EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE ANNUAL PROGRESS REPORT 2017

29 June 2018
Yerevan

Contents

1. General Appraisal of the Annual Performance

Extractive Industries Transparency Initiative (EITI) is a world standard which promotes the open and accountable management of natural resources. To achieve this objective, transparency and accountability by organizations and government agencies involved in the extractives sector (oil, gas and metals) is promoted through disclosing for the citizens the total payments made by the companies to the national and community budgets and drawing an independent comparison with the government announced revenues.

The Multi-Stakeholder Group (MSG) of the Republic of Armenia has been authorized by the Government of the Republic of Armenia to oversee the implementation of the EITI. The MSG of the EITI of Armenia comprises the representatives of the Government, mining companies and civil society. The total number of the members of the EITI MSG is 15, including six representatives from government agencies, four representatives from mining companies, four representatives from civil society and one representative from academia. Davit Harutyunyan is the Chairperson of the RA EITI MSG. The Initiative is considered to be a unique platform for trilateral cooperation in Armenia, where the stakeholders serve best the interests of the country through joint activities.

Armenia's EITI Candidature Application was approved on 9 March 2017 at the EITI Board meeting held in Bogota, capital city of Columbia, and the Republic of Armenia was granted the status of an EITI candidate country.

An extract from the Decision of the EITI Board meeting:

> The EITI admits the Republic of Armenia as an EITI candidate country on 9 March 2017. In accordance with the EITI Standard, the Republic of Armenia is required to publish its first EITI Report within 18 months of becoming a candidate (i.e. by 9 September 2018). Armenia is required to publish an annual activity report for 2017 by 1 July 2018. Validation will commence within two and a half years of becoming a candidate (i.e. by 9 September 2019). In accordance with the work plan submitted by the MSG, the EITI Board expects Armenia to publish a Beneficial Ownership Disclosure Roadmap by 1 January 2018.

Guided by the timelines set by the EITI Board, the operation of Armenia's EITI MSG was aimed at the implementation of the activities specified in the EITI Board decision.

After obtaining the status of an EITI candidate country in 2017, Armenia continued to take steps towards the implementation of the EITI and raising the awareness of local and regional stakeholders.

During the whole year the MSG was trying to engage different stakeholders, including government agencies, communities, companies and the civil society, with the aim of delivering EITI's message to all the parties on the efficient management of the revenues from the natural resources, disclosure of the beneficial owners and other reforms.

In addition to engaging the stakeholders, the operation of the MSG in 2017 was mainly directed towards the preparatory work of EITI's first report.

During the reporting year the key activities undertaken by the MSG included:

- Preparation of the draft Scoping Study of the 2018 EITI Report.
- Drafting laws of the RA, to make these EITI compliant. The changes are aimed at enshrining publication of information on the mining sector, specified by the EITI Standard, as a mandatory requirement in the legislation.
- Development and publication of the Beneficial Ownership Disclosure Roadmap of metal mining companies of the Republic of Armenia. It covers the activities planned for 2018-2019, the implementation of which will result in that the names of beneficial owners of the metal ore mine sites will be known to the public as of 1 January 2020.
- Public awareness activities among which of special importance are the provincial visits, the series aired by the Public and provincial television companies and the information clips.
- Ensuring access to the key documents of EITI for the public at large, especially the Armenian translation and publication of the EITI Standard.
- Work with the donors. During the reporting year the EITI implementation process in Armenia was assisted by the World Bank, USAID Armenia, the British Embassy to Armenia, UNDP Armenia and the European Bank for Reconstruction and Development (EBRD).
- Work with the EITI International Secretariat.

On the whole it can be said that the reporting year was a decisive one in terms of development of the institutional bases for the EITI implementation process in Armenia, raising the financial guarantees, forming the "EITI community" through the engagement of all the stakeholders and building the capacity of the MSG members and the other representatives.

2. Appraisal of the Performance of the Targets and Activities Set by 2017-2018 EITI Work Plan of Armenia

THE ACCOMPLISHED ACTIVITIES ACCORDING TO THE 2017-2018 WORK PLAN OF THE REPUBLIC OF ARMENIA'S EITI

OBJECTIVE	Ensuring accessible and timely information		
ACTIVITY 1. Developing the Terms of Reference (ToR) for the EITI official website, conducting tender for selection of organization, approval of the organization	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: ToR (May 2017); contract with the organization. *Timeline*: October 2017	Accomplished (the ToR of the website was developed and approved, and a tender was announced in December 2017)	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 2. Creating the RA EITI website	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: RA EITI website; RA EITI website, databases, database processing tools for providing online access to information, conducting inquiries, free information viewing functionality, creation of an online reporting portal *Timeline:* February 2018	Irrelevant to the reporting period	RA Government Staff / EITI Secretariat, selected organization
ACTIVITY 3. Ongoing website support	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Timeline: ongoing	Irrelevant to the reporting period	Selected organization
ACTIVITY 4. Posting appropriate information in the EITI website (reports, videos, minutes)	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: reports, videos, minutes published on the website *Timeline*: ongoing	Ongoing	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 5. Disclosure and publication of information on the mining sector in an easily understood language, preparation of social advertising	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**

	Outcome/output and timeline	Implementation status	Responsible parties
	Outcomes/outputs: Information sheets, infograms, EITI report, MSG annual report, information video-clips *Timeline: ongoing*	Ongoing	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 6. Awareness raising campaign on the mining sector and EITI and their elucidation via social media	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: information about mining and EITI published in social media *Timeline:* ongoing	Ongoing	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 7. Development of Communication[1] Strategy	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: draft Communication Strategy *Timeline*: May 2017	Not implemented	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 8. Approval of Communication Strategy	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Communication Strategy *Timeline*: June 2017	Not implemented	MSG
ACTIVITY 9. Implementation of awareness raising measures	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: Round tables, meetings, including with representatives of affected communities, meetings with educational institutions *Timeline: ongoing*	Ongoing	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 10. Official presentation of EITI report / conference	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: EITI conference *Timeline*: October 2018	Irrelevant to the reporting period	MSG, RA Government Staff / EITI Secretariat of Armenia
	DESCRIPTION OF THE COURSE OF IMPLEMENTATION OF THE OBJECTIVE		

To achieve the objective of ensuring accessible and timely information specified in the Work Plan, the EITI sub-page[2] of the official website of the Government of the Republic of Armenia has been constantly updated during the reporting period,

---

[1] During the meeting on May 5 2017 the "Communication Strategy" was renamed into "Public Communication Strategy".

[2] http://gov.am/am/eiti/

and information has been presented on the EITI implementation activities in the Armenian and English languages. The pages of the EITI Secretariat of Armenia have been created and regularly updated in Facebook[3], YouTube[4] and Twitter[5] networks, publishing information on the EITI implementation and the sector and ensuring its access for the public at large.

On March 24, within the framework of the Project "Enhanced Transparency in the Mining Sector" implemented with USAID Armenia support an event[6] was held dedicated to the Republic of Armenia's becoming a candidate country of the Extractive Industries Transparency Initiative. The event was attended by the RA Prime Minister, the Deputy PM, ministers, the USA's and UK's Ambassadors to Armenia, USAID Armenia Mission Director, representatives of the World Bank and other international organizations and representatives of extractive companies. Jonas Moberg, Head of the International Secretariat of the EITI, and Oleksiy Orlovsky, alternate member of the International Board, delivered video messages.

The event was broadly covered by the Armenian TV companies and electronic news media. A press conference took place on the next day, which was followed by an interview to the media.am website[7].

During the reporting year two fact sheets, in the Armenian and English languages, were developed and printed with the support of the Extractive Industries Transparency Initiative and USAID Armenia on the Project "Enhanced Transparency in the Mining Sector" implemented by the Staff of the Government of the RA. The fact sheets were disseminated during different events by EITI Secretariat of Armenia, including visits to the provinces (*marzes*) and workshops.

In order to raise the awareness on the EITI process, provincial meetings took place in Lori and Syunik provinces, attended also by the representatives of Vayots Dzor province.

