Extractive Industries Transparency Initiative in Kyrgyzstan

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Attn. Chairman of the Validation Committee of the EITI International Board Mr. Mark Pearson

The Supervisory Board of the Extractive Industries Transparency Initiative in Kyrgyzstan ("the Board"), having reviewed the Preliminary Report of the EITI International Secretariat on initial data collection and stakeholder consultation and the Validation Report of the Sustainable Development Strategies Group, state the following.

We draw your attention to the fact that the Validator did not take account of the request, made in a letter that was sent to the International Secretariat to be forwarded to the Validator, for additional consultations with the Independent Administrator, members of the Board and the Secretariat in the assessed period.

Moreover, members of the Board are not aware of any attempts to review the data in these Reports regarding, inter alia, instances of incorrect data, which were pointed out by the Board in its comments to the initial version of the Report. On the contrary, both Reports demonstrated a lack of understanding of the legal framework of the mining industry and the local context in the Kyrgyz Republic, which might be the result of narrow interpretation of the Preliminary Report.

Overall, the Board finds it difficult to comment on assessments that are not based on factual data but on speculation and often false assumptions obtained from consultations and interviews of the parties.

It is highly unacceptable, but the assessment for indicators 2.2, 4.9, 6.1, 7.1 does not reflect specific requirements of the EITI Standard. In this regard we ask for these sections to be reviewed in accordance with the Validation Guidelines.

It is also unclear how the Validator intends to define the goals of EITI implementation in the Kyrgyz Republic by compiling a set of identical recommendations for building the capacity of local authorities. While acknowledging the need to strengthen the work of the State Agency for Local Government Affairs in the Kyrgyz Republic in these areas, the Supervisory Board does not consider the performance of these recommendations to be a reasonable threshold for passing validation, since many of the recommendations duplicate the functions of the said Agency and do not reflect the interests of EITI implementation as defined by the Board in the Working Plan for 2016-2017.

It is somewhat problematic to assess 2013-2014 using the 2016 Standard, since the Report was published before the new requirements and the assessment of sections related to design of the Terms of Reference for the Independent Administrator cannot have retrospective effect.

In conclusion, the Board, as noted in the Preliminary Report, has insufficient motivation to participate in the EITI, even without validation assessments. Poor quality validation reports with

such formulations as "we are not aware of facts, but we consider the work of the Supervisory Board to be inadequate regarding this section" or "there were insufficient discussions" do not contribute to increasing the level of confidence in the EITI. The Validator did not give any sign of having reviewed the low assessments, and we believe that the Validator only looked for sections, which could justify lowering of the score instead of achieving objectivity and reviewing the sections, which were commented on.

Please find attached our comments on some sections, the assessment of which was obviously erroneous. We also attach comments, which were previously provided to the Validator.

We hope for your understanding and support for our country in obtaining a fair assessment and express our readiness for any additional consultations with you at any time should you have any questions.

EITI National Coordinator, Deputy Chairman of the State Committee for Industry, Energy and Subsoil Use of the Kyrgyz Republic

[signature] **U. Ryskulov**