



Concluding Meeting of the 28th OSCE Economic and Environmental Forum

10 - 11 September 2020, Czernin Palace, Prague, Online

Session III: Preventing and combating corruption in the field of natural resources and environmental protection.

→ **Legislative frameworks, institutional arrangements and the role of national authorities to ensure the sustainable and corruption-free use of natural resources**

Lilia Shushanyan, Deputy Minister of Territorial Administration and Infrastructure of the Republic of Armenia



Armenian experience in enhancing good governance through transparency and accountability: initiatives

1. Republican Geological Fund website with online interactive geological map: www.geofund.am

- The Fund's depository preserves almost all materials related to the geological activities in Armenia **since the 1920s**.
- All materials were **digitized**.
- All e-materials are available **with no registration and free of charge**.

Stakeholders: state bodies, civil society, academia, students, investors.



2. EITI Membership

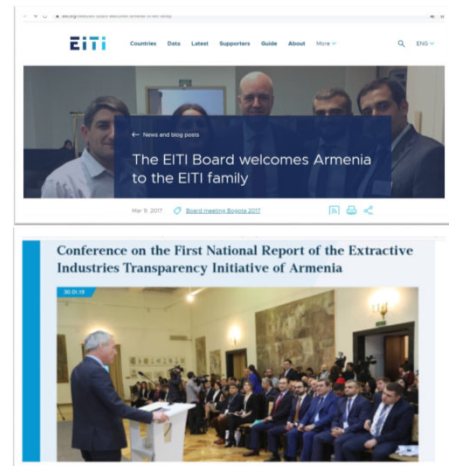
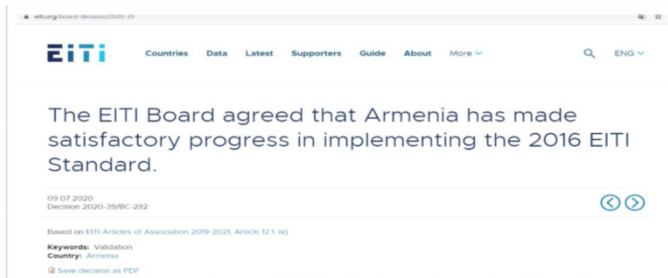
24 November 2016 - The composition of the **multi-stakeholder group (MSG)** was approved by the Prime Minister's Decree

28 December 2016 - The Government of Armenia formally submitted its **application** for membership of the EITI

9 March 2017 – **Armenia joined EITI**

30 January 2019 – The first EITI **National Report** was published

9 July 2020 - As a result of the 1st Validation Armenia **was granted the highest assessment** in implementing the 2016 EITI Standard



Legislative reforms on publication of information on the mining sector after joining EITI



21 March 2018 - The package of the RA laws was adopted on ensuring publication of information on the mining sector, specified by the EITI Standard, as a mandatory requirement in the legislation:

- "On Making Amendments to the Subsoil Code of the Republic of Armenia" - <https://www.arlis.am/DocumentView.aspx?DocID=120753>
- "On Making Amendments to the Administrative Offences Code of the Republic of Armenia" - <https://www.arlis.am/DocumentView.aspx?DocID=120539>
- In accordance with the **Law on "Amendments to the Tax Code of the Republic of Armenia"**, the tax authority publishes on its official website the lists of taxes and fees paid by the metal mining companies, the list of exported production, values, in-kind and quantity volumes.

<https://www.arlis.am/DocumentView.aspx?DocID=120754>

8 June 2018 - RA Government Decree was adopted, which defines reporting forms (templates) that disclose taxes and payment data.
<https://www.arlis.am/DocumentView.aspx?docID=123259>

23 April 2019 – The package of draft amendments was adopted, by which the whole process of disclosure of beneficial owners of metal mining companies are regulated.

Amendments and Additions were made:

- to the "Subsoil Code of the Republic of Armenia" - <https://www.arlis.am/DocumentView.aspx?DocID=137114>
- to Law on the "State Registration of Legal Entities, Separate Divisions of Legal Entities, State Registration of Companies and Individual Entrepreneurs" - <https://www.arlis.am/DocumentView.aspx?DocID=130252>
- to the Law on the "Public Service" - <https://www.arlis.am/DocumentView.aspx?DocID=130254>

5 February 2020 - Order of the Minister of Justice of the Republic of Armenia has been published, which approves the **Beneficial Ownership Declaration Form and the Procedure of Filing in the Declaration**.
<https://www.arlis.am/DocumentView.aspx?docID=138750>

What we have after legal regulations:

1. Publicly available Mining contracts



<http://www.mtd.am/hy/mtad26.12.4/>

The Authorized Body publishes on its official website the mining contracts with the metallic mineral resource users and the amendments to these contracts.

2. Permits Register

<http://mtad.am/hy/mtad27.12/>

The Authorized Body publishes Permits Register, which includes complete information regarding the activities related to extraction of minerals and geological exploration of the mineral resources for the purpose of extracting minerals.

The register covers the following information:

- Name of the legal entity holding the permit;
- Date of application for the permit;
- Date of permit award, including permits number;
- Duration of the permit;
- Name of area or facility;
- Coordinates and a total size of the area;
- Type of mineral;
- Mining contract's number and date of conclusion;
- Additional information in case of amending the contract or permit extension.

3. Beneficial ownership declarations



Data examples from declarations?

- After legal amendments in 2019 and Gov. Decree on BO declaration forms in 2020 - The has been published, the first BO declarations have been submitted by companies operating in **metal mining sector**.
- Data is available **with no registration or payment** requirement, in **centralised register of Legal entities** of Armenia.