The "Transparent Mining" series was prepared under the "Hraparakum" program aired by the Public Television of Armenia, with the objective of informing the pubic on the activities of implementation of the Extractive Industries Transparency Initiative in Armenia, introducing the members of the Multi-Stakeholder Group of EITI Secretariat of Armenia ,as well as presenting the opinions of the members and other experts involved in the sector on the Initiative and the expected benefits. Eleven episodes were broadcast:

- *Episode 1[8].* Interview with Davit Harutyunyan, Minister-Chief of Government Staff, Chairman of MSG of EITI Secretariat of Armenia;
- *Episode 2[9].* Interview with Armen Stepanyan and Perch Khachatryan, members of the MSG who represent extractive companies;
- *Episode 3[10].* Interview with Harutyun Movsisyan, member of the MSG who represents the civil society, and Alen Amirkhanyan, Director of AUA's Acopian Center for the Environment;

---

[3] https://www.facebook.com/EITIArmenia/

[4] https://www.youtube.com/channel/UCx_9yOLmQCj_rwy2wYgRh6A

[5] https://twitter.com/EITI_Armenia

[6] http://www.gov.am/am/news/item/12895/

[7] https://media.am/eiti-in-armenia

[8] https://www.youtube.com/watch?v=kLnhBKdXfDk&t=409s

[9] https://www.youtube.com/watch?v=T4I2uLuGmss&t=228s

- *Episode 4[11].* Coverage of the event dedicated to Armenia's becoming a candidate country of the EITI;
- *Episode 5[12].* Provincial meeting in the town of Vanadzor with the aim of raising awareness on EITI;
- *Episode 6[13].* The role of civil society in the EITI implementation process: interviews with Sona Ayvazyan and Artur Grigoryan, members of the MSG who represent the civil society;
- *Episode 7[14].* Interviews with the international partners of EITI: Judith Farnworth, UK's Ambassador to Armenia, and Laura Bailey, World Bank Country Manager in Armenia;
- *Episode 8[15].* Coverage of the visit of Dyveke Rogan, representative of EITI International Secretariat and the workshop on disclosure of beneficial owners of extractive companies and presentation of EITI Report;
- *Episode 9[16].* Interviews with Davit Ananyan, Deputy Minister of Finance of the RA, and Khachik Hakobyan, Deputy Minister of Nature Protection of the RA, who are members of the MSG of EITI Secretariat of Armenia and represent the government constituency;
- *Episode 10[17].* Interviews with Richard Mills, US Ambassador Extraordinary and Plenipotentiary to Armenia, and Debora Grizer, USAID Armenia Mission Director, on the EITI implementation process in Armenia, the Project "Enhanced Transparency in the Mining Sector" which supports the process, as well as the willingness for further collaboration; and
- *Episode 11[18].* Was devoted to the presentation of the website of the Republic Geological Fund www.geofund.am. In addition to the coverage of this event, the activities of digitization of the materials of the Geological Fund and publication of the large amount of information on the sector.

The EITI Standard was translated, to engage a larger public in the EITI implementation process. The Armenian version of the EITI Standard can be accessed on the official website of EITI International Secretariat[19] and the EITI subpage of the official website of the RA Government Staff.

In order to raise the awareness of the public at large, six social video clips were made in the reporting year ("What is EITI"[20], "The Role of Mining in the Economy of Armenia"[21], "Multi-Stakeholder Group"[22], "Beneficial Owners"[23], "The EITI

---

[10] https://www.youtube.com/watch?v=L6kcSIaEPuc&t=4s

[11] https://www.youtube.com/watch?v=fGhLBEvVVis&t=19s

[12] https://youtu.be/enjxuZuZKVw

[13] https://youtu.be/qqomeHwRPVI

[14] https://youtu.be/s18wbG-DakY

[15] https://youtu.be/Yo5_sAOSiw0

[16] https://youtu.be/UNzv9ztZcgk

[17] https://youtu.be/XsgORS2Aghw

[18] https://youtu.be/JytWnipH05A

[19] https://eiti.org/sites/default/files/documents/eiti_standard_arm-new_0.pdf

[20] https://www.facebook.com/EITIArmenia/videos/2108693685822912/

[21] https://www.facebook.com/EITIArmenia/videos/2120102438015370/

[22] https://www.facebook.com/EITIArmenia/videos/2141558569203090/

Implementation Process in Armenia"[24], a short film about the USAID-supported Project implemented by the RA Government Staff, the www.geofund.am website of the Geological Fund and the guide for using the website[25]) and posted on the EITI Secretariat of Armenia YouTube channel[26]. The clips were shared on the EITI Secretariat of Armenia Facebook page. Additionally, a promotional campaign was announced on EITI Secretariat of Armenia Facebook page, in order to increase the number of views for the five clips and the film. The video clips were also aired on the "Sosi" and TV company of the town of Kapan and "Fortuna" TV company of Lori province.

Additional Activities

On 14 September 2017 the presentation of the www.geo-fund.am website of the Geological Fund took place with the support of the USAID Project "Enhanced Transparency in the Mining Sector". With the Project support the entire geological and other information collected and stored in the depository of the Fund since the 20s of the past century, which was obtained during the geological studies of the subsoil reserves across the area of Armenia, as well as during the operation of mines, was digitized in respective document form (statements, reports, drawings, etc), and all the materials can be accessed at www.geo-fund.am. The participants of the event were introduced to the EITI implementation process in Armenia, as well as the importance of digitization and accessibility of the Fund's information in the context of ensuring transparency and accountability. Additionally, a new arrangement was made with the Institute for Geological Sciences of the RA National Academy of Sciences, pursuant to which the latter expressed their willingness to also make available the reports and important literature in their depository for the purpose of digitizing and publishing on the website[27].

To achieve the objective of ensuring accessible and timely information, the development of the Communication Strategy was not accomplished within the planned timeline.

For the development of the Communication Strategy, the American University of Armenia's Center for Responsible Mining (AUA CRM) is carrying out the activities of developing the Communication Strategy, with the support of the British Embassy to Armenia. In accordance with the approved schedule, the final Communication Strategy document was to be submitted to the MSG of EITI Secretariat of Armenia in August 2017, however it has not been submitted during the reporting period. During the December 6 meeting of the MSG of EITI Secretariat of Armenia December 19 was set as the new deadline for the submission of the draft, however, the deadline was not met.

The activities of creation of the official website of EITI will be funded by UNDP Armenia. In December 2017 a tender was announced by UNDP Armenia for the selection of the company which would develop the website.

Summarizing the above-mentioned activities, it can be concluded that despite the postponement of a number of activities, accessible and timely information on the EITI implementation processes has been ensured during the reporting period: the level of public awareness on EITI has been raised by applying various awareness raising methods.

---

[23] https://www.facebook.com/EITIArmenia/videos/2130584020300545/

[24] https://www.facebook.com/EITIArmenia/videos/2158475167511430/

[25] https://www.facebook.com/EITIArmenia/videos/2147564658602481/

[26] https://www.youtube.com/channel/UCx_9yOLmQCj_rwy2wYgRh6A

[27] https://www.geo-fund.am/hy/library

OBJECTIVE	Development of Beneficial Ownership Disclosure Roadmap		
ACTIVITY 11. Development of Beneficial Ownership Disclosure Roadmap	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Draft Roadmap *Timeline*: June 2017	Implemented during the reporting period, with delay from the deadline set by the Work Plan.	MSG, RA Government Staff / EITI Secretariat of Armenia, RA government agencies
ACTIVITY 12. Public consultations on the draft Roadmap	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: publication of the draft Roadmap, meetings *Timeline*: July 2017	Implemented during the reporting period, with delay from the deadline set by the Work Plan.	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 13. Approval of Beneficial Ownership Disclosure Roadmap	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Roadmap *Timeline*: August 2017	Implemented during the reporting period, with delay from the deadline set by the Work Plan. The deadline set by the EITI Board was met.	MSG
ACTIVITY 14. Submission of the Beneficial Ownership Disclosure Roadmap to the EITI Secretariat	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Roadmap submitted to EITI International Secretariat *Timeline*: September 2017	Implemented during the reporting period, with delay from the deadline set by the Work Plan. The deadline set by the EITI Board was met.	RA Government Staff / EITI Secretariat

DESCRIPTION OF THE COURSE OF IMPLEMENTATION OF THE OBJECTIVE

To achieve the objective of the development of the Beneficial Ownership Disclosure Roadmap, set in the Work Plan, the MSG of Armenia's EITI has cooperated with Davit Sargsyan and Jeremy Weate, local and international consultants engaged in the project implemented by EBRD London Office on providing assistance to a number of EITI implementing countries with the development of the Beneficial Ownership Disclosure Roadmap. The consultants developed a draft Beneficial Ownership Disclosure Roadmap of Armenia's metal mining companies. A legal analysis of Beneficial Ownership Disclosure Roadmap has been performed (which includes a recommendation on the definition of a beneficial owner). The consultants have had a number of meetings with the MSG members, extractive companies and the representatives of civil society. The outcomes of the discussions were incorporated into the draft Roadmap. The Roadmap was electronically approved by the

EITI MSG. After the approval by the MSG, the Beneficial Ownership Disclosure Roadmap was published on the EITI website[28] and presented to the EITI International Secretariat. It must be mentioned that no disclosure of beneficial owners of companies involved in mining exploration is planned, because no unified decision had been made on the issue between the MSG constituencies.

On the whole, the implementation of Activities 11-14 foreseen by the Work Plan was delayed, the reason being the late approval of the ToR by EBRD, the donor, as well as the presented timetable and procedures.

In summary it can be stated that the Beneficial Ownership Disclosure Roadmap has been developed and published within the set timeline, after a comprehensive Legislative Review and the opinions of various stakeholders.

