MINING-RELATED IN-MIGRATION AND THE IMPACT ON CHILDREN IN MONGOLIA

Research findings and recommendations
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This study is based on qualitative research undertaken in Mongolia in 2016. The research was based on desk studies and interviews with key stakeholders including companies, central government officials, national civil society organizations, local governors, social service professionals, youth groups and social projects. As a result, the study captures a diverse set of stakeholder opinions and experiences that does not necessarily reflect the policies or views of UNICEF.

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Executive summary

In Mongolia, mining is expected to play a central role in the economic and social development of the country through the exploitation of the vast mineral resources, including the new world-class deposits discovered in the South Gobi province in 2001. Mining activity can bring many positive impacts to communities, including employment in often remote areas, new or improved infrastructure to the area such as roads, water and electricity, additional resources and investment by the Government through distribution of mining revenue and tax income, and social development projects led by the mining companies. However, mining activity can also cause negative impacts, including resettlement of communities, changes to livelihoods and culture, impacts on health and safety through issues of increased traffic, dust and noise, and additional pressures on social resources and social services due to increases in local populations.

Children are usually the most vulnerable stakeholders regarding mining impacts, including the impacts of project-induced in-migration as children experience all the negative impacts, social as well as environmental, during their development years and are less likely to benefit from compensation or mitigation measures than adults are. As dependents of migrant mine workers, job seekers and other migrants, or otherwise project-affected populations, children are exposed to most of the project-related risks and impacts. In addition, children are particularly vulnerable to changes and disruptions to their lives and development due to migration, and to social and environmental changes in relation to rapidly increasing or decreasing populations. Yet, children are often overlooked in the management of the project-related in-migration as most steps of in-migration considerations fail to account for the presence of and impacts on children. As a consequence, in-migration impact management and development investments do not address the needs of children and can lead to the neglect of children’s basic rights such as safety, family, education and health.

Major mining projects in developing countries are often associated with an in-migration of people seeking opportunities to improve their livelihoods. Economic factors – both push and pull – typically drive in-migration, which may be motivated by expectations around the extractive project itself, e.g. project-related direct or indirect employment, or it may be the result of a more general perception of economic opportunity in an area or region. In-migration is not negative by definition, but its impacts can be damaging where migrants are not readily assimilated and areas do not have the capacity to receive and accommodate high numbers of new inhabitants. This can create issues such as disruption in existing communities, stress on service delivery and infrastructure, health and security issues, and risk of people living in unhealthy and unmanaged conditions. At the same time, in-migration can bring positive impacts and benefits within a local and regional sphere including economic diversification and increased entrepreneurial activity, increased attention and support from national and regional authorities, as well as enhanced education and training.

Against this backdrop, UNICEF, together with Synergy Global, conducted in-depth research to improve understanding and generate evidence on the impacts of in-migration on children,
including risks and opportunities for children in mining-affected communities in Mongolia. Based on the findings, the report provides guidance to companies on how to manage in-migration impacts in policies and processes and how to strengthen their operational planning and community development initiatives regarding in-migration and children. A key theme throughout the report is how mining companies in Mongolia can address and engage children as a distinct stakeholder group.

The report is intended for all stakeholders in the mining sector including companies, government institutions, local authorities, industry associations, development partners and civil society organizations to strengthen the evidence of child rights in the mining sector in Mongolia and to support the enhanced coordination and management of child rights risks and opportunities.

This study investigated the impact of mining and in-migration on children in four areas in Mongolia that host mining operations: two soums in the South Gobi province and its provincial centre (Tsogttsetsii, Khanbogd, Dalanzadgad), and Mandal soum in the Selenge province. The study carried out a number of interviews with companies, central government officials, national civil society organizations, local governors, social service professionals, youth groups and social projects. In addition to presenting statistical and background data and information, the study presents views and experiences of key stakeholder in the mining sector, specifically concerning impacts of mining-related in-migration on children and families.

Key themes arose from the interviews, including:

- Large unregistered populations are attracted to the local areas due to mining, and their presence presents an enormous burden to local service provision, including health and education;
- The main risks and issues for children are related to family separation due to parents working in the mines and extended periods without adult supervision;
- Social ills, including crime, substance abuse and domestic violence peak in periods of high mining activity;
- Periodical unemployment, especially during a commodities downturn, has negative consequences for families with mine workers or indirect employment in mining service, and these cycles of unemployment greatly affect children.

The study also found that, although mining-affected areas have benefited socially and economically from both the presence of mining operations and linked investments in infrastructure and social services such as schools and hospitals, more can be done to ensure that benefits reach all children and that they address the key vulnerabilities of children. One approach to addressing this is to establish collaboration between companies and local authorities to provide the baseline data and understanding of mining impacts to design interventions that target children and the most critical conditions.

Based on key findings from the research, the team developed recommendations for mining companies and other key stakeholders on how to manage the impact of mining and in-migration on children and address social issues that arise in the mining communities.

One of the recommendations that emerged from the study was the importance of the design of work rosters and schedules for mine workers who are based locally, including migrant workers. Family-friendly rosters that minimize the periods of time parents spend away from home can mitigate some of the biggest risks for children by minimizing the time they are left alone.
Under the heading ‘Management approaches’, a number of recommended actions are listed for companies, government and local authorities. Many of these actions focus on closer links and coordination between the mining companies and local authorities in the ways they each address social issues linked to mining – from data collection, over-planning of social budgets and mine operations management, to local development planning and mines’ social investment. It is believed that through improved mutual consultation, understanding of priorities and approaches, and development of collaborative approaches, negative impacts of mining and in-migration can be minimized and positive development through mining can be enhanced in efficient and cost-effective ways.

It is important to note that names and structure of the government agencies in the report (both at national as well as local levels), are as of February-June 2016, during which the desktop research and interviews were made. Since July 2016, some changes have been made in the structure of the government agencies and local authorities due to results of the elections in June and October 2016.
Foreword

Children are a very unique population group: they not only represent the true source of human capital potential – the future of societies! - yet also they have inherent vulnerabilities that need to always be taken into account. When it comes to impact of business’ negative externalities on children, and in particular, those of such an important industry like the extractive one, children are more vulnerable to the social and environmental impacts of mining operations than adults. This is particularly evident from birth through age 5 when they experience formative physical and cognitive development. In general terms and based on global evidence, children are also less likely to benefit from compensation or mitigation measures than adults do, and mining companies and government authorities alike risk to overlook children in the management of project-related in-migration. For the same reason, development investments also often miss the importance of addressing children as a critical area of social investment that builds foundations for long-term growth and social stability. We know today from well-proven evidence that economies grow sustainability and steadily when they are accompanied by a sound human capital base and while in-country inequalities are properly tackled. Human capital starts with the new generations, with healthy, educated, protected new children that can develop their full potential.

Private sector is a crucial partner for development and of UNICEF’s worldwide. As part of its global approach, UNICEF Mongolia is committed to promoting implementation of the Children’s Rights and Business Principles (CRBP) through engagement with companies, government and all relevant stakeholders.

Given the prominence of the extractive industry for Mongolia’s economy, UNICEF invested in this research project to support private and public stakeholders in a better understanding of the impacts on children of project induced in-migration in relation to four major mining operations in the country, with the aim of developing an approach to integrating child rights considerations in a measurable, institutionalized and systematic way as part of their ongoing social performance management. This is the positive result of a collaborative partnership with mining companies that showed interest, commitment and active engagement throughout the process.

We hope the research presented in this report will provide a platform for continued engagement with both private sector and the Government, and for broader awareness raising with key industry stakeholders on the challenges and opportunities for children that are emerging from mining, including implementation of a Community Development Agreement by companies in local communities. In this context, UNICEF would seek to ensure that companies align their social investment decisions with local government priorities, themselves informed by UNICEF’s proven Child-Friendly Communities model to ensure the most disadvantaged children benefit from mining revenues and company investments. We believe that the extractive industry can be a powerful ally to invest in protecting and promoting children and their potential, starting with mitigating any adverse impact and utilising industry resources for positive and socially effective investments.

UNICEF would like to thank Oyu Tolgoi, Energy Resources, Boroo Gold and South Gobi Sands for agreeing to participate...
in this study and to share insights and experiences from their operations in Mongolia. We would also thank all stakeholders who provided and shared their views and experiences about mining-related migration and its impacts on children and families. Together we can make children a veritable area of social investment, the base of sustainable development, the seed of long-term prosperity.

Roberto Benes
Representative
UNICEF Mongolia
This study focuses on commercial large-scale mining in Mongolia, the phenomenon of project-induced in-migration and the impact of children. Project-induced in-migration can have critical consequences for children and young people: At a macro-level, mining activity and in-migration are linked to the macroeconomic (in)stability and financial cycles of boom and bust that influence workers and migrants’ financial security. Children are vulnerable to these cycles of fundamental change.

At a meso-level, service delivery and social infrastructure linked to the revenue generated from the mining industry can see huge fluctuations due to the industry’s cycles. A weak fiscal position of the local authorities, combined with increased pressures on services by population increases, leaves children vulnerable regarding the covering of their basic rights and needs.

At a micro-level, migration, change and instability affect social coherence, family structures and the safety and security of the community and family unit. Children are vulnerable to changes and risks in their psychosocial environment, which can affect their development.

