved by them, for publication.

- ✓ The consideration of EITI International Secretariat **was presented** on whether or not the availability of spokespersons of the MSG constituencies established by the ToR of the MSG is in conflict with the provision of equal rights and obligations for the other members of the constituency. **It was clarified** that the provision on the availability of a spokesperson of a constituency was stipulated for the purpose of improving the working procedures and enhancing the effectiveness in some cases, specifically when making decisions electronically, or, in other cases, when announcing the decision of the MSG’s constituency. The relevant materials and documents would be circulated among all MSG members, and the spokesperson of a constituency would not be entitled to additional rights. The necessity for a spokesperson arises from technical and organizational considerations, and the spokesperson's duty would be to collect the opinions of the members representing the constituency, and ensure the constituency’s communication.

It was decided to discuss and clarify the appropriate formulations during the MSG meeting to be held on November 26-27. It was also decided that the constituencies could at any time replace the spokesperson of their constituency, and, as necessary, any member of the constituency could present their opinion separately.

- ✓ The question of the EITI International Secretariat on providing the MSG members with per diems **was presented**. It was clarified that the ToR establishes that the MSG members participated in the EITI activities on a voluntary basis, and currently no per diems are planned to be paid to the MSG members.

6. Passing a Decision on Approving the ToR of the MSG

It was decided to make appropriate changes to the ToR of the MSG during the meeting to be held on November 26-27, and consider the ToR of the MSG to be approved.

7. Discussion of the Upcoming Activities of the MSG of Armenia's EITI (according to the presented schedule) and Approval of the Date for the Next Meeting

The preliminary schedule for development, approval and submission of the Work Plan of Armenia's EITI and the Republic of Armenia's EITI Candidature Application, which had been made available to the MSG members beforehand, **was presented**. It was decided to organize and carry out the activities for filing the application for RA's EITI candidature by the end of the year, according to the schedule.

8. Discussion of Other Issues Raised by the MSG Members

It was suggested to point out the other activities required for filing the application for RA's EITI candidature which had not been implemented yet. The overview of the structure of the application for RA's EITI candidature was presented.

The agenda of the MSG meeting, scheduled for November 26-27, **was presented**, aimed at elaborating Armenia's National Priorities and the main provisions of the Work Plan.