OBJECTIVE	Review of the legal framework of Armenia, disclosure of inconsistencies with the EITI Standard and gaps		
ACTIVITY 15. Preparation of the Terms of Reference by the MSG based on which local and international consultants will conduct a review for identifying inconsistencies	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: ToR *Timeline*: April 2017	Accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 16. Review of legislation, identification of gaps, submission of recommendations on addressing the gaps	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: report and action plan. *Deadline:* December 2017	Accomplished partially	MSG, RA Government Staff / EITI Secretariat of Armenia, expert
ACTIVITY 17. Submission of the report and action plan to the MSG	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: submission of the report and action plan to the MSG *Timeline*: December 2017	Not accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia, expert
ACTIVITY 18. Review and approval of report and action plan by the MSG	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: review and approval of Report and action plan by the MSG *Timeline*: December 2017	Not accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia
DESCRIPTION OF THE COURSE OF IMPLEMENTATION OF THE OBJECTIVE			

---

[28] http://www.gov.am/u_files/file/ardyunaberakan-cragir/BO%20roadmap_draft_ARM.pdf

To achieve the objective "Review of the RA legal framework and disclosure of inconsistencies with the EITI Standard and gaps", the RA EITI MSG cooperated with the British Embassy to Armenia. Through the funding of the latter AUA CRM has started the Legislative and Institutional Review. The ToR for the international expert and the structure of the Legislative and Institutional Review have been developed, and approved by the MSG.

The AUA CRM had submitted the package of draft Laws in November 2017, which was discussed with the stakeholder bodies and the MSG. The package of draft laws of the RA developed as a result of discussions with the stakeholders was submitted to the RA Government in December 2017. The RA draft laws stipulate the mandatory requirement for submission of public reports by the mining companies and government agencies, the scope of information included in the reports, the scope of information to be published compulsorily by the government agencies in compliance with the EITI Standards, as well as the mandatory requirement for publicizing the mining contracts entered into with metallic minerals extractive companies and the changes made to them.

The nonaccomplishment of Activities 17 and 18 is accounted for by that the Legislative and Institutional Review was not submitted by AUA CRM according to the timeline (the first draft was to be submitted on 13 October).

It should be noted that during the reporting period AUA CRM developed a package of draft legal amendments[29] within the scope of ensuring EITI compliance. The proposed changes are aimed towards ensuring the publication of the information on the mining sector as established by the EITI Standard. This will make the sector more transparent and accountable and will promote competitive governance and oversight. The interested government agencies were actively involved in the development of the package.

Thus, no Legislative and Institutional Review of the RA during the reporting period was performed as such: disclosure of inconsistencies with the EITI Standard and gaps was implemented in the form of legal amendments. The objective was accomplished partially.

OBJECTIVE	Review of the best international practices and development of a Roadmap for harmonization with the EITI and the best international practices of responsible mining		
ACTIVITY 19. Development and approval of the Terms of Reference	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: ToR *Timeline*: October 2017	Accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 20. Development of a Roadmap for reviewing the international experience	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Roadmap *Timeline*: November 2017	Not accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 21. Approval of the Roadmap by the MSG	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**

---

[29] https://www.e-draft.am/projects/602

	Outcomes/outputs: action plan and budget Timeline: January 2018	Irrelevant to the reporting period	MSG
ACTIVITY 22. Implementation of action plan	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Timeline: December 2018	Irrelevant to the reporting period	MSG, RA Government Staff / EITI Secretariat of Armenia, RA government agencies
ACTIVITY 23. Involvement in development of the sector policy	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/ouput: engagement, presentation of opinion Timeline: ongoing	Ongoing	MSG, RA Government Staff / EITI Secretariat of Armenia

DESCRIPTION OF THE COURSE OF IMPLEMENTATION OF THE OBJECTIVE

To achieve the objective "Review of the best international practices and development of a Roadmap for harmonization with the EITI and the best international practices of responsible mining", the MSG of Arm-EITI cooperated with the British Embassy to Armenia. Through the funding of the latter, the AUA CRM, for preparing the Legislative and Institutional Review, as well as The Scoping Study of the EITI Report 2018, were to consider the best international practices of responsible mining. Specifically, the preliminary Roadmap for responsible mining was to be developed, thereafter the MSG would undertake the development of the comprehensive Roadmap for responsible mining. The preliminary Roadmap was to be incorporated into the Legislative and Institutional Review.

Activities 19 and 20 were not accomplished because the Legislative and Institutional Review by AUA CRM was not submitted according to the timeline (the first draft was to be submitted on 13 October) (same timeline as that for Activities 16-18).

Additional Activities

As to participation in sectoral policy making, the cooperation between the RA Government Staff and the World Bank Armenia Office resulted in the development and award of a new grant project which aims at developing a new, comprehensive strategy for the mining sector in the Republic of Armenia. Under the said grant project, prior to the development of the strategy, two important studies are to be conducted, based upon which decisions will be made on the strategic targets. On the Secretariat's initiative the MSG was engaged in some activities under the World Bank funded Project "Strategy Development in the Mining Sector". Namely, under the Project the respective ToRs (environmental and health impact assessment of the mining sector, economic analysis of Armenia's subsoil reserves) were sent for the opinion of the MSG members, thereafter, based upon the received opinions, the drafts were amended.

Through the joint efforts of the RA Government Staff and the RA Ministry of Nature Protection, commenced the activities of designing the draft decision on the requirements for monitoring planned in order to reduce losses resulting from mining and prevent irrevocable impact, as well as on the procedure for reporting on the results. It was expected that draft

decision would stipulate that in the event of metallic minerals the mining companies should submit the quarterly reports on the monitoring results to the Authorized Body once in every quarter, specifying *inter alia*, in the substantiation of the draft, the necessity for transparency ensuing from EITI.

In summary it can be stated that the best international practices were not reviewed during the reporting period, and no Roadmap was developed for harmonization with the EITI and the best international practices for responsible mining.

OBJECTIVE	Ensuring Armenia's EITI candidature status		
ACTIVITY 24. RA Prime Minister's statement	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: statement *Timeline:* July 2015	Irrelevant to the reporting period	
ACTIVITY 25. EITI awareness raising events	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: meetings *Timeline*: December 2015	Irrelevant to the reporting period	
ACTIVITY 26. Nomination of MSG members	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: nominated MSG members *Timeline*: June 2016	Irrelevant to the reporting period	MSG constituencies
ACTIVITY 27. Training seminars for MSG members	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: training seminars *Timeline*: March-November 2016	Irrelevant to the reporting period	MSG, RA Government Staff, donors, experts
ACTIVITY 28. Development of ToR for MSG	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: draft Terms of Reference for the Multi-Stakeholder Group *Timeline*: September 2016	Irrelevant to the reporting period	MSG, RA Government Staff
ACTIVITY 29. Approval of ToR for MSG	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: ToR for MSG *Timeline*: December 2016	Irrelevant to the reporting period	MSG
ACTIVITY 30. Participation in EITI Board meetings	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: EITI Board meetings	Ongoing	MSG, RA Government Staff

ACTIVITY 31. MSG meeting	Outcome/output and timeline	Implementation status	Responsible parties
	Outcome: MSG meeting *Timeline*: June 27 2016	Irrelevant to the reporting period	MSG, RA Government Staff
ACTIVITY 32. First official meeting of MSG, launching event	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: first official meeting of MSG, launching event *Timeline*: November 25 2016	Irrelevant to the reporting period	MSG, RA Government Staff
ACTIVITY 33. Adoption of RA Prime Minister Decree on Setting Up the RA EITI Multi-Stakeholder Group and Approving Its Composition	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: RA Prime Minister's decree *Timeline*: November 24 2016	Irrelevant to the reporting period	RA Government Staff
ACTIVITY 34. Development of Armenia's EITI Work Plan	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Armenia's draft EITI Work Plan *Timeline*: December 2016	Irrelevant to the reporting period	MSG, RA Government Staff
ACTIVITY 35. Approval of Armenia's EITI Work Plan	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Armenia's EITI Work Plan *Timeline*: December 2016	Irrelevant to the reporting period	MSG
ACTIVITY 36. Development of the RA EITI Candidature Application	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Draft RA EITI Candidature Application *Timeline*: December 2016	Irrelevant to the reporting period	MSG, RA Government Staff
ACTIVITY 37. Approval of the RA EITI Candidature Application	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: RA EITI Candidature Application *Timeline*: December 2016	Irrelevant to the reporting period	MSG
ACTIVITY 38. Collaboration with donors	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: meeting with donors *Timeline: ongoing*	Ongoing	RA Government Staff / EITI Secretariat
ACTIVITY 39. Submission of the RA EITI	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**

Candidature Application to the EITI International Secretariat	*Outcome/output*: submitted RA EITI Candidature Application *Timeline*: December 2016	Irrelevant to the reporting period	RA Government Staff
ACTIVITY 40. Establishment and operation of the Armenian EITI secretariat	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: Armenian EITI secretariat *Timeline*: October 2017, December 2018	Accomplished	RA Government Staff / EITI Secretariat
ACTIVITY 41. Preparation and approval of the RA EITI MSG annual report	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome/output: RA EITI MSG annual report *Timeline*: January 2018, January 2019	Irrelevant to the reporting period	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 42. Preparation of monitoring reports on the RA EITI MSG activities, EITI implementation, action plan (quarterly, biannual, annual)	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: reports *Timeline*: quarterly	Accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 43. Collaboration with the EITI International Secretariat and other EITI member countries	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: correspondence, meetings, conference calls *Timeline: ongoing*	Ongoing	RA Government Staff / EITI Secretariat, MSG
ACTIVITY 44. Participation in EITI Board meetings and conferences	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Timeline: ongoing	Accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 45. Holding of the RA EITI MSG meetings	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: RA EITI MSG meetings *Timeline:* quarterly	Ongoing	RA Government Staff / EITI Secretariat, MSG
ACTIVITY 46. Revision and approval of the EITI work plan	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes/outputs: Revised EITI work plan *Timeline*: January 2018, January 2019	Irrelevant to the reporting period	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 47. Creation of MSG working groups	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Timeline: ongoing	Accomplished	MSG
ACTIVITY 48. Development and approval of the	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**