While most in-migration management linked to mining mainly focuses on the adult migrant and working population, there are very good business and development reasons for considering a child rights and impact lens on the impacts of in-migration.

It is important to note that while issues of in-migration management will mainly fall under the governance of local and national authorities, mining companies can contribute significantly to the planning and management of in-migration related issues, in partnership with local authorities and in the planning and design of operations and activities. The research addresses areas for collaboration and support on initiatives between mining companies and national and local authorities, as well as ways to strengthen data sources to ensure that impact mitigations and initiatives are data driven.

3.1. Objectives and methodology

The main objectives and outcomes for the Mongolia country research on mining, in-migration and child rights were:

- Research to better understand and generate evidence on the impacts of in-migration on children specifically;
- Provision of guidance to companies on how to manage in-migration impacts in policies and processes;
- Support to the integration of a child rights lens into corporate policies and due diligence;
- Support to strengthen companies’ operational planning and community development initiatives regarding in-migration and children to improve the following areas:
  - Awareness of key areas of impact;
  - Improvements in data collection and approaches to evidence-based decision making;
  - Identifying positive impact and development opportunities through in-migration management;
  - Development of responses to social impact and issues through impact mitigation plans and social initiatives;
In preparation of the two-week field visit to Mongolia in March–April 2016, the following desk-based reviews identified key trends and gaps regarding mining-related in-migration management:

- Review of international standards on in-migration management in mining;
- Review of legislative frameworks in Mongolia relevant to in-migration and child rights, including requirements of companies to comply with rights protection and citizens’ right to protection and right to move;
- Review of Mongolian company policies and practices with regards to in-migration and children;
- Review of impact areas related to children currently addressed by mining companies, including Mongolian companies, and assessment of potential gaps;
- The trends and patterns of migration in Mongolia.

The field visit based its methodology on direct engagement with stakeholders and used a mix of formats such as workshops, interviews and focus groups. The field visit included engagement of the following stakeholder groups:

- Mining company executives;
- Mining company community practitioners (site based);
- Representatives from the Ministry of Mining;
- Civil society, non-governmental organizations (NGOs), development partners and research institutions, including Open Society Forum, International Finance Corporation (IFC), UNDP, National Human Commission, and Council for Sustainable Development and Social Responsibility;
- National bodies, including National Authority for Children, Mongolian National Mining Association, and Extractive Industry Transparency Initiative;
- Deputy Aimag Governor, South Gobi province;
- Regional Departments for Social Development, Child and Family Division, Education and Culture, and regional medical representatives;
- Governors of Tsogttsetsii, Khanbogd and Mandal soums;
- Social service professionals, local child and family departments;
- Kindergarten directors;
- School principals;
- Youth Development Centre managers;
- Youth and youth representatives;¹
- Parents and parents’ groups.

Over the two weeks of fieldwork, four localities were visited that each host a different type of mine (gold, coal, copper/gold), namely Tsogttsetsii, Khanbogd, Dalanzadgad, and Mandal soums. The mines in each locality were also at different operational stages (closure, operation, halted operations, and operation/feasibility) and local areas had different lengths of experience hosting a mine or several mines. The study focused on the impact of in-migration on children and the awareness, planning and response of mining companies and local authorities. Focus areas included:

- Understanding the status of influx to the area;
- Understanding of socio-economic context;
- Review of (the understanding of) key vulnerabilities and risk areas with regards to children and in-migration;
- Understanding of current initiatives and mitigation measures regarding in-migration management;
- Parental engagement and youth outreach.

¹ Engagement with youth was done in accordance with the UNICEF Engaging Stakeholders on Children’s Rights – A Tool for Companies. Focus group discussions with youth were facilitated by a child development expert in the local language and with prior written consent obtained from the school, pupils and parents.
3.2. Limitations to study

The study focused on the companies’ and local authorities’ awareness and ability to understand and respond to the impacts of in-migration. Although issues of severe impact areas such as informal camps, artisanal mining sites and transportation hubs were discussed, these areas were not visited. Any information on these issues are therefore second-hand or based on secondary research.

The research scope did not originally include artisanal and small-scale mining (ASM) as a focus. The reason for excluding ASM as a specific research focus was the lack of direct links (generally) to commercial...
large-scale mining and its operational impact. Although Mongolia experiences a large number of impacts from artisanal mining and this was often front of mind for people interviewed in ASM-affected areas, an explicit ASM emphasis could divert the focus of the study. It was therefore decided to only include aspects of artisanal mining impacts when large-scale mining and artisanal mining were seen to affect each other regarding social impacts.

Lastly, the current situation of the economic downturn in mining somewhat influenced the research results. Many of the social and economic trends observed either had recently seen a change, or the strength of impacts and levels of occurrences had decreased. The researchers were therefore very mindful that impacts that currently seemed relatively low and infrequent could be a temporary reflection of the economic slowdown. Interviewees further confirmed this assumption by describing how differently things had looked 1–2 years earlier. As a consequence, even where impacts had a relatively low frequency, the impacts are still included in the research with the expectation that a subsequent situation of revived mining activity would see impacts multiply – risks as well as opportunities.
Mining in Mongolia

Mongolia is at the threshold of a major transformation driven by the exploitation of its vast mineral resources and the share of mining in gross domestic product (GDP) today standing at 20 per cent, twice the ratio of a decade ago. Mongolia was one of Asia’s fastest growing economies, but economic growth has slowed in recent years due to “declining exports from a continued weakening of the commodity market and slower growth in the key export market of China”. In 2015, GDP growth in Mongolia was 2.3 per cent and from January to June 2016, it was 1.4 per cent.

Mongolia has a population of about 3 million people scattered across 1.6 million square kilometres. It is one of the few countries in the world with a large portion of the population living as nomadic pastoralists. Poverty has been on a downward trend over the past decade. According to the World Bank, most recently, Mongolia’s poverty rate declined from 27.4 per cent in 2012 to 21.6 per cent in 2014, although many remain near the poverty line.

The minerals sector in Mongolia is one of the largest financial contributors to the economy. The primary outputs of the industry are copper and gold, along with iron ore, molybdenum and fluorspar. Mongolia is estimated to have potential reserves of 125 billion metric tons of coal, and the current coal production is over 20 million metric tons per year, mostly exported to China. The Government of Mongolia has promoted a range of policies to attract foreign investment in the minerals sector, especially since the late 1990s, which has resulted in a significant expansion of mineral exploration and mining. The giant Oyu Tolgoi copper and gold deposit was discovered in the Mongolian Gobi in the early 2000s, offering the country a window of opportunity to attract investors and developers.

Since the late 1990s, the Mongolian economy has grown gradually, with the recent mining boom providing a massive boost to the economy. The annual economic growth rate was 6.4 per cent in 2010, and reached a record high of 17.5 per cent in 2012. This rate fell to 7.8 per cent in 2014 and a low of 2.3 per cent in 2015. The recent drastic slowing of the economy is linked with the crisis in the commodities market in general and the slowing demand from China as Mongolia’s biggest export partner regarding mining. This recent ‘bust’ period has seen mining giant Anglo American and other mining companies withdraw completely from Mongolia, and big mining companies remain under pressure regarding the sustainability of their operations. A key challenge for Mongolia today is managing the impact and benefit of economic growth generated by the mineral wealth to create a solid foundation for sustainable development.

Mongolia is working to develop strategic management of the wealth generated from the exploitation of mineral resources. Mongolia needs to increase the capacity and efficiency of key regulatory government institutions in the minerals sector to secure competitiveness and promote safe and responsible mining practices. The Government has developed policy frameworks for the mining sector, engaging with the private sector and civil society. This includes the 2014 update of

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3 <www.worldbank.org/en/country/mongolia/overview>
4 <www.tradingeconomics.com/mongolia/gdp-growth-annual>
5 <www.worldbank.org/en/country/mongolia/overview>
the Mineral Law of 2006 and the development of the Community Development Agreement model framework for the mineral sector, as well as the State Minerals Policy for 2014–2025, which the Parliament approved in January 2014 after intensive consultations among key stakeholders including civil society organizations.

4.1. Artisanal and small-scale mining

There are approximately 100,000 artisanal and small-scale miners that make up 20 per cent of Mongolia’s rural work force, operating in 19 of Mongolian provinces. The vast majority (80–90 per cent) are gold miners while the rest focus on fluorite, tungsten, semi-precious stones and coal. In the majority of cases, ASM is the only economic activity in the area – Mongolian ASMs are ex-farmers, herdsmen, ex-factory workers and potentially even ex-bureaucrats.6

In 2010, The Government legalized ASM and recognized it as an official occupation. The rights of ASM, however, have often conflicted with the rights of communities living close to artisanal mining sites, especially the communities’ right to be protected against environmental pollution and ecological imbalance (as defined in Article 16.2 of the Constitution of Mongolia). As many rural communities depend on natural resources for jobs and food, environmental degradation can destroy traditional livelihoods.7

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Migration trends in Mongolia

There has been a massive increase in rural-to-urban migration in the past decade. The urban population has grown from 30 per cent in the 1970s to more than 68 per cent. As a result, the capital city, Ulaanbaatar, where over 40 per cent of Mongolia’s population lives, faces enormous problems of urban planning and management. More than half of the city’s population live in ger-districts without access to basic sanitation services. A ger is a portable, round tent covered with skins or felt used as a dwelling by nomads in the steppes of Central Asia. Population influx, changing economic livelihoods, resettlement and infrastructure development are socially affecting men and women across all levels of society.