<https://www.e-register.am/>

- Declared **PEP (Politically Exposed Person)**, Member of Parliament
- **Affiliated person**, on the criteria of being a close relative
- Indirect stakeholders, when mining company 100% owned by other company, but there are several **Indirect stakeholders**
- Data on **Closed Joint-stock companies**, which was unavailable in past
- Detailed information on **Intermediate companies** in the Mining company-Beneficial owner chain, like 10 companies in one declaration

Spill over effect on other sectors: New legislation is designed with a broader view of providing possibility to join any other sectors as well with initiating only minor changes/requirement by respective legislation. MPs initiated this kind of proposal on Energy sector.



4. Comprehensive EITI National Report

<https://www.eiti.am/en/annual-reports/2018/>

In one place description of:

- legal, fiscal and institutional **regimes**;
- mining **regions** and resources;
- **GDP** share, revenues and share in national or community budgets of the sector;
- **granting** process of licenses for reporting year;
- and other relevant information.

Data beyond minimum requirements:

- disaggregated data by companies for **production and export volumes, main destinations**;
- **employment** data, reflected by company, by gender, residence and contract type;
- **environmental payments**;
- **social contributions** and also any payment to any Fund or non-commercial organization.
- And even the **administrative acts for fines**.

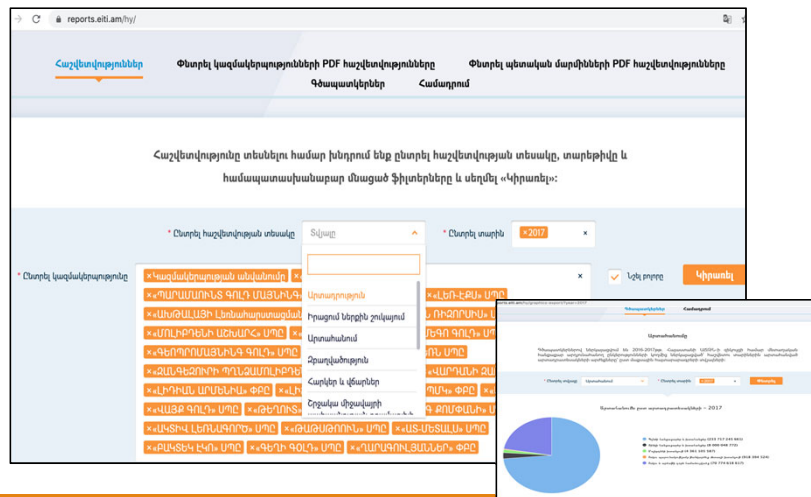


How we get data and deliver:

Through online reporting system

<https://reports.eiti.am/>

- The reports by the mining companies and government agencies are being submitted through the reporting portal.
- Each reporting entity has its own office desk and uses its **e-signature to verify data**.
- Comprehensive data is available with filters and analyzing tools, who can easily find, **filter and download in open format**.



How we decide what to get and deliver:

Through multi-stakeholder group (MSG) decisions

MSG Composition:

- six representatives of the **Government**
- four representatives of the **mining companies**;
- five **civil society** representatives, including one representative from scientific community institutions and one from the regional civil society structures.



Efficient MSG dialogue:

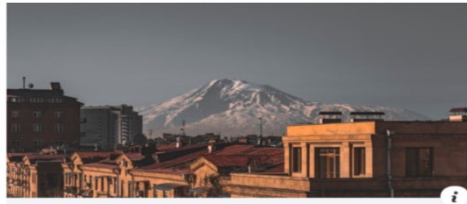
- All decisions should be adopted **by consensus**.
- MSG decisions are based on what information they all need, in what way and when, to be **relevant, useful, verified and trustworthy**.
- MSG constituencies try to raise awareness regarding the EITI as an accountability and transparency tool helping to ensure that the natural resources of the country are used in a way **that benefits all citizens**.
- MSG members are able to **freely express their opinions** on transparency and natural resource governance issues, are substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and have the right to communicate and cooperate with each other.
- CSO MSG representatives are **unbiased, independent and reliable**.

International recognition of Armenian efforts

Armenia's 1st Validation assessment and the highest rank not only complying with all minimum requirements of the 2016 Standard, but in 4 points going beyond them.



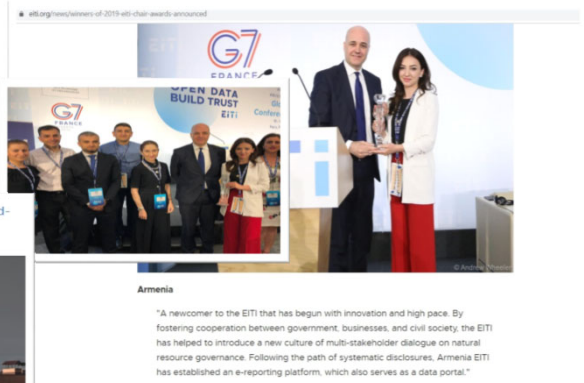
https://www.openownership.org/blogs/armenia-breaks-new-ground-with-extractives-disclosures/?fbclid=IwAR2FqOBMQpkE5sQ8J8oy-PGc49BTivTVM3sNKul_DBOKy2y29TnjVwSyGOA



OPENOWNERSHIP.ORG
Armenia breaks new ground with extractives disclosures
Globally, more than 90 countries have made commitments to estab...

Armenia's experience in Beneficial Ownership disclosure.

Winner of the 2019 EITI Chair's Award



Armenia

"A newcomer to the EITI that has begun with innovation and high pace. By fostering cooperation between government, businesses, and civil society, the EITI has helped to introduce a new culture of multi-stakeholder dialogue on natural resource governance. Following the path of systematic disclosures, Armenia EITI has established an e-reporting platform, which also serves as a data portal."

THANK YOU