2019-2020 EITI Work Plan	*Outcomes/outputs:* 2019-2020 EITI Work Plan *Timeline*: October 2018	Irrelevant to the reporting period	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 49. Payment of EITI membership fee	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Timeline: December 2017, December 2018	Accomplished (the cost was included in the national budget)	

DESCRIPTION OF THE COURSE OF IMPLEMENTATION OF THE OBJECTIVE

Before the start of the reporting period the mandatory steps specified by the EITI Standard were taken towards the implementation of EITI in Armenia, the filing of the application for EITI candidature. In particular, the prime Minister Hovik Abrahamyan announced in July 2015 about the commitment of the Republic of Armenia to implement the EITI Standard and delegated the coordination of the activities of EITI membership to Davit Harutyunyan. Until mid 2016 the representatives of extractive companies and civil society independently elected and nominated their candidates for the members who would represent their constituencies in the MSG. Frequent meetings were held between the candidates of the three constituencies for MSG, to discuss various issues related to the Initiative. A typical one was the assertion by the civil society about the decision making procedure, according to which the decisions in the MSG should be made not by majoritarian voting but on the basis of consensus. As a result, all the parties accepted the fairness of this demand, which was set forth in the ToR of the MSG. The ToR of the MSG was developed since September 2016 and was approved in December 2016. In November 2016 the composition of the MSG was approved by the Decree of the Prime Minister of the RA "On Setting Up the RA EITI Multi-Stakeholder Group and Approving Its Composition"[30]. The first official meeting of MSG was held in November 2016. Thereafter, in December 2016 the Terms of Reference for the MSG of Extractive Industries Transparency Initiative of the Republic of Armenia[31], the Work Plan of EITI[32] և Armenia's application for EITI candidature were developed and approved. During the same month the RA EITI Candidature Application was submitted to the EITI International Secretariat.

To achieve the objective on ensuring Armenia's EITI candidature status, during the reporting period the Secretariat of the Armenian EITI has carried out *productive cooperation* with the donors*,* specifically with the representatives of EBRD London Office, USAID Mission to Armenia, the British Embassy to Armenia UNDP Armenia, the World Bank and GIZ , with whom the possible directions of the participation of the international organisations in the work aimed at the implementation of the Work Plan were discussed.

Within the scope of cooperation with the EITI Secretariat, under the EBRD Project on assisting with the disclosure of the ultimate beneficial owners, during the reporting period the consultants developed the draft Beneficial Ownership Disclosure Roadmap and prepared a legal analysis on disclosure of the beneficial owners in Armenia.

In 2017 the British Embassy to Armenia launched the Project "Support to Enhance Armenia's Capacity to Implement EITI and to Increase Transparency and Accountability in Mining Licenses and Contracts". The AUA CRM is the implementing

---

[30] https://www.e-gov.am/decrees/item/16411/

[31] http://www.gov.am/u_files/file/ardyunaberakan-cragir/MSG_TOR_Armenia.pdf

[32] http://www.gov.am/u_files/file/ardyunaberakan-cragir/EITI_Workplan_Armenia_arm(1).pdf

partner of the Project. The Scoping Study of EITI Report, the Legislative and Institutional Review, the Communication Strategy and the ToR for the Independent Administrator will be developed under the Project, and capacity building activities will be carried out.

The World Bank grant application has been prepared, and a grant application has been submitted to the Multi-Donor Trust of the Extractives Global Programmatic Support (EGPS). Under the grant, it is expected to finance the publication of the first report of EITI Secretariat of Armenia, capacity building of the MSG and the National Secretariat of Armenia's EITI, implementation of awareness-raising activities, as well as development of draft legal amendments related to disclosure of the beneficial owners and software for the register of the beneficial owners.

UNDP Armenia will fund the development, launch and maintenance of the website of EITI Secretariat of Armenia; a tender has been announced to select a company for creating the website of EITI Secretariat of Armenia. It is planned to launch the EITI's website in the second quarter of 2018.

As regards the establishment of Armenia's EITI Secretariat, in 2016 an EITI expert was hired under the USAID-funded Project "Enhanced Transparency in the Mining Sector". In 2017 the second EITI expert joined in, and during the reporting period they performed the functions of the EITI National Secretariat. After the end of the Project the RA Government expressed readiness to continue the funding of the EITI Secretariat. For this purpose activities were carried out to prepare and submit the application for the budget. In accordance with the filed application, it is planned to pay the salaries of the representatives of the EITI Secretariat and the EITI annual membership fee (for the year 2018). The application has been approved, and the above has been included in the RA 2018 national budget.

Within the scope of the operation of the EITI MSG and the implementation of EITI, in 2017 the MSG held five meetings (two being of working nature), during which the three quarterly reports of EITI implementation were approved. The minutes of the meetings were taken, approved and published on the EITI sub-page[33] of the official website of the Government of the Republic of Armenia. In 2017 the concept of open data policy of the Republic of Armenia's EITI was developed and approved by the MSG[34].

In 2017 the officials of the RA Government Staff responsible for the EITI *cooperated with* the regional responsible officials of *the EITI International Secretariat* for the implementation of the EITI Standard in Armenia and obtaining comments and advice related to the implementation of the Activities of the EITI Secretariat of Armenia's Work Plan. Conference calls were made, and correspondence have been held with the EITI International Secretariat.

The responsible parties of Armenia's EITI took part in the telebridges organized by the EITI International Secretariat. Specifically, in May 2017 a telebridge was held attended by the regional representatives of EITI International Secretariat, an EITI Board member and alternate member, the EITI responsible parties of the EITI member countries in the region. The main objective of the telebridge was to discuss issues related to the degree of disaggregation of data presented in EITI Reports, particularly, the possibility of presenting the data by the mining projects (permits, licenses), restrictions of the legal and tax regimes, etc.

During the two-day workshop organized in June 2017 for building the capacity of the RA EITI MSG members Dyveke Rogan,

---

[33] http://www.gov.am/am/msgmeeting/

[34] http://www.gov.am/u_files/file/ardyunaberakan-cragir/EITI_Open_Data_Policy_Armenia_arm.pdf

representative of EITI International Secretariat, Policy and Regional Director, elucidated issues related to beneficial ownership and the Scoping Study[35]. In addition to the members of the MSG, the workshop was attended by the representatives of the stakeholders from the government agencies and civil society organizations alike.

The EITI International Secretariat organized a webinar in October to discuss the effective involvement of the different constituencies of the MSG in the implementation of the EITI, as well as the national specificities of the EITI implementation practices.

During the development of the Beneficial Ownership Disclosure Roadmap in the RA, experience was shared via correspondence between the coordinating agency of the UK register of beneficial owners, i.e. the management of the Department for Business, Energy and Industrial Strategy, as well as members of MSGs of Kazakhstan and Ukraine. During the development of the ToR for the EITI's Armenian website cooperation was established with the responsible parties of EITI of Kazakhstan and Mongolia, to borrow their experience (namely, Mongolia's EITI presented a study on the electronic system for reporting within the framework of EITI).

Participation in EITI Board meetings and conferences

- ✓ Within the framework of Open Government Partnership during the two-day event in Kiev in February 2017 entitled "Open Government. The European Aspect", attended by the delegations representing the governments of the countries in the region and the civil society organizations, Armenia's delegation, as the best commitment to open government, presented the implementation of EITI in Armenia.
- ✓ In March 2017 Khachik Hakobyan, Armen Stepanyan and Harutyun Movsisyan attended the Extractive Industries Transparency Initiative Board meeting held in Bogota, capital city of Columbia, during which the EITI International Board discussed Armenia's EITI Candidature Application and granted Armenia the status of an EITI candidate country.
- ✓ In October 2017 the Armenian delegation participated in EITI's Conference entitle "Transparency of Beneficial Owners" which took place in Jakarta, capital city of Indonesia. The best practices of disclosure of beneficial owners in the mining sector were presented at the conference; the challenges were discussed, and the delegations of EITI member countries exchanged the accumulated experience.

During 2017 *five working groups of the EITI* were formed:

- Working Group on Development of the Communication Strategy;
- Working Group On the Scoping Study of the EITI Report;
- Working Group on the Review of the Legal Framework and Identifying Inconsistencies;
- Working Group on Development of Beneficial Ownership Disclosure Roadmap; and
- Working Group on Responsible Mining.

The working groups had a number of meetings with the experts engaged in the activities of development of the Scoping Study of the EITI Report, Beneficial Ownership Disclosure Roadmap and the Legislative Review.