In the 2007 paper ‘Growth of Internal and International Migration in Mongolia’, two waves of migration were identified in Mongolia until 2000: 1) until 1980, controlled movements of people based on industrialization and collectivization; and 2) 1991–1996 migration to the countryside due to privatization of livestock, and 1996–2000 rural-to-urban migration with a pull factor of job opportunities and education.8

For the past two decades, a ‘pastoralist drop-out’ – an abrupt cessation of traditional pastoralist livelihood activities, whether dictated by circumstance or more voluntary in nature – and the subsequent rural-to-urban migration that it entails has been rapidly increasing in Mongolia.9 This phenomenon is accompanied by profound and comprehensive demographic, socio-economic and socio-cultural changes. While rural-to-urban migration in more industrial countries may be linked to economic development and rising affluence, Mongolia’s trend in urbanization is much more strongly correlated to increasing vulnerability resulting from a progressive deterioration of rural livelihoods systems, most notably the livestock sector. In a sense, rural-to-urban migration is driven by long-term, slow-onset stress migration, resulting from a lack of viable livelihood options in rural areas. The declining productivity of the pastoralist livelihood system is frequently amplified by natural disasters, most notably drought and dzuds,10 which result in periodic surges in rural-to-urban migration rates – most recently following the dzuds of the late 1990s and early 2000s and again in 2009–2010.11

Rapid and sustained growth of an in-migrant population can cause significant environmental, economic, and social impacts in the project area of influence. Individually and collectively, in-migrants’ presence and their activities can directly or indirectly affect the local environment, the ‘host’ communities, and project operations. Over time, in-migrants may cause a fundamental change in the project area of influence and thereby change the project context.

Projects and People: A Handbook for Addressing Project-Induced In-migration, IFC

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8 Algaa, Solongo (2007): Growth of Internal and International Migration in Mongolia
9 Save the Children (2013): Shifting Livelihoods: Trends of Pastoralist Drop-Out and Rural to Urban Migration in Mongolia
10 A dzud is a weather phenomenon in Mongolia that can be described as a slow-onset disaster associated with extreme and prolonged winter temperatures in the country, which can lead to excessive livestock deaths.
11 Save the Children (2013): Shifting Livelihoods: Trends of Pastoralist Drop-Out and Rural to Urban Migration in Mongolia
Most mining operations (mainly gold and copper) are in the South Gobi province, which has seen a surge in in-migration; most of this migration is the result of new employment opportunities created by mining and mining supply operations.12

**Who are the children affected by in-migration? List of global profiles.**

In-migration in connection with mining activities is a global phenomenon. The movements of people in connection with project-induced in-migration affects both the migrant-sending and migrant-receiving areas. The list below provides an overview of general profiles of children affected by in-migration.

- Children living in receiving areas;
- Children of migrant mine workers;
- Children of migrant job seekers (skilled and unskilled) for direct and indirect employment;
- Children of contractors/service providers;
- Children of artisanal miners;
- Children of migrants travelling with parents to a project area due to economic opportunities, or to benefit from improved social services as a result of mining investments in schools and hospitals;
- Children of migrants left behind in a migrant-sending community while parent(s) work/seek employment/seek opportunity;
- Children of migrants joining parents once employment opportunities have been found;
- Children of immediate/extended families of migrant workers joining the project area;
- Children of returning families and former residents of the area;
- Children and parents who are affected by forced migration, due to natural disasters or political conflict (refugees).

Understanding the baseline of child and youth welfare

Understanding the status of child and youth welfare is a key starting point for mining companies to managing their social impacts in areas of mining activities. Welfare indicators help companies to establish a so-called baseline for impact assessments and predictions of impacts. The status of child welfare can highlight the themes of child and youth vulnerabilities and areas of risk. This can help companies to avoid actions and activities that can exacerbate existing vulnerabilities as well as point to areas for improvement. The baseline indicators will also help companies to monitor the progress of their impact mitigation and any negative developments against which to take action.

Mongolia has a very young population, with 49 per cent aged between 0 and 24 years old. Based on data and research by UNICEF and the National Statistics Office of Mongolia, as well as the 2014 Social Indicators Sample Survey, the country has seen progress on key indicators for children’s welfare, including:

- Almost fivefold reduction in under-five mortality rates, from 107 (1990) to 25 (2013) per 1,000 live births.
- High gross enrolment rate in basic education: 94.3 per cent, with 97.9 per cent enrolment in primary education (from 75.2 per cent in 1990) and 100.5 per cent in secondary education.

Yet, data show that disparities continue to exist, especially between wealth quintiles and rural and urban areas of residence, with significant differences between the country’s regions:

- The current preschool attendance rate is 68 per cent, showing that there is still ample room for improvement despite recent gains considering that attendance stood at 58 per cent in 2010 and as low as 35 per cent in 1990. Preschool attendance is over twice as high for children from the wealthiest quintile than for those in the poorest quintile (89 versus 38).
- Use of improved water sources stands at 73 per cent in urban areas, but is as low as 58 per cent in rural areas. The wealth disparities of this indicator are even larger, with only 41 per cent of those in the poorest quintile and 99.9 per cent of those in the wealthiest quintile having access to improved water sources.
- Prevalence of child discipline (children punished psychologically or physically) is still very high at 49.3 per cent at the national level (MICS 2013) and stood at 45 per cent in 2010.

Regarding young people, UNICEF research shows that this group lacks critical life skills, which places them at risk. School health curricula do not address many aspects related to adolescent health and safety, especially lacking focus on the ability, values and experiences to negotiate multiple life domains, thus avoiding risky behaviours. Developing these skills becomes a critical need, noting that there are alarming trends in Mongolia on adolescent health, such as:

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14 2014 Social Indicators Sample Survey. This survey is the largest of its kind in Mongolia and is based on a combination of several global survey instruments. The survey is developed by the National Statistics Office with the support of UNFPA and UNICEF.
• Adolescent and young people are increasingly vulnerable to sexually transmitted infection (STI) and HIV.  

• Young people between the ages of 15 and 24 make up 44.5 per cent of the STI cases reported in 2014 in Mongolia. In addition, people age 24 and younger make up 20 per cent of the reported HIV cases in Mongolia.  

• Less than one fourth of youth had comprehensive understanding of HIV prevention while many had significant misconceptions.  

• Mental health problems are increasingly evident among adolescents – 21.3 per cent of 13- to 15-year-old students seriously considered attempting suicide during the past 12 months, and 9.1 per cent of them attempted suicide one or more time during past 12 months.  

As of 2013, 59 per cent of youth were still in education, thanks to improvements in secondary and tertiary attendance since the turn of the century; however, 11 per cent of economically active youth are unemployed, rising to 16 per cent when taking into account those not seeking work.

15 Source: WHO Global school-based student health survey (GSHS), 2013  
16 Mongolia National Center for Communicable Disease (NCCD)  
17 Source: WHO Global school-based student health survey (GSHS), 2013
Regulatory environment

7.1. Child-related legislation

The protection of child rights and welfare issues is managed by several ministries: the Ministry of Education, Culture and Science (child education), the Ministry of Health (child health), the Ministry of Population Development and Social Protection Welfare and Labour (child welfare, and care and protection), and the Ministry of Justice and Home Affairs (juvenile justice, domestic violence, trafficking, and child victim and witness protection). In addition, Mongolia has specific key institutions dealing with child rights and development issues:

- The National Council for Children (NCC),
- the National Authority for Children (NAC) and
- the National Human Rights Commission (NHRC)

The roles of the NCC and NAC are to develop policies in child protection, support and advocate for child rights at the legislative and executive levels, and monitor the implementation of the Convention on the Rights of the Child. The NAC and NHRC promote and monitor human rights, including children’s rights, in line with relevant international treaties and conventions.\(^\text{18}\) NAC also serves as the secretariat for the NCC, which is chaired by the Prime Minister. The NAC is an implementing government agency supervised by the Minister for Population Development and Social Protection. The NAC’s main responsibilities include coordination, guidance for and provision of child protection services, information sharing among stakeholders, knowledge management, and methodology guidance to empower children to voice their needs and participate in the development process.\(^\text{19}\)


After ratifying the Convention on the Rights of the Child in 1990, the Government approved and implemented the first National Programme of Action for the Development of Children in 1993–2000. As part of this programme, the Law on the Protection of the Rights of Children was approved in 1996 (Government of Mongolia, 2002). Subsequently, the second National Programme for the Development and Protection of Children 2002–2010 was approved. The second National Programme had the following objectives:\(^\text{20}\)

- Putting children first;
- Fighting poverty by investing in children;
- Leaving no child out;
- Caring for every child;
- Educating every child;
- Stopping harm and exploitation of children;
- Protecting children from danger;


• Fighting HIV/AIDS;
• Listening to children and encouraging their participation; and
• Protecting the earth for children.

To improve the national legislation in compliance with the Convention on the Rights of Child, a new law on the Rights of the Child was adopted on 5 February 2016, along with a new law on Child Protection. These laws explicitly prohibit corporal punishment in all settings including the home, schools, alternative care settings, day care and penal institutions. These laws entered into force on 1 September 2016.