During the meeting held in March 2017 the issue of terminating the authority of Erik Grigoryan, member of EITI Secretariat of Armenia MSG's civil society constituency, on grounds of his appointment as assistant to the RA Prime Minister. On

---

[35] https://youtu.be/rgjb6vXW8SY

March 21, pursuant to Point 25 of the Terms of Reference of the Multi-Stakeholder Group o the Extractive Industries Transparency Initiative of the Republic Of Armenia, the civil society constituency of the MSG appointed Artur Hambartsumyan, alternate member of the civil society constituency, as a temporary member. Pursuant to the ToR of the MSG, "in case of early termination of the authority of the MSG member, an alternate member of the corresponding constituency shall be appointed as a temporary member, after which within two months the corresponding constituency nominates a new MSG member". The requirement of the ToR of the MSG was not met because of disagreements of principles within the constituency. As proposed by the members of the civil society constituency, during the working meeting of the MSG in June the MSG's approach to the issues of the election of a new member of the civil society constituency and conflict of interest was discussed. The discussion resulted in the suggestion to settle the issues among the members of the constituency of the civil society by way of arbitration. In July 2017 with the agreement of the parties a group of arbitrators was formed (comprising Adelaida Baghdasaryan, licensed arbitrator, Hayk Alumyan, attorney-at-law, and Edik Baghdasaryan, journalist). The group of arbitrators was formed in the following way: each party nominated one candidate within a five-day period, and within a ten-day period the selected two candidates elected the third (last) member of the arbitration who acts as the group's coordinator. The group of arbitrators should consider the case within an twenty-day period and deliver the verdict to the parties on the twenty-first day. The group of arbitrators passes the verdict by majority vote, and the verdict is mandatory for the parties. However, during the reporting period the group of arbitrators did not pass a decision: the opinion of the group is expected to be received by June 2018. It has to be mentioned that the timelines specified by the ToR of the MSG were not met.

- The MSG members also worked with organizations of their constituency with a larger coverage, aiming to inform the wider constituencies about the progress and issues of the implementation of EITI in Armenia. Specifically, the information regarding the EITI was presented during the regular meetings organized with the representatives of the management of the extractive companies on the initiative of the Union of Miners and Metallurgists of Armenia, as well as to the group within the Union dealing with sustainable development issues (the meetings of the group are held at least on a quarterly basis). In 2016-2017 the constituency of the civil society held a total of 26 mainstream meetings, during which issues like the formation of the civil society constituency of the MSG, organizing the elections, electing the alternate members, decision making in the MSG and items on the agenda of the mining sector were discussed, specifically the problems related to responsible mining. When drafting the legal amendments for harmonization with the EITI, the representatives of various agencies were involved in the drafting activities, and designated agency staff participated in the discussions on the draft legal amendments and provided the opinions of the agencies on the drafts. Additionally, within the framework of EITI implementation, to provide the diplomatic representatives of the Republic of Armenia to foreign states with up-to-date and comprehensive information on the implementation of EITI in Armenia, in order to enhance the effectiveness of international cooperation, a fact sheet has been developed in Armenia on the implementation of the EITI in Armenia. The fact sheet was forwarded by the RA Ministry of Foreign Affairs to diplomatic representations of the Republic of Armenia to 18 foreign states in order to establish cooperation with the parties responsible for EITI in those states.

In summary of the above it can be stated that the objective was accomplished: Armenia's EITI candidature status was ensured.

OBJECTIVE	Comprehensive report consistent with the EITI Standard		
ACTIVITY 50. Scoping study of EITI report	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: Scoping Study *Timeline*: June 2017	Ongoing	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 51. Developing the ToR for the independent administrator	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: draft ToR for the Independent Administrator *Timeline*: July 2017	Not accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia, RA government agencies
ACTIVITY 52. Discussion and approval of the draft ToR for the Independent Administrator	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: ToR for the Independent Administrator *Timeline*: August 2018	Not accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia
ACTIVITY 53. Selection of the Independent Administrator (tender and approval) and preparation of the EITI report of Armenia	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcomes: announcing a tender for the Independent Administrator; tender; contract with the Independent Administrator; and draft EITI Report *Timeline*: August 2017, July 2018	Not accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia, Independent Administrator
ACTIVITY 54. Preparation and approval of the list of reporting government agencies and entities by the MSG, definition of materiality	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: list of reporting government agencies and entities *Timeline*: November 2017	Ongoing	MSG, RA Government Staff / EITI Secretariat of Armenia, RA government agencies
ACTIVITY 55. Development and approval of the format and timing of presentation of reporting by government agencies and extractive entities for the EITI Report purposes	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: template for reports *Timeline*: November 2017	Not accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia, RA government agencies
ACTIVITY 56. Training for government agencies and extractive entities on presentation of	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**

reports for the EITI report purposes	Outcome: training Timeline: December 2017	Not accomplished	MSG, RA Government Staff / EITI Secretariat of Armenia, RA government agencies, Independent Administrator
ACTIVITY 57. Discussion with the government of the need for legal bases for reporting	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: discussion Timeline: November 2017	Ongoing	RA Government Staff / EITI Secretariat, MSG
ACTIVITY 58. Discussion and approval of the RA EITI report prepared by the Independent Administrator	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: EITI report of Armenia Timeline: July 2018	Irrelevant to the reporting period	MSG, RA Government Staff / EITI Secretariat
ACTIVITY 59. Translation work	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Timeline: ongoing	Ongoing	
ACTIVITY 60. Submission of the RA EITI Report to the EITI Secretariat and its publication	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: EITI report of Armenia Timeline: August 2018	Irrelevant to the reporting period	RA Government Staff / EITI Secretariat, MSG
ACTIVITY 61. Review of considerations of the EITI Secretariat concerning the RA EITI Report and preparation of report on these considerations	**Outcome/output and timeline**	**Implementation status**	**Responsible parties**
	Outcome: Report Timeline: December 2018	Irrelevant to the reporting period	RA Government Staff / EITI Secretariat, MSG

DESCRIPTION OF THE COURSE OF IMPLEMENTATION OF THE OBJECTIVE

To achieve the objective "Comprehensive Report consistent with the EITI Standard", in 2017 activities of development of the Scoping Study of the EITI Report 2018 were carried out (the implementing party being AUA CRM). Specifically, the ToR and the structure of the Scoping Study of the EITI Report were developed and approved by the MSG; the Armenian draft was submitted by the AUA CRM in September, and in December the amended version of the draft Study was submitted by AUA CRM for the opinions and recommendations of the MSG members and the representatives of the EITI Secretariat. The final draft of the Scoping Study was not submitted by the AUA CRM within the planned timeline.

The necessity for the legal bases for reporting by the extractive companies and government agencies was discussed with the government agencies in the course of development of the legislative changes aimed at harmonization with the EITI. The legislative changes aimed at harmonization with the EITI were developed by the AUA CRM and amended by the respective working group, followed by the phase of their circulation among the agencies and making the final amendments.

The ToR for the Independent Administrator should have been developed after the approval of the Scoping Study, and this

activity was also included in the Project implemented by the AUA CRM by UK funding. The ToR for the Independent Administrator was not submitted within the timeline established by the schedule (according to the schedule, it was to be submitted in October). The selection of the Independent Administrator was not made within the timeline foreseen by the Work Plan, because the process of confirmation of the grant provided by the World Bank was not over yet.

The list of the reporting government agencies and entities must be approved by the MSG, and the materiality mush be defined in 2018, within the framework of the Scoping Study of the EITI Report.

As to the templates for the reports to be submitted for the EITI Report by the government agencies and extractive entities and the timing of report submission, this activity shall be implemented after the approval of the legislative changes aimed at harmonization with the EITI and the approval by MSG of the Scoping Study of the 2018 EITI Report. Respectively, the training shall be implemented after the approval by MSG of the Scoping Study of the 2018 EITI Report, acceptance of the legislative changes aimed at harmonization with the EITI and development of the appropriate sub-legislative acts.

Under translation work the EITI Standard was translated into Armenian through USAID Armenia support. It was approved by the MSG members and posted on the EITI sub-page[36] of the official website of the Government of the Republic of Armenia.

The activities planned for 2017 for the implementation of the objective "Comprehensive report consistent with the EITI Standard" were accomplished partially.