7.2. Mining-related laws

Mongolian Constitution and mining

The Mongolian Constitution guarantees the right to a "healthy and safe environment and to be protected from environmental pollution and ecological imbalance" (Article 6). Further, on the use of natural resources, Article 6 of the Constitution provides:

The State shall have the right to hold responsible the land owners in connection with the manner the land is used, to exchange or take it over with compensation on the grounds of special public need, or confiscate the land if it is used in a manner adverse to the health of the population, the interests of environmental protection and national security.

The State may allow foreign nationals, legal persons and stateless persons to lease land for a specified period under conditions and procedures as provided for by law.

The Minerals Law

The mining industry in Mongolia is regulated by the Minerals Law (2006, amendments 2014). The law states that the Government is the owner of all "mineral resources naturally occurring on the surface and in the subsoil within the State territory". Companies will have to request a licence for prospecting, exploration, mining and processing minerals. Holders of mining and processing licences will also need to obtain a certificate of origin (Article 7). It is illegal to carry out any mining activities within 5 km from the border of city and village tenure land (Article 4.1.9).

In the Minerals Law, Article 43.1 addresses employment requirements: A licence holder is obliged to employ the citizens of Mongolia and up to ten (10) per cent of the employees may be foreign citizens. If a company exceeds the number of foreign citizens employed, a penalty fee of 10 times the minimum monthly salary must be paid for each foreign citizen every month. A 2014 revision of the Minerals Law now requires all subcontractors engaged by a mining licence holder to also employ 90 per cent Mongolian nationals. Article 42.1 of the Minerals Law states that a licence holder shall work in cooperation with the local administrative bodies and conclude agreements on issues of environmental protection, mine exploitation, infrastructure development in relation to the mine-site development and job creation. Under the amendments made to the Minerals Law in 2014, the Government of Mongolia has developed a model template for company–local government agreements, the so-called Community Development Agreement model.

These steps towards enhancement of local content and local development through the mining industry, however, have met some scepticism about the ability of the Government to enforce the policies and strike a balance between the goals of the policies (economic benefits, increasing employment) and maintaining an investor-positive environment that will also work towards increased employment opportunities.

23 <http://en.mongolianminingjournal.com/content/38641.shtml>
24 Bayarsaikhan, S. (2011) Enhancing local content in the mining industry – A case study of Mongolia
**Description of field sites**

Mongolia is divided into 21 provinces called aimags, and each province is divided into soums and baghs. The lowest administrative unit in rural areas is the bagh, comprising an average of 300–500 households. At the aimag, soum and bagh levels, the Governor’s Cabinet represents the executive branch and the provincial-level parliament functions as a legislative body. Aimag, soum and bagh representatives are selected in local elections; however, regulatory and budgetary resources and capacities at the local level are generally lacking.\(^{25}\)

### 8.1. South Gobi province

South Gobi province, or Umnogobi aimag, is Mongolia’s largest province. Its capital (or aimag/provincial centre) is Dalanzadgad. The province has a (registered) population of 60,500, of which 22,000 live in the provincial capital. South Gobi has 168 exploration licences, and 70 companies have received extraction licences. Of the 70, 12 companies are operating and paying tax to the State. The province population grew by 22.5 per cent between 2008 and 2013, and the rapid population growth has occurred especially in the soums that host mining activities. The intense mining development has brought positive changes to the province’s socio-economic status; however, it has also presented negative impacts on the environment. Due to the deterioration of land for pasture, herding families have migrated to more suitable land. South Gobi is listed as one of the regions with high levels of dust and low precipitation. In recent years, low levels of plant growth have caused soil dryness, resulting in an increase in dust clouds with critical environmental impact.\(^{26}\)

Increases in the mobile population in the soums in relation to mining have put great pressure on the health service providers operating locally. According to a survey conducted in the mining areas, non-residential, mobile and mining workers account for between 6 per cent and 25 per cent of inpatient clients, 3 per cent to 28 per cent of emergency calls, and between 60 per cent and 80 per cent of all injury-caused deaths.\(^{27}\) Cases of injuries related to mining activities, including the use and maintenance of vehicles and road safety during coal transportation, have been increasing year on year. Data from 2012–2015 show that mining exploration and coal transportation account for 35 per cent and 29 per cent respectively of all injuries recorded.\(^{28}\)

Children under 15 years of age account for about 30 per cent of the population in the province. Although the immunization coverage at provincial level is 99 per cent, which presumably is based on the registered population in the province, 30–60 children skipped a routine vaccination per year due to migration, childhood illness and/or vulnerability.\(^{29}\) The province has seen an increase in the number of sexually transmitted infections associated with external and internal migration.

\(^{25}\) Based on interviews with local authorities and social services providers in four soums, as well as national civil society organizations.


following the growth of the mining industry, however, the province remains under the national average regarding number of incidents per 10,000 people. The rate of pregnant women under 20 years of age is also increasing. This tendency towards an increase started before the mining boom and has continued. In 2013, the pregnancy, birth and abortion rates per 1,000 adolescent girls (15–19 years old) were 37.8, 53.2 and 16.5, which were higher than the national averages by 3.6, 18.1 and 8.8 points respectively.

8.2. Tsogttsetsii soum

Tsogttsetsii is a soum in the South Gobi aimag with a current population of 7,017; 80 per cent of the population lives in the soum centre. The soum hosts six operating coalfields, and the growth and livelihoods in the area is closely linked to the mining activity. Tsogttsetsii has 82,000 livestock, and 10 per cent of the population work as herders. The percentage of herder households was 30 per cent 5–6 years ago, but many households converted their livelihood to seek employment in mining rather than herding and sold their livestock. With the current downturn in mining, some people are going back to herding with the support of local authorities to restock their herds.

While the mining activity peaked, the urban soum centre saw a rapid increase in the number of hotels, guesthouses, restaurants and (karaoke) bars to provide accommodation for guests and adult leisure. Many of the national banks also opened branches in Tsogttsetsii. During the downturn, many of the restaurants closed, temporarily or permanently.

Tsogttsetsii is on the so-called ‘coal road’ to the export border town with China, Gashuun Sukhait, which means 6,000 trucks come through the area on the way to the border. It is estimated that the transportation business means another 12,000 people temporarily live in and travel through the soum. In 2013, the Mongolian Government approved the construction for a 230 km railway from Tavan Tolgoi to Gashuun Sukhait; however, the work has yet to commence.

### Mining in Tsogttsetsii

The soum centre is very close to a series of coal mines. Tavan Tolgoi, one of the world’s largest untapped coking and thermal coal deposits, has six operating sections or coalfields in the area. Three companies operate in the Tavan Tolgoi deposit: Erdenes Tavantolgoi, which owns and operates 94 per cent of the deposit; Energy Resources, which works at Ukhaa khudag mine (4 per cent of the deposit area); and local (or so-called ‘small’) Tavantolgoi JSC, which has been operating since the 1966.

The mineral deposits are just 15 km from the soum centre, and between the deposit and the soum centre are a large mine camp, various construction sites and a line of trucks waiting to be loaded with coal. Due to the proximity of the mine, dust from operations, especially from explosions in the open-cast pits, and from the large number of export trucks often covers the soum centre and the residential areas. The population suffers from respiratory issues including lung inflammation, and road accidents due to reduced visibility because of the dust are key concerns of the citizens and local authority. In addition, pasture deterioration, which affects the traditional herding lifestyle, and availability of potable water were reported to be top concerns for the local authorities.

There are no issues of artisanal mining, as coal deposits do not provide the opportunity for artisanal mining activity.

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31 Communication with Ch. Bayarjargal, Head of the South Gobi Provincial Health Department
32 Communication with Ch. Bayarjargal, Head of the South Gobi Provincial Health Department
This study interviewed representatives from Energy Resources’ offices in Ulaanbaatar. Energy Resources employs 1,800 people (at the time of the study), down from 2,200 at the end of 2013. Employees work in the mine in shifts of 14 days of work/7 days off for workers coming from Ulaanbaatar. However, as approximately 70 per cent of the company employees are based locally, a majority of the employees has normal work schedules (five working days a week).

Energy Resources built state-of-the-art accommodation in Tsogttsetsii for its employees and local residents. As the company informed the research team, their employees live in and own the apartments free of charge. The company pays their mortgage and down payment.

The company also built a modern camp facility that accommodates 650 people and comprises all necessary service facilities. In addition, there is a large ger camp for workers and contractors that accommodates 360 households.

**Population growth and social services provision**

Tsogttsetsii soum has seen a rapid increase in its population, from 2,198 in 2008 to 3,704 in 2011 and 7,017 in 2015. The Governor’s office reports that the population growth is currently stabilized at 200–300 people per year; however, this is expected to rise to 800–1,000 additional persons per year in connection with a new boom in mining, primarily dependent on demand from China. The Governor mentioned that, currently, the mining companies do not share their projected employment numbers, which makes an accurate projection of population increase difficult.

Energy Resources noted that it is taking very responsive, collaborative approaches in its relationship with the host government and communities. The company officially hands out biannual and annual social and environmental reports to the soum administration and provides all necessary information.

In addition to an increase in the registered population, Tsogttsetsii has a large unregistered population, assumed to be between 12,000 and 16,000 people. During a UNICEF visit in May 2016, the soum hospital reported that during the peak season of mining, the soum population reaches 20,000.

Children constitute about 30 per cent of the population, and 1,532 children attend school in the soum. There are 980 preschool children, of which 520 are in kindergarten. Energy Resources built a new school and a new kindergarten in 2014, to provide schooling for workers’ children as well as for local children, and to reduce the load of social services in the region. Energy Resources built and finances the facility, but the school operates with the status of a local/state school. In addition to the financing, the company has been implementing a five-year support programme at the school, which includes an educational management system, intensive language and mathematics courses, and teachers from Orchlon School, which is one of the competitive schools in Ulaanbaatar.

The new school No. 6 currently has 640 pupils, down from 740 pupils at the peak in the 2015–2016 school year. The other school in the soum centre was built in 1929 as the first school in the soum. It currently has 829 pupils, with a total capacity of 440 pupils – almost 100 per cent over capacity. The capacity issues are linked to the influx of miners’ children as well as to unregistered migrants. The schools work in two shifts to accommodate the high number of pupils, which means that the last shift ends at 6:30 p.m. (long after sunset during the winter months), and there is currently a lack of school busses to transport children to their homes.

The hospital in Tsogttsetsii became an inter-soum hospital in 2012. It currently has 50 beds, 5 wards, 9 doctors and 52 staff, and services 12,000–15,000 people, below the recommended 1 to 1,000 doctor-to-population ratio. In 2016, a Family Health Centre was added following
new Mongolian legislation stipulating that such a centre must be available for every 6,000 people. In addition to respiratory issues, the hospital reports an increase in tuberculosis directly linked to in-migration.34

The hospital budget is based on the registered population numbers but is stretched to accommodate the high number of unregistered persons. While the wards are constantly at full capacity, the key issue is outpatient care, home visits and reaching the temporary residents who are spread over the soum. Approximately 134 households are based in remote areas, as far as 64 km away. The longer distances and a lack of cars and materials make the outreach difficult, and the hospital staff explained that while they can manage the lack of capacity, important preventive work suffers.

During the 2003–2004 mining boom in the area, many herders left their herding job and came to work in the mining industry, either directly or indirectly. In the past, 30 per cent of around 2,000 households were herder households, while now herder households account for only 10 per cent. However, with the recent economic downturn, many of them are going back to herding, and in 2015 the number of herding families increased by 35 per cent. Herding is expected to rise in connection with the economic downturn, with more households converting back to a herder livelihood.

At the soum Governor’s office, a Council for Children works with the police to prevent the worst forms of child labour taking place. A survey on child labour revealed that no children were engaged in any worst forms of child labour. However, a few children are reported to work seasonally as child jockeys for horse races.

Pressing in-migration issues

In the consultations with youth in Tsogttsetsii, the study found that the key concerns for children were linked to health and dust-related issues, and issues of safety linked to increased levels of drinking, instances of crime and sexual grooming of children, and lack of safety for children, especially girls, walking home from the late shift at school. The youth group also raised concerns about child-headed households and their vulnerabilities to safety issues and an increased migrant population. The youth mentioned that due to lack of care and attention by parents, adolescents often feel stress and frustration.

A Youth Development Centre was established in Tsogttsetsii in 2014 with funding from UNFPA, and the centre will initially run until 2017. The Government may then take over the services and centres following an evaluation of the project and the local centres.

Pressing issues in Tsogttsetsii include concerns over the high levels of unemployment following the downturn in mining activity. The soum had previously seen an increase in social ills in families and in public life related to leisure and drinking, with increased violence, injuries and STIs. However, the statistics show that during the slowdown of mining activity, these incidents have also decreased. Similarly, the traffic risks and injuries and dust-related illnesses are of concern in relation to mining activity, and such incidents have also seen a decrease lately.

Area development

The general development plan for Tsogttsetsii soum for 2017–2020 was approved in 2015. The soum is expecting another large increase in population in the next 10–15 years, with some local authority staff (hospital) saying the soum is expected to be a city of 50,000 people by 2030. The local authority is also establishing agreements on social investment activities with each of the mining companies, and aims to reflect the projected population change in these agreements and programmes. Memorandums of understanding have been signed with

34 Interview with hospital management.
Tavan Tolgoi and Energy Resources; however, the Governor reported difficulties in working with the companies and getting responses to proposals as he experienced a high level of changes of personnel among company decision makers. The Governor further expressed that the staff turnover at the mining companies contributed to making the agreement process longer and more difficult. For its part, Energy Resources noted that there has not been any change in the company management since its inception in 2009. The company has proactively used the memorandum of understanding and collaboration to be highly responsive to arising issues together with the local authorities.

A key obstacle reported by the soum administration in negotiating with the mining companies is the lack of data, especially on land use and pasture monitoring. To plan and negotiate properly, the soum administration needs a budget and resources to undertake qualified land surveys as well as research and studies on vegetation and water.

8.3. Khanbogd

Khanbogd is a soum in the South Gobi province, located 70 km south-east of Tsogttsetii. The current population is almost 6,000 (5,964). The soum is host to the Oyu Tolgoi mine, the largest investment project in Mongolia’s history and once fully operational, including the underground mine, one of the largest copper and gold mines in the world. The mine itself is 40 km from Khanbogd and has a very large on-site accommodation camp for its skilled workers who work on rotation rosters from Ulaanbaatar and abroad. Khanbogd hosts locally employed workers on the mine site, including local suppliers.

Besides the mine jobs, Khanbogd has 7–8 public institutions that provide jobs locally, including the soum administration, two kindergartens and a school, and a new hospital. There are about 80 private entities of small traders and services in the soum centre, and herding makes up the remainder of livelihood and occupations.

The border towns of Gashuun Sukhait and Tsagaan Khad both fall under Khanbogd, with Gashuun Sukhait hosting the customs post at the end of the ‘coal road’, which is the corridor for trade with China.

Khanbogd reported the biggest issues related to mine project-induced in-migration, as jobseekers register locally to be eligible for mining jobs at Oyu Tolgoi, many of which require local ID papers. However, not all jobs at the mine require local registration. In addition, the Khanbogd Governor indicated a recent sharp rise in unemployment in the soum, from no unemployment in 2011 to 330 unemployed people today. There is no artisanal mining activity in the area.

Oyu Tolgoi Mine

Oyu Tolgoi was discovered in 2001, and is jointly owned by the Government of Mongolia (34 per cent) and Turquoise Hill Resources (66 per cent, of which Rio Tinto owns 51 per cent). Rio Tinto has been the manager since 2010. The site is expected to operate for over 50 years.

Oyu Tolgoi currently employs 9,000 people, including operational and underground project staff, on site and in Ulaanbaatar. The mine is at the operational stage, with open-pit operations while the underground expansion project is underway. A camp on site provides accommodation for the workers on several types of roster schedule, including 14 days on/7 days off and 5 days on/2 days off rosters. Over 70 per cent of on-site workers are flown or bussed between the mine site and Ulaanbaatar or overseas and rarely set foot in Khanbogd, as most of the workers are not allowed to leave the mine site during their shifts. Remaining employees reside in the South Gobi aimag, mostly in the province centre Dalanzadgad or in Khanbogd soum. Local employment from Khanbogd mostly entails entry-level jobs such as drivers, cleaners and kitchen workers, but Oyu Tolgoi has steadily increased the number of skilled workers through various professional learning programmes and skills training necessary for employment in
the community, which include truck or equipment operators, mechanics and electricians. Oyu Tolgoi does not provide accommodation in Khanbogd. The decision by Oyu Tolgoi not to provide housing locally was part of its strategic planning that originally considered the option of creating a ‘mining town’, but the company opted for a lower-impact fly in/fly out model (see Management section for overview of operational models). Oyu Tolgoi has in place pre-employment programmes for local skills development and recruitment, and is focusing on the quality of education to enable a future local workforce.

As part of its local social investment, Oyu Tolgoi has provided Khanbogd with a permanent supply of power, funding for new educational and health-care facilities, the sealing of local roads, and programmes to help improve social conditions. Currently, a new bulk water supply system and waste management facilities are under construction. In June 2015, a Youth Development Centre opened in Khanbogd soum centre, with 50 per cent investment from Oyu Tolgoi and hosted at the Oyu Tolgoi vocational training centre in the soum centre.

In 2015 and after four years of development, Oyu Tolgoi signed a cooperation agreement with the South Gobi province, Khanbogd and other local communities, formalizing the contributions that the company will make in the coming years. Oyu Tolgoi will allocate US$5 million per year for community development.

**Population growth and social services provision**

The registered population in Khanbogd soum was 2,618 in 2005, 3,735 in 2011 and 5,964 in 2016 (Q1). The unregistered population exceeded the number of registered citizens, with 6,000 registered and 7,000 mobile people in the soum.

One of the challenges for the company is effective management of influx issues in nearby communities. To reduce fatigue, Oyu Tolgoi introduced a roster of 4 days on and 4 days off for employees based in Khanbogd, the closest soum to the mine site. For this reason, some vacancies were advertised in the past for Khanbogd residents only, which led to residents from neighbouring soums moving to Khanbogd, either physically or on paper, in search of job opportunities.