---

[36] http://gov.am/u_files/file/ardyunaberakan-cragir/EITI_Standard_Arm-new.pdf

3. Appraisal of Performance of the EITI Requirements

Requirements	Progress
2.1. Legal framework and fiscal regime	Through the funding of the British Embassy to Armenia AUA CRM is developing the Legislative and Institutional Review. The draft must provide the description of the legal framework regulating the extractive industries sector, and the fiscal regime. The Legislative and Institutional Review was not submitted by AUA CRM according to the timeline (the first draft was to be submitted on 13 October 2017).
2.3. Register of licenses	For the development of the 2018 EITI Report, the Scoping Study will present the mining permits issued for the extraction of metallic minerals, the names of the corporate entities, the numbers of the licenses, the dates of issue and the validity periods of the licenses, as well as the names of the mine sites and the minerals. The laws on harmonization with the EITI establish that the Ministry of Energy Infrastructures and Natural Resources shall publish on their official website the following information on the activities related to extraction of minerals and geological exploration of the mineral resources for the purpose of extracting minerals: • the name of the business entity which has been granted a permit; • the year, month and date of the application filed for obtaining the permit; • the sequential number, year, month, date of issue and term of the permit; • in the event of permit extension, the number, year, month, date of issue of the respective document and the term of extension of validity of the permit; • the coordinates of the endpoints and total area of the mining area; • the name of the mine site; and • the name of the mineral.
2.4. Contracts	The laws on harmonization with the EITI establish that the Ministry of Energy Infrastructures and Natural Resources shall publish on their official website the mining contracts entered into with the metallic mineral extractive entities and the changes made thereto, excluding the publication of information (data) not subject to publication. Additionally, the following information shall be posted on the Ministry's website: • the number, year, month and date of conclusion of the mining

	contract; • in the event of making changed to the mining contract, the number, year, month and date of conclusion of the respective document for each change; • Regarding the activities related to extraction of minerals, also: • the amount of the provided exhausted supplies of the mineral by the main and accompanying components; and • the annual productivity of the mine.
2.5. Beneficial ownership	In 2017 a legal analysis on disclosure of the beneficial owners in Armenia was conducted under the Project implemented by EBRD support. The analysis includes the definition of a beneficial owner as per the international standards. The Beneficial Ownership Disclosure Roadmap of metal ore extractive companies of the Republic of Armenia was developed. The Roadmap was approved by the EITI MSG and published on the EITI website, as well as submitted to the EITI International Secretariat.
3.1. Exploration	The MSG had decided that the EITI Report should provide the description of the important projects on subsoil reserves exploration during the reporting period, as well as the aggregate amount of stocks approved in the country during the reporting period by the ore. Additionally, information should be provided about the phase of the exploration works, as well as the regions for the implementation of the works. The gaps in the information on the studies available on the website of the Authorized Body, the necessity and mechanisms for their improvement were discussed
3.2. Production	The MSG had decided that the EITI Report should include data on the production by the accountable companies (volume and value) by the product type. The companies shall also make information available on the sales of the product in the domestic market.
3.3. Export	The MSG had decided that the EITI Report should include data on the export of the products, specifically the volumes of export and the sales values. Information shall also be provided on the countries of export of the products.
4.1. Comprehensive disclosure of taxes and revenues	The MSG has decided to include the taxes and revenues provided in the EITI Report(s) without the thresholds and bilaterally present the following financial flows: 1. Profit tax 2. Income tax 3. Value added tax 4. Excise tax 5. Royalty

	6. Environmental fees (tax)
	7. Natural resources usage fees
	8. Monitoring fees
	9. Customs duties and customs tariffs
	10. State duty for issuance of a permit for use (operation) of each mine of non-ferrous, ferrous and rare metals
	11. State duty for issuance of a water use permit
	12. Refilling the funds for environmental protection
	13. Allocations from the environmental protection fund to the company
	14. Fees for environmental impact assessment (EIA) and expert examination
	15. Land tax
	16. Property tax
	17. Rent paid to the sub-national government entity (community)
	18. Penalties (including local ones)
	19. Fines (including local ones)
	20. Financial and non-financial obligations related to the socio-economic development of the communities, specified by the mining contract.
	The financial flows unilaterally provided only by the companies include the donations and endowments or permanent alienations done in a different manner (by the entity) to sub-national government entities and non-commercial corporate entities, as well as donations, endowments or permanent alienations done in a different manner to natural entities (in the case of natural entities the total number of the natural entities and the total amount paid will be presented).
2.6. Participation of the state *4.2. Sales of the state's extraction entitlement or other revenues collected in-kind* *4.5. Transactions related to state-owned enterprises* *6.2. Quasi-fiscal expenditures*	The MSG has decided that within the framework of the RA EITI Report the payments made to and received from state-owned enterprises, the quasi-fiscal expenditures, the dividend, the bonuses, the sales of the state's extraction entitlement or other revenues collected in-kind are non-applicable financial flows. In the case of Armenia the requirements of the EITI Standard related to the presence of state-owned enterprises are not applicable.
4.3. Supplies for the infrastructure and arrangements for barter	The MSG has decided that within the framework of the RA EITI Report the flows related to infrastructure and barter are not applicable.
4.4. Transportation revenues	The MSG has decided that within the framework of the RA EITI Report the transportation revenues are not applicable.

4.6. Sub-national transfers	The MSG has decided to include the taxes and payments in the *EITI* reports without thresholds and present bilaterally the following financial flows related to the sub-national government entities:
	• Land tax
	• Property tax
	• Rent paid to the sub-national government entity (community)
	• Penalties (including local ones)
	• Fines (including local ones)
	• Financial and non-financial obligations related to the socio-economic development of the communities, specified by the mining contract.
4.7. Level of disaggregation	The MSG has decided that the data will be presented by the entity (tax payer). In view of the current tax legislation, presently it is not possible to carry out project-level reporting. Partially, the payments which are directly related to operation in the mining sector, for example, the duties and the payments to the RA Ministry of Nature Protection, will reflect the project-level data.
4.8. Updating the data	Pursuant to the EITI Board Decision, the RA EITI first Report will be published on 8 September and will cover the 2016-2017 period.
6.1. Social expenditure by the entities	The MSG has decided that the companies will unilaterally present information about the following financial flows:
	• Donations and endowments or permanent alienations done in a different manner (by the entity); and
	• Donations, endowments or permanent alienations done in a different manner to natural entities (in the case of natural entities the total number of the natural entities and the total amount paid will be presented).

4. The Strengths and Weaknesses Indentified During the EITI Implementation Process

The strengths identified in the course of implementation of EITI in Armenia are as follows:

> Initiating respective legislative amendments for more effective implementation of EITI in Armenia which prepared legal bases for the first report to be published in 2018. Pursuant to the legislative amendments, all the mining companies which have been issued a permit for metallic mineral extraction, as well as a number of agencies, including the RA Ministry of Nature Protection, the State Revenue Committee, the RA Ministry of Territorial Administration and Development (the latter will coordinate the reporting by the sub-national government entities and the posting of the reports on EITI's online platform for reporting), were made accountable to EITI. The draft legal amendments also established the information to be provided by the accountable agencies and extractive entities.

> Pursuant to the draft legal amendments within the harmonization with EITI, accessibility for the public of the mining contracts entered into with the metallic mineral extractive entities. Starting from the second quarter of 2018, the contracts will be accessible on the official website of the RA Ministry of Energy Infrastructure and Natural Resources.

> Undertaking by the Government of all possible steps towards the implementation of EITI for the proper accomplishment of their commitment, for example, in order to maintain the continuity of the commitments undertaken by the Government, the formal inclusion of the commitments in important documents, for example, in the 2017-2022 Government Program; after the publication of the Beneficial Ownership Disclosure Roadmap, passing it in the form of a Government decree; creating an inter-agency working group by the decree of the Prime Minister; including this on the agenda of the Anti-corruption Meeting; and sending the draft legal amendments for harmonization with the EITI to the National Assemble via a special regime.

> The high level of donor interest in the EITI implementation in Armenia and the comprehensive support. In 2017 the donors funded the development of the draft Scoping Study for the purpose of designing the EITI Report (the British Embassy to Armenia); the development of draft Communication Strategy (the British Embassy to Armenia); the Legislative and Institutional Review (the British Embassy to Armenia); the draft Beneficial Ownership Disclosure Roadmap of Armenia's metal ore extractive companies and the legal analysis of disclosure of beneficial owners in Armenia (EBRD London Office); the development of the website of EITI Secretariat of Armenia (UNDP Armenia: a tender has been announced to select a company for creating the website of EITI Secretariat of Armenia); the awareness raising activities - visits to the provinces, printing, preparation of social video clips; the translation of the EITI Standard; payment of the salaries of the experts of the EITI Secretariat (USAID Armenia Mission); support to the publication of the first report by EITI Secretariat of Armenia (World Bank: the activities are planned since 2018).

> The Multi-Stakeholder Group's becoming a tri-lateral platform for discussing various issues where all of the stakeholders can raise their questions of concern and, where possible, receive answers. In Armenia MSG has become a unique platform in which the parties involved can sit around a

round table and make consensus-based decisions. The MSG is also engaged in the development of strategies related to the mining sector: consultations are being held with the stakeholders, and the drafts are forwarded to the MSG for an opinion.

➢ The readiness of the Staff of the RA Government to undertake the costs of labour and maintenance of the EITI Secretariat, as well as the costs of the annual membership fee, reaffirming their commitment of implementing the EITI.

➢ The sustainability of the EITI in the case of changes in the RA Government, manifested in that the implementation of the EITI was on the agenda of the last three governments.

➢ The professionalism of the EITI National Secretariat of Armenia.