One example shared by interviewees was on Oyu Tolgoi’s impact on influx issues. For instance, in early 2016, Oyu Tolgoi announced it would hire 40 Heavy Mining Equipment operator trainees from Khanbogd soum, which attracted many people including hundreds of non-Khanbogd residents wanting to relocate to Khanbogd. Oyu Tolgoi has since been working in tandem with community authorities to better manage and prevent similar incidents in future. This phenomenon gives inflated population numbers, according to the Governor, as many people register to apply for jobs and then leave the soum. Others stay in the soum to wait for the next recruitment round to open.

In addition to the mine influx, Khanbogd also receives an influx in connection with the border town and main transport roads. The projection for the population growth by the Governor’s office is 22,000 by 2025.

Khanbogd soum currently has 2,018 children under age 18. The school in Khanbogd has 880 pupils, with a baseline capacity of 360, which means the school is 250 per cent over capacity. The school has 63 teachers and staff, and operates in two shifts to accommodate the high number of pupils. With extracurricular activities in the evening, the school only closes at 8 p.m. Oyu Tolgoi supported the school in 2015 with 100 million MNT (US$50,000). It was mentioned on several occasions during interviews that the quality of education at the Khanbogd School was of big concern – the school ranks last among 21 schools in the province. Consequently, some families are sending their children to Tsogttsetsii School or Dalanzadgad schools. A new school and kindergarten complex will be built in 2017 with investment from the Oyu Tolgoi-funded Gobi Oyu development support fund.
About 410 children attend kindergarten at two institutions, of which one was built with funds from Oyu Tolgoi. One kindergarten has a capacity of 175 but accommodates 240 children, while the other has 170 children with a capacity for 125. Currently, 175 children are not in kindergarten; the waiting list for children is long and pressure from parents is high.

The soum centre has a new hospital. This study did not include staff at the hospital to gauge influx and capacity issues. However, the youth consultation indicated that the hospital is understaffed, lacks qualified personnel and lacks a maternity ward, which means women have to travel to Dalanzadgad to give birth (250 km away, a 6.5 hours’ drive). Along with the hospital, a Youth Friendly Clinic was opened in January 2016, which provides peer trainers to engage with youth especially on reproductive health.

Pressing influx issues

Youth in Khanbogd raised the issues of child-headed households and children left alone by parents for long periods to look after themselves and siblings. The young people highlighted related issues of stress, loneliness and suicide, as well as substance abuse and crime involving children, and incidences of sexual grooming. The young people mentioned that they lack adult support from the school as a high turnover of teachers makes it impossible to bond with and trust the teachers. The youth also expressed scepticism towards the Oyu Tolgoi mine and its recruitment approaches. They expressed having heard stories that the company takes bribes of two months’ salary to hire people, and that the company often fires staff and hires new people because of the need to increase salaries the longer people are employed. The issues were echoed by interviews with representatives from the Khanbogd Young People Group, a group on Facebook that currently has 804 members.

Oyu Tolgoi, however, found these views to be incorrect, based on the company’s hiring practices. The company works to ensure fair and transparent recruitment practices and that all applicants have equal opportunities. Oyu Tolgoi has been actively engaging Khanbogd and aimag-level authorities on local employment and has concluded a joint action plan with South Gobi aimag that has already started to benefit the local people. At the end of 2016, over 1,000 people from Khanbogd soum and over 1,800 people from South Gobi aimag were employed by Oyu Tolgoi project, which accounts for 22 per cent of the total workforce. Oyu Tolgoi continues to work closely with aimag and soum governments on employment opportunities, as well as on other sustainable development initiatives in the community.

The Khanbogd Young People Group was also worried about children’s alcohol use, and were unhappy with the quality of education and levels of development provided in the soum centre.

Area development

The Khanbogd soum Governor expressed agreement with the Oyu Tolgoi operational model of fly-in/fly-out, bus-in/bus-out and on-site accommodation as this ‘non-contact’ format assisted with the management of social issues. As he pointed out, “people call [Oyu Tolgoi’s model] a jail, but they provide discipline to young people and keep the social issues at bay”.

With the current downturn, which is affecting lay-offs at the mine itself and among contractors, mining is not seen as a stable industry or work environment. In response, the soum administration has made economic diversification a key part of its development planning, and has discussed this with the company. This includes focus on mining, herding and tourism, for future livelihoods and income. However, these focus areas are potentially problematic, as herding is not popular with youth who prefer mining jobs, and development of tourism in the soum will need large amounts of investment to create infrastructure and

36 This Governor served in this position from 2012 to 2016.
sufficient levels of professional services to attract tourists to such a remote area of the country.

The Governor emphasized issues of insufficient flow of mining revenue to benefit the local area. Currently, all revenue goes to the central administration, and the soum only has the Local Development Fund resources to use locally.

8.4. Mandal soum

Mandal soum is one of the biggest soums in Mongolia and is located in Selenge aimag in the northern part of the country. Its area is 484,300 hectares, and the population in 2015 (National Statistics Office) was 26,147, of which about 15,000 lived in the administrative centre Züünkharaa. Mandal soum lies 170 km from Ulaanbaatar, and 60 per cent of the territory is covered by forested areas — many locals are employed in forestry. About 17,000 hectares are cultivated, and more than 60 companies work for agricultural crop industries. The Trans-Mongolian Railway, which links Ulaanbaatar with Irkutsk, Russia, and Beijing, China, comes through Mandal soum and Züünkharaa, and 1,300 people are employed in the railway sector. With 100,000 livestock, Mandal soum supplies Ulaanbaatar with 40 per cent of its dairy products, and the soum also has a food factory that employs 600 people. The soum comprises 41 government and public institutions that employ 1,300 people, and the rest of the population is engaged in various trades and services in 500 entities.

The soum centre also has a new professional training college, which was established in 2011 and admits students from other aimags.

Boroo Gold Mine

The commercial mine in Mandal soum is Boroo Gold, which is operated by the Canada-based company Centerra Gold. From March 2004 to December 2015, the Boroo mine produced approximately 1.8 million ounces of gold. Boroo resumed mining in January 2012 and completed in September 2012; no mining has occurred at Boroo since. The mine is currently on care and maintenance. Following the cessation of mining and the subsequent workforce reductions, Boroo has approximately 300 employees (excluding long-term contractors, 95 per cent of whom are Mongolian citizens). The Boroo mine will continue with closure activities mainly focusing on reclamation work. This process includes restoring the land by shaping and covering it with topsoil, which was removed when mining commenced, and seeding and planting the area. This work is planned to involve local people in the planting and cultivation process.

Gatsuurt Mine Project

Centerra has been exploring a new gold mine in Gatsuurt, 55 kilometres east of the Boroo mine. On 4 February 2016, the Mongolian Parliament approved the level of Mongolia state ownership in the project at 34 per cent, and Centerra continues to negotiate the definitive agreements and to carry out additional exploration and technical and hydrogeological drilling in support of the eventual project development. However, as of the first quarter of 2016, no production was forecast for Gatsuurt in 2016. When the new mine starts operating, it is expected to employ 1,000 persons, of which 60 per cent are expected to be permanent employees and 40 per cent contracted workers.
Population growth and social services provision

Between 2005 and 2015, the registered population of Mandal soum grew from 22,901 to 26,147 with a steady year-on-year growth. Officials interviewed in the soum centre (Governor and school leaders) did not attribute population growth to commercial mining, indicating that the main pull factors to the area were the availability of water, arable land, the road infrastructure and the railway. They did indicate, however, the expectation that once the new Gatsuurt mine is operational, it will attract new people to settle in the area.

The school officials in Mandal soum reported almost 50 per cent over-capacity in pupil numbers. This is affecting the children, as the schools do not have resources or the infrastructure to support child development activities.

The hospital reported that it is struggling with demand as it currently has 50 children hospitalized but only 18 beds for children. The period of high risk for child morbidity usually starts in November or December every year and ends by mid-May. Migrant children typically lack preventive services, and are therefore at greater risk of health complications and of being hospitalized. Located on the main transportation road and close to the railroad, the hospital services many unregistered people that come to the area.

Pressing in-migration issues

Compared to the other mining areas studied, Mandal soum has been relatively less affected by the mining activity in the area. The reasons for this include the greater distance to the mining site(s) from the urban centres, the limited size of the mining operations compared to the size of the (urban) soum population. Mandal soum also has a diversity of large-scale economic activities beyond mining, including a key transportation hub, which provides employment and livelihood opportunities to the population. The pull factors of the area include the availability of arable land, water and good weather conditions, which attract herders in particular, and mining is not seen as the key reason for population growth. Although the provision of social services is experiencing pressure and lack of capacity, it is low in comparison to other mining areas.

The diversity of economic activity and the relative size of the soum give it a comparatively high level of resilience to absorb the impact, influx and activity related to mining. The main concern regarding mining in the soum is artisanal mining and its social, environmental, health and security impacts.

Artisanal mining

A significant number of artisanal (illegal) miners continue to operate in the Mandal soum area, in relation to the Boroo mine and the Gatsuurt licence area. Centerra has reported (Annual Report 2015) that, although numbers have fluctuated, they have reached up to 200–300 artisanal miners at a single time. The local Governor’s Office reports that around 1,000 artisanal miners are active in the area, with periods of higher influx: a recent survey showed that between October 2015 and March 2016, 3,000 artisanal miners had come to the area. A surge is also expected once details are published about the new Gatsuurt mine.

The involvement of children in artisanal mining is thought to be minimal as it requires physical strength. Local institutions are working to prevent any child labour. The risk to children concerns mainly children who accompany their parents to the artisanal mining sites where they risk falling into the digs and holes, and the environmental health risks are of exposure to cyanide and mercury. Risks to children are also linked to maternal health and pregnant women working in artisanal mining, as an increase in birth defects and infant mortality has been observed in this population.

Youth consultations in Mandal soum highlighted the security risks related to artisanal miners and to conflicts between miners. Although
none of the young people had been in contact with artisanal miners or affected by conflict, they mentioned that robbery and homicide happen between the miners. The youths also said that boys aged 14–16 work at the artisanal mine sites, and that they do not go to school. One child in the youth consultation said that a group of people in a taxi had suggested that he and his friends go to the mine to dig for gold and get rich.

Area development

Mandal soum has seen substantial investments from Centerra Gold, with US$6.8 million spent in the area since 2004. Centerra focused on social service provision and infrastructure since 2004, and added focus on micro-credit in 2007–2008. The investment activity has now stopped.

The Governor indicated that the local authority currently does not have the necessary data and research for long-term planning and determining how to work with the company on development in the future. He also acknowledged that the local authority and its institutions had not done much in terms of dealing with and preventing risks to and vulnerabilities of children in relation to mining. He suggested that, in the future, local authorities should make agreements with the mining companies on how to secure children’s rights.

This situation was not mentioned by any other stakeholders and cannot be verified; however, the significance of the youths’ awareness of these conditions should be noted.
Analysis: In-migration impacts in Mongolia

Across the four study areas, a number of in-migration issues and impacts emerged that directly or indirectly are affecting children. The analysis below describes the issues and their manifestations in the study areas, as well as the ways in which stakeholders are experiencing and viewing the impacts.

9.1. Positive impacts

Along with the challenges and changes represented by mining in local areas in Mongolia, the presence of mining and influx of population and activity also brings positive impacts. Some of the positive changes and impacts voiced by the stakeholders interviewed are:

- Employment [of parents] leads to a better educational environment for children (Mandal soum school leaders);
- In-migration brings better relations with the wider community (Tsogttsetsii kindergarten leader);
- In-migration aids quicker child development as urban children teach rural children and transfer knowledge (Tsogttsetsii kindergarten leader);
- A transition from a herding lifestyle to mining jobs gives children access to kindergarten (Tsogttsetsii kindergarten leader);
- Mining companies have contributed to education development, through material and intellectual inputs (Tsogttsetsii school leader);
- Mining and its educational contributions create equity in the education of children (Tsogttsetsii school leader);
- Mining companies provide training on advocacy and leadership to increase youths’ participation in decision making (Tsogttsetsii Youth Development Centre);
- Companies have contributed school equipment and developed gardens for children (Khanbogd school leader);
- Mining companies are engaging with pupils and providing career inspiration and professional advice, including trips to the mines to experience the world of work (Khanbogd school leader);
- Mining has improved livelihoods in the South Gobi province; parents can now buy books and uniforms for their children (Dalanzadgad school leader);
- Companies have contributed significant infrastructure support, including new laboratories, buildings, technology rooms and technology for teaching (Dalanzadgad school leader);
- Mining companies provide training for young people and include a focus on personal development (Dalanzadgad adolescents);
- With mining, livelihoods in South Gobi have improved (Dalanzadgad adolescents);
- Companies have invested in scholarships and leisure infrastructure for young people (Dalanzadgad adolescents).

9.2. The impact of unregistered populations on service provision

Mining activity in Mongolia is marked by issues relating to in-migration, population increase in the mining areas,
and increased pressures on communities and local authorities. The in-migration in Mongolia is also characterized by issues of large, unregistered mobile populations that often exceed the registered population by manifold numbers. The unregistered population mainly consists of job seekers to a mining area for direct or indirect employment opportunities, and brings an increase in the single male population as well as in the number of families and households.

In Mongolia, the unregistered populations are seen as bringing issues of population increase, social and security issues and pressures on service provision. Unregistered populations are also viewed as particularly vulnerable because they are not able to receive preventive care and services in the mining areas as they are expected to receive this in the region where they are registered. Especially issues of health education, immunization, prenatal care and maternal health care are issues where mobile populations are vulnerable and lack support such as outreach services. In Tsogttsetsii, the hospital reported the unregistered population to be between 12,000 and 16,000, up to more than double the registered population. In Khanbogd, the unregistered population exceeded the number of registered citizens, with 6,000 registered and 7,000 mobile persons.

### 9.3. Family separation

One of the key consequences observed by stakeholders in relation to mining and in-migration is the issue of family separation. In some cases, one or both parents travel to another region to seek or take up work in the mining areas, leaving children behind with relatives or without adult supervision. In other cases, migrant workers bring their family to the mining area but must leave their children for long periods while working at the mine. This can mean being away for weeks at a time, staying at the mine to work, or working long periods of 12-hour shifts, leaving at 4 a.m. and returning at 8 p.m., during which time the children do not see their parents.

**Child-headed households and child risks**

One migration and mine-related phenomenon is the emergence of ‘child-headed households’. Interviewees from National Authority for Children as well as local authority representatives identified this as a new issue in Mongolia, distinctly linked to mining. Although herding also means periods of children left with relatives, mining is seen to have changed the issue of separation and has made it more severe in the form of child-headed households. Children are left for long periods to look after themselves and often younger siblings, and to manage food, money, school, hygiene, etc. The following narrative in a 2015 study on mining and gender in South Gobi describes the situation:

**Children left behind**

Due to parents’ work on week-long mine rosters or parents travelling to work or seek work, children of mine workers and contractors are often left behind alone in temporarily child-headed households or in the care of relatives. Due to the lack of (parental) supervision, such children left behind are at increased risk of:

- Domestic accidents;
- Lack of food and sanitation;
- Missing school while looking after younger siblings;
- Engaging in criminal activity;
- Alcohol abuse;
- Engaging in early sexual activity;
- Abuse by strangers.

*Our region, Gobi, is rich with gold. Therefore, people started to leave their children behind and went to dig for gold, or they went to work for the mining companies. As a result, the concept of ‘children-headed family’ came up. When I was a bagh governor, I used to visit these families. They did not have any food to eat, no person to look after...*
them, so they became vulnerable. They easily got attracted by bad behaviours, dropped out of school and then became more vulnerable to violence and crime. In some cases, it was reported that children were living in situations of domestic violence perpetrated by other children in the household or neighbourhood.\(^{\text{43}}\)

The children interviewed in this study had a high level of awareness of child-headed households and the risk they present to children. One boy interviewed in Dalanzadgad described how he lived alone with four other boys (three siblings and a cousin) and managed all chores and household tasks alone, for up to a year at a time.

The risks to children left alone without parental or adult supervision for longer or shorter periods of time include roaming the streets of urban centres at night, drinking alcohol, engaging in criminal activity (theft, joyriding stolen motorcycles), and engaging in early sexual activity. Especially adolescent boys experience peer pressure to engage in such activities. Other risks include domestic injuries, especially in small children. This phenomenon was reported by the hospitals in the mining areas, which observed a peak in domestic injuries when mines operated with long rosters. Being alone at home also increases the risk of robberies and physical and sexual assault.

**Family break-ups: Divorce rates, second families and domestic violence**

The local authorities in Khanbogd and Dalanzadgad reported a significant increase in divorces linked to mining and in-migration. Statistics from the province show that in 2015, the divorce rates for Khanbogd and Dalanzadgad were 21 per cent and 38 per cent respectively,\(^{\text{44}}\) while in Tsogttsetsi the percentage was 15. However, the perception expressed in interviews among social workers in Khanbogd was that the rates of registrations of marriages and divorces were now almost at the same level. The Dalanzadgad Provincial Family Department also linked mining impacts with increased divorce rates, citing that two in three marriages now end in divorce. These perceptions do not match the reported statistics, but they do highlight a heightened sensitivity to the phenomenon of mining and its impact on social relations and behaviour patterns. The perception of an increase in divorce rates in the mining areas was also voiced in the interview with the National Authority on Children, which had observed this development.

In Tsogttsetsi, government representatives have highlighted that divorce and family break-ups were relatively uncommon before mining activity started, but are now a regular occurrence.\(^{\text{45}}\) A rise in domestic violence in Tsogttsetsi likewise was linked to mining. Female interviewees from the 2014 IM4DC study on gender-based violence explained that domestic violence arose from jealousy within the household, due to affairs or perceived affairs with ‘outsider’ people – particularly miners and truck drivers. It was perceived that many of the local women were either in relationships with miners or businesspersons associated with the industry due to their own financial insecurity and the perceived wealth of miners.\(^{\text{46}}\)

Another consequence of family separation linked to mining is the forming of second families. With male job seekers in particular staying away for extended periods, new consensual relationships are formed with local women, sometimes leading to a new family with children in the mining area. Women interviewed in Tsogttsetsi (IM4DC 2014) explained the situation:

**Economic dependence is involved. The man starts to spend more money here [in Tsogttsetsi] with other women, rather than sending it**

\(^{\text{43}}\) IM4DC: Action Research Report: Mapping Gender Based Violence and Mining Infrastructure in Mongolian Mining Communities

\(^{\text{44}}\) The numbers of marriages and divorces in Khanbogd were 28 marriages and 6 divorces, and for Dalanzadgad 118 marriages and 45 divorces.