A number of weaknesses were identified during the implementation:

➢ The absence of the clear procedures established by the respective constituency for the election of the members of the MSG who represent the entities from the mining sector and the civil society, which would have ensured the smooth course of the election of the members, hence, the sustainability of the MSG. The absence of the clear procedures accounts for the fact that since March 2017 when the membership of Erik Grigoryan, member of the civil society constituency of the MSG, was terminated on grounds of being transferred to a different position, the constituency was unable to elect a new member or grant an alternate MSG member the status of an MSG member. The constituencies of the extractive companies and the Government lack the institute of the alternate members.

➢ The working groups formed by the MSG have manifested low effectiveness. Except the initial introductory meetings where the functions of the group were presented, and the discussions with the experts who were developing drafts related to the operation of the groups, the working groups carried out no other activities and were only of a formal nature.

➢ The MSG's inadequate capacity level, due to which the MSG members do not explore the presented issues deeply, and there is a low level of interest among them.

➢ The uncertainty of the time frames for funding and the launch of the projects, connected with the World Bank procedures. The activities planned under the World Bank grant should have started immediately after the end of the USAID grant (in accordance with the EITI 2017-2018 Work Plan), which would have ensured the continuity of the implementation of the EITI. The time lag caused the postponement of the activities foreseen by the EITI 2017-2018 Work Plan.

➢ The scarce funding of the EITI Secretariat, which does not allow to engage more experts, for example, a lawyer or a communication expert.

➢ Deviations form the schedule of some activities with the stakeholders under the EITI 2017-2018 Work Plan because of unforeseeable happenings, e.g. the AUA CRM did not deliver the drafts they were developing in a timely manner.

➢ Despite the activates carried out by the MSG, the level of proactive engagement of the mass media is low in the implementation of the EITI, and, on the whole, the awareness level on the EITI among the public at large is rather low.

➢ The lack of general experience among the extractive entities in terms of the positive aspects of implementing up-to-date and transparent mining.

➢ The perception by many extractive companies of the EITI implementation as a potential danger, because of the lack of the culture of the transparent manner of working. It should be taken into account that the culture of transparent workstyle has not been completely formed in Armenia yet, hence the main problems.

➢ Risks of pressures on the members of the constituency of civil society from various parties. According to the members of the constituency of the civil society, the solutions may include the full publication by the representatives of the civil society, who are being elected or applying to be elected to the MSG, of their financial sources, as well as studying by NGOs of the publicly available reports of the mining companies and funds interconnected with them.

5. Total Implementation Costs

Objective	No.	Activity	Cost according to the Work Plan (US dollar)	Actual cost	Funding Source	Status	Implementation
Ensuring accessible and timely information							
	1	Developing the Terms of Reference (ToR) for the EITI official website, conducting tender for selection of organization, approval of the organization	1000		RA national budget	Completed	The ToR of Armenia's EITI website were developed in November 2017 and approved by the EITI MSG during the meeting held on December 12 2017.
	2	Creating the RA EITI website	60,000	16,000	UNDP, RA national budget	Ongoing	The EITI website and the databases will be stored on the Servers of the Government Staff of RA. 1,461,600 AMD from the national budget has been allocated for the purchase of server storage equipment approved per the RA Government Decree 213-N dated March 9, 2017. The competition for the development of the Armenian EITI website was announced by the UNDP on December 12 2017. Helix Consulting LLC was named the winner. An agreement was signed in January 2018. The EITI website development works must be implemented by May 15 2018.

3	Ongoing website support	10,000				The maintenance of the website will start after the launch of the website.
4	Posting appropriate information on the EITI website (reports, videos, minutes)				Ongoing	In 2017, Armenia's EITI experts (EITI Secretariat of Armenia) have updated the EITI web pages on the Government's official website in Armenian and English. News on EITI implementation activities, quarterly reports, and other documents, as well as the minutes of the EITI MSG meetings were posted on the EITI web pages.
5	Disclosure and publication of information on the mining sector in an easily understood language, preparation of social advertising	45,000	15,900	RA national budget	Ongoing	The cost of this line refers to the preparation and broadcasting of the TV programs covering the EITI implementation within the framework of the "Hraparakum" Governmental Television Program. Additionally, in 2017 two fact sheets, in the Armenian and English languages, were developed and printed with the support of the Extractive Industries Transparency Initiative and USAID Armenia on the Project "Enhanced Transparency in the Mining Sector" implemented by the Staff of the Government of the RA and the EITI. Five public service announcement (PSA) short videos and one short film were filmed and published with the support of USAID Armenia; awareness raising regional visits and Armenia's EITI candidature event were organized. The actual cost is presented in **Activity 9.**
6	Awareness raising campaign on the mining sector and EITI and their elucidation via social media (YouTube, Twitter, Facebook, etc.)				Ongoing	In 2017, the EITI Armenian Secretariat has been updating the implementation of Armenia's EITI in social media, i.e. Facebook, YouTube and Twitter.

	7	Development of Communication Strategy	2,000	54,000	British Embassy to Armenia	Delayed / ongoing	Within the scope of the project implemented with the support of the British Embassy in Yerevan, the development of the Communication Strategy was delegated to the AUA Center for Responsible Mining (AUA CRM). The works were implemented with delay from the deadline set out in the ToR. As of February 2018 the first draft of the Communication Strategy was presented by the AUA CRM. **Activities 7, 16, 20, 50 and 51 have also been funded by this Project.**
	8	Approval of Communication Strategy				Delayed	See Activity 7
	9	Implementation of awareness raising measures	10,000	22,000	USAID Armenia, State budge	Ongoing	
	10	Official presentation of EITI report / conference	15,000				
Development of Beneficial Ownership Disclosure Roadmap							
	11	Development of Beneficial Ownership Disclosure Roadmap	7,000	23,800	EBRD	Completed	The Beneficial Ownership Disclosure Roadmap was developed by the EBRD financed experts in November-December, 2017. The MSG approved the published Roadmap in December, 2017. Armenia's BO Disclosure Roadmap was published on January 1st 2018, as it had been set forth in the EITI Board decision.
	12	Public consultations on the draft Roadmap	1,000			Ongoing	See Activity 11 The EBRD experts had held discussions not only with the members of the MSG, but also with other stakeholders and competent government agencies,

							NGOs and business community.
	13	Approval of Beneficial Ownership Disclosure Roadmap				Completed	See Activity 11
	14	Submission of the Beneficial Ownership Disclosure Roadmap to the EITI Secretariat				Completed	See Activity 11
Review of the legal framework of Armenia, disclosure of inconsistencies with the EITI Standard and gaps							
	15	Preparation of the Terms of Reference by the MSG based on which local and international consultants will conduct a review for identifying inconsistencies	1,000			Completed	The ToR for the Legislative Review was developed and approved by the MSG in June-July, 2017.
	16	Review of legislation, identification of gaps, submission of recommendations on addressing the gaps	15,000	See Activity 7	British Embassy to Armenia	Partially completed	The AUA CRM had submitted the package of draft Laws in November 2017, which was discussed with the stakeholder bodies and the MSG. The package of RA draft Laws was submitted to the Government of RA in December, 2017 and was approved by the Government on 18 January, 2018. The package of RA draft Laws was submitted to the RA National Assembly. The AUA CRM has not yet submitted the Legal Review Report.
	17	Submission of the report and action plan to the MSG				Delayed	See Activity 16

						Status	Comments
	18	Review and approval of report and action plan by the MSG				Delayed	See Activity 16
Review of the best international practices and development of a Roadmap for harmonization with the EITI and the best international practices of responsible mining							
	19	Development and approval of the Terms of Reference	1,000		RA national budget	Completed	The ToR for the Legislative Review was developed and approved by the MSG in June-July, 2017.
	20	Development of a Roadmap for reviewing the international experience	5,000	See Activity 7	British Embassy to Armenia	Ongoing	In accordance with the ToR for the Legislative Review, the Roadmap is part of the Legislative Review Report. See Activity 16
	21	Approval of the Roadmap by the MSG	50,000			Delayed	See Activities 16 and 20
	22	Implementation of action plan				Delayed	See Activities 16 and 20
	23	Involvement in development of the sector policy				Ongoing	
Ensuring Armenia's EITI candidature status							
	24	RA Prime Minister's statement					
	25	EITI awareness raising events					
	26	Nomination of MSG members					
	27	Training seminars for MSG members					
	28	Development of ToR for MSG					
	29	Approval of ToR for MSG					
	30	Participation in EITI Board meetings					
	31	MSG meeting					

32	First official meeting of MSG, launching event					
33	Adoption of RA Prime Minister Decree on Setting Up the RA EITI Multi-Stakeholder Group and Approving Its Composition					
34	Development of Armenia's EITI Work Plan					
35	Approval of Armenia's EITI Work Plan					
36	Development of the RA EITI Candidature Application					
37	Approval of the RA EITI Candidature Application					
38	Collaboration with donors				Ongoing	As a result of the activities carried out by the Armenian EITI Secretariat, cooperation has been established with USAID Armenia, EBRD, and the British Embassy in Yerevan. A grant application has been prepared for WB support to EITI Armenia, and systematic works have been carried out with the diplomatic representatives in Armenia and overseas. Preliminary discussions were held with GIZ Armenia.
39	Submission of the RA EITI Candidature Application to the EITI International Secretariat					
40	Establishment and operation of the Armenian EITI secretariat	120,000	63,900	USAID Armenia, State budget	Completed	In 2017 the functions of the national EITI Secretariat have been carried out by the experts of the Project "Enhanced Transparency in the Mining Sector" of the Government Staff of Armenia with the support of USAID Armenia. The EITI Secretariat of Armenia was established under the RA Government Staff in January 2018.