\(^{\text{45}}\) IM4DC: Action Research Report: Mapping Gender Based Violence and Mining Infrastructure in Mongolian Mining Communities

\(^{\text{46}}\) IM4DC: Action Research Report: Mapping Gender Based Violence and Mining Infrastructure in Mongolian Mining Communities
to his family [in Ulaanbaatar], and if the wife can’t accept this situation, the family splits. Even if she accepts it, she will shift her care for the family or to other men. This creates more conflict, fighting, beating and serious injuries, etc. All kinds of violence are going on, women become physically, emotionally, financially vulnerable, in all aspects of their life.

According to NAC, the second family phenomenon creates further vulnerabilities for women and children as, according to Mongolian law, the second family is not recognized. Situations of second families will therefore most often lead to divorce.

9.4. Education impact – schools and preschool care

As reported by local authorities in each of the studied mining areas, school services are experiencing problems with managing the increased demands linked to mining and in-migration. The schools interviewed were consistently over capacity in terms of the number of pupils admitted, from 50 per cent to 250 per cent. The high numbers of pupils make it difficult for staff to provide the desired quality of education. Teachers highlighted that child development is not given adequate resources, and that child development suffers from a lack of time and attention.

Similarly, the local authorities were not able to provide preschool education and kindergarten places for all children. The lack of preschool education and care creates disadvantages for children’s development and for their families, especially for mothers who are forced to stay home and are unable to work while their children wait for a kindergarten spot.

The schools also reported issues with children left behind due to parents’ work in mining and long rosters. This meant a lack of parental involvement in the children’s education when parents are working in the mines. The schools have tried different methods to engage, but still less than 50 per cent of parents showed up at meetings and other activities. Children who are left to look after younger siblings arrive late or miss classes and are not able to attend to their education and homework.

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**Early Childhood Development**

The early years of childhood form the basis of intelligence, personality, social behaviour, and capacity to learn and nurture oneself as an adult. Significant evidence links the circumstances of adversity and habits formed in early years to the non-communicable diseases of adulthood.

Consistent and strong evidence shows that:

- Brain development is most rapid in the early years of life. When the quality of stimulation, support and nurturance is deficient, child development is seriously affected.
- The effects of early disadvantage on children can be reduced. Early interventions for disadvantaged children lead to improvements in children’s survival, health, growth, and cognitive and social development.
- Children who receive assistance in their early years achieve more success at school. As adults, they have higher employment and earnings, better health, and lower levels of welfare dependence and crime rates than those who do not have these early opportunities.
- Efforts to improve early childhood development are an investment, not a cost. Available cost-benefit ratios of early intervention indicate that for every dollar spent on improving early childhood development, returns can be on average 4 to 5 times the amount invested, and in some cases, much higher.

Due to working in double shifts to accommodate the large number of pupils, schools let the last children out between 6.30 p.m. and 8 p.m. School leaders voiced concern about children walking home in the evening and the lack of school resources to provide transport and support at this time of night. The school in Khanbodg is working with
the police to manage security issues, and the Tsogttsetsii schools have started sending text messages to parents notifying them when their young girls have left the school.

A related issue highlighted by the school authorities is the leisure time outside of school hours, especially in spring and summer when the temperature and long hours of daylight allow children to be outside until late at night. The towns offer insufficient activities for children and especially teenagers, putting youth at risk of engaging in drinking, crime and sexual activity, and at risk of being victims of violence.

9.5. Health issues

All the hospitals interviewed in Mandal soum, Tsogttsetsii, and Dalanzadgad reported a lack of capacity, in part due to the high numbers of unregistered populations that need to access the hospital and health services. In addition, all mine-related medical emergencies are referred to and treated in Tsogttsetsii or Dalanzadgad, as the mines’ on-site medical staff only provide primary care.

In Tsogttsetsii, capacity issues were further complicated by the long distances that health care professionals have to travel to reach newly settled migrant households. The hospital staff reported that new settlements have formed close to the mines. The long distances also meant that immunization rounds take seven days to complete in the soum, compared to two days previously. Children of migrants who move around are at risk of missing the immunization rounds as they travel from area to area with their parents. In response, the provincial medical administration had to launch a re-immunization campaign in 2015, with funding from the World Health Organization. Furthermore, children of unregistered migrants receive only emergency medical care, not preventive health care or health education and advice, as the hospital and family clinics are not aware of them or their whereabouts and cannot seek them out to provide support. Similarly, migrants receiving treatment for chronic diseases in their home region can no longer access care as unregistered residents in a new soum.

South Gobi provincial medical representatives reported that the province has a high child mortality rate compared to the national average. They explained that programmes target issues of child underdevelopment and stunting through nutrition (milk and yoghurt) provision, but that these child health issues are not linked to mining or in-migration. The provincial medical representatives in Dalanzadgad pointed out that, in cases of decreases in household income such as unemployment, nutrition and the purchase of medicine suffer markedly.

The medical representatives in Mandal soum highlighted the risks to children of artisanal miners, especially through the use of chemicals in the mining process. Health impacts include birth defects, allergies and skin conditions and infections. The hospital had no registered cases of mining health incidences, and the dust and respiratory diseases were linked to sanitation, smoke, climate change and the dry rivers, waste, public urination and loose soil, rather than mining.

In all the mining areas, increased populations and commercial activity had led to a higher number of road accidents involving children. In Tsogttsetsii, this was also linked to the issues of dust from the mines and decreased visibility on the roads. The hospitals also reported increases in accidents in the home involving children when children were left alone during the mine workers’ shifts. The hospitals in general see an increase of alcohol abuse during the mine roster, which often leads to violence and injuries and puts pressures on the emergency services. With the downturn in mining activity, these statistics have started to decrease in the last couple of years.

The medical representatives in Dalanzadgad said that when working with the Child and Family Department, they saw many cases of domestic violence but that most cases go unregistered and untreated, as people do not know where to seek help.

**Communicable diseases and teenage pregnancies**

The provincial medical representatives said that the province has a comparatively high rate of teenage pregnancies and cases of abortion.
in girls under 19 years of age. Most cases involve girls aged 18–19 and there were only rare cases of girls 15–16 falling pregnant. The rate of teenage pregnancies was seen as related to the lack of health education among young people and mainly a problem in the remote soums of the province. The perception among the medical representatives was that the rate of teenage pregnancies was increasing in the remote soums. The Umnogobi Province Health Statistics show that in 2015, the percentage of adolescent births (under 20 years) in Khanbogd was 7.1 per cent, down from 8 per cent in 2014, and for Tsogttsetsii it was 4.3 per cent, down from 6.8 per cent the previous year. The statistics do not mention the rate of teenage pregnancies but only adolescent births, and stakeholders indicated in interviews that young girls leave town and go to Ulaanbaatar or the neighbouring soum or province to have the pregnancy terminated. This makes it difficult to obtain the statistics on the pregnancies rate.

There is a similar lack of data regarding sexually transmitted infections. There is a perception that STIs are on the rise, but the medical professionals lack statistics on cases and rates. The Umnogobi Province Health Statistics show that the incidences of the most common STIs in 2015 were 149 in total for the province, with four cases in Khanbogd and nine in Tsogttsetsii. The Mandal soum hospital staff mentioned that statistics are available only for pregnant women and soldiers, who are the only ones for whom testing is mandatory, and that it would be necessary to contact the testing centres directly to obtain more data that are accurate.47 Data and statistics are further complicated by many people going to Ulaanbaatar when ill due to a perceived lack of confidentiality in the small population; these cases, therefore, are not registered locally.

The youth interviewed were highly aware of teenage pregnancies and were able to describe cases involving young girls under 18, 1–2 cases in each area in the past two years. The Khanbogd Young Peoples Group (parents and jobseekers) said Khanbogd had the highest number of teenage pregnancies, but that cases were often kept secret and were not registered as the young women had abortions outside the soum and province.

The hospitals noted an increase in tuberculosis cases, seen as a consequence of in-migration, and mentioned it as a key vulnerability in the mobile population.

9.6. Social issues

Mining attracts a large proportion of male migrants, which can mean additional social risks to children in the host communities. The stakeholders interviewed said that mine workers bring negative and inappropriate behaviours, which put children at risk as well as inspire children and young people to engage in risky and illegal behaviours.

As a consequence of an increasing population, the levels of nightlife and adult leisure activity in a mining town typically increase, making the public (and sometimes private) spaces unsafe for children. In Tsogttsetsii, the soum centre saw a sudden increase in restaurants, bars and guesthouses along with the mining influx. It was reported that the many karaoke bars gave rise to alcohol-fuelled violence in the form of intimate partner abuse and public scuffles. The government enforced regulations, which led to the closure of illegal karaoke bars;48 the current downturn has since seen more of these establishments close.

Substance abuse

The mining-related influx has been seen to increase the levels of alcohol use and abuse by adults in the mining areas, linked to entertainment

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47 Follow-up requests from UNICEF confirmed that the South Gobi Province Health Department does not provide data on STI testing by soums.

48 IM4DC: Action Research Report: Mapping Gender Based Violence and Mining Infrastructure in Mongolian Mining Communities
of male workers between and after shifts, as