41	Preparation and approval of the RA EITI MSG annual report				Ongoing	The annual EITI activity report for 2017 must be prepared and published by July 1, 2018 as set out by the EITI Board.
42	Preparation of monitoring reports on the RA EITI MSG activities, EITI implementation, action plan (quarterly, biannual, annual)				Completed	In 2017 the EITI implementation quarterly reports were developed and approved by the EITI MSG of Armenia.
43	Collaboration with the EITI International Secretariat and other EITI member countries				Ongoing	
44	Participation in EITI Board meetings and conferences	70,000	11,500	World Bank, USAID Armenia	Completed	With the World Bank's funding, 2 MSG members took part in the EITI conference held in Bogota Colombia in 2017. And the USAID funding the head of the national EITI Secretariat participated BO Disclosure held in Jakarta. Participation of the representatives of the extractive companies was self-financed.
43	Holding of the RA EITI MSG meetings	2,000			Completed	In 2017 the EITI MSG of Armenia held 5 official meetings.
46	Revision and approval of the EITI work plan				Ongoing	
47	Creation of MSG working groups				Ongoing	In 2017 the EITI MSG of Armenia formed five working groups.
48	Development and approval of the 2019-2020 EITI Work Plan					
49	Payment of EITI membership fee	20,000				
Comprehensive report consistent with the EITI Standard						
50	Scoping study of EITI report	1,000	See Activity 7	British Embassy to Armenia	Ongoing	Within the scope of the project implemented with the support of the British Embassy in Yerevan,

	#						
							preparation of the EITI Scoping Study was commissioned to the AUA CRM. The works were implemented with delay from the deadline set out in the ToR. As of February 2018 the final draft of the EITI Scoping Study was submitted by the AUA CRM.
	51	Developing the ToR for the Independent Administrator	1,000	See Activity 7	British Embassy to Armenia	Ongoing	Within the scope of the project implemented with the support of the British Embassy in Yerevan, preparation of the ToR for the Independent Administrator were commissioned to the AUA CRM. The works were implemented with delay from the deadline set out in the ToR. As of February 2018 the draft of the ToR for the Independent Administrator was submitted by the AUA CRM.
	52	Discussion and approval of the draft ToR for the Independent Administrator				Delayed	See Activity 51
	53	Selection of the Independent Administrator (tender and approval) and preparation of the EITI report of Armenia	100,000		World Bank	Delayed	The Independent Administrator's tender announcement will be possible to publish in the 2nd quarter of 2018, after the approval of the World Bank's Assistance Grant Program for EITI Armenia.
	54	Preparation and approval of the list of reporting government agencies and entities by the MSG, definition of materiality				Ongoing	See Activity 53
	55	Development and approval of the format and timing of presentation of reporting by government agencies and extractive entities for the EITI Report purposes				Ongoing	See Activity 53
	56	Training for government agencies and extractive entities on presentation of reports for the EITI	5,000			Delayed	

		report purposes					
	57	Discussion with the government of the need for legal bases for reporting				Ongoing	See Activity 16
	58	Discussion and approval of the RA EITI report prepared by the Independent Administrator					
	59	Translation work	10,000	1,250	USAID Armenia, State budget	Ongoing	In 2017 the EITI Standard has been translated into Armenian. The Armenian EITI Secretariat carried out translation of other materials, guidelines and templates.
	60	Submission of the RA EITI Report to the EITI Secretariat and its publication					
	61	Review of considerations of the EITI Secretariat concerning the RA EITI Report and preparation of report on these considerations					

*The 1st, 12th, 15th, 19th and 43rd activities were implemented by the EITI Secretariat of Armenia and the Government Staff.

Status of Activities
Accomplished
Open
Ongoing

NOTE: Currency exchange rates as of 12 January: 1 EUR = 1.19 USD, 1 GBP =1.35 USD, 1 USD = 480 AMD

6. Additional Observations

The constituency of the civil society of the MSG of Armenia's EITI has an observation related to the title of Activity 6 in the EITI 2017-2018 Work Plan ("Awareness raising campaign on the mining sector and EITI and their elucidation via social media"). In order to avoid differing interpretations in the future, it was suggested to state that this activity involves specifically raising awareness among the large groups of the public on the industry and enabling them gain a correct insight into the issues.

7. Was this EITI Report Discussed Outside the Multi-Stakeholder Group?

The constituencies of the MSG have discussed the EITI Annual Report with a broad constituency. Specifically, the Draft EITI Annual Report was sent by the constituency of the civil society to the email addresses of over 100 representatives of the civil society, to seek their opinion, because it was not possible to organize a meeting and a discussion during tight time frames. The list of the addresses was taken from the list used by the AUA CRM for organizing discussions for forming the EITI Secretariat of Armenia MSG's civil society constituency. No responses were received within the deadline set for responding to the email and expressing opinions.

The extractive companies of the MSG have had meetings with the representatives of various mining companies and presented the Draft EITI 2017 Annual Report. A discussion was held with the group within the Union of Miners and Metallurgists of Armenia dealing with sustainable development issues, comprising representatives of extractive companies and companies performing geological exploration. Additionally, another meeting took place attended by the regular and three alternative members of the MSG who represent three companies. All the recommendations and observations were taken into consideration during the draft amendment phase.

8. Details of the Multi-Stakeholder Group Participation During the Reporting Period

In 2017 five MSG meetings were held (two of which were of a working nature and related to a number of the issues of the Scoping Study of the 2018 EITI Report. During the meetings the requirements of the Terms of Reference for Multi-Stakeholder Group were met.

The 2/3 of the members of the constituency of the extractive entities were not ensured at the MSG

> The MSG meeting shall be valid if attended by the 2/3 of the MSG members or alternate members, and more than 1/2 of the MSG members from each constituency.

meeting on 5 May 2017 (one member of the four members of the constituency attended). The MSG member representing the constituency of the extractive entities at the meeting on 5 May stated that the issues on the agenda of the meeting had been discussed with the absent members prior to the meeting, and he/she was also representing the opinion of the other members of the constituency on the issues under discussion.

At the MSG meeting on 17 October 2017 (the meeting was deemed as a working one, and no MSG decisions were made) the 2/3 of the members of the constituency of the civil society constituency were not ensured (two of the five members of the constituency attended).

The absences of the representatives of the extractive companies' constituency are accounted for by the fact that their main workplaces are located out of Yerevan, while the reason for the absence of the members of the constituency of the civil society was their participation in events outside Armenia. To solve the above-mentioned issues, a video communication is provided during the meetings, where possible, and the MSG members can participate in the meeting online, through the video communication (some MSG members participated through the video communication).

Pursuant to another requirement of the ToR,

> If the MSG member has been unable to participate in the MSG activities or has unexcused absences from more than half of the MSG meetings in one year, the Chair shall raise an issue of her/his replacement for MSG discussion.

Sona Ayvazyan, representing the constituency of the civil society of the MSG, Perch Khachatryan and Artur Nikoghosyan, representing the constituency of the extractive companies, missed over half of the meetings. The absences of the said members were excused, and the MSG Chairman did not raise the issue of replacing them. The table below provides information about the MSG meetings and attendance of the members.

MSG constituency	MSG member, organization	Date				
		05.05.2017	18.07.2017	10.10.2017	17.10.2017	06.12.2017
Chairperson of MSG	Davit Harutyunyan	present	present	present	present	present
Government agencies	Karen Isakhanyan Ministry of Territorial Administration and Development of RA	present	present	present	present	present
	Tigran Khachatryan Ministry of Economic Development and Investments of RA	present	present	present	present	present
	Davit Ananyan Ministry of Finance	present	present	present	present	absent
	Khachik Hakobyan Ministry of Nature Protection	present	present	present	present	present
	Vardan Gevorgyan Ministry of Energy Infrastructure and Natural Resources	present	absent	present	absent	absent
Civil society	Artur Grigoryan, "EcoRight" NGO	present	present	present	present	absent
	Sona Ayvazyan Transparency International Anti-corruption Center	present	present	absent	absent	absent
	Inga Zarafyan "Ecolur" Informational NGO	present	present	present	absent	present
	Harutyun Movsisyan YSU Sustainable Development Centre	present	absent	present	present	present
	Arthur Hambartsumyan "Civil Voice" NGO (MSG temporary member)	present	present	present	present	present
Extractive companies	Perch Khachatryan "Zangezur Copper and Molybdenum Combine" CJSC	absent	present	present	absent	absent
	Armen Stepanyan "Lydian Armenia" CJSC	present	present	present	present	present
	Vahe Vardanyan "Geomining" LLC	absent	present	present	present	present
	Artur Nikoghosyan "Agarak Copper and Molybdenum Combine" CJSC	absent	absent	present	absent	present

- present
- absent

Approved by the Multi-Stakeholder Group

Date: 29 June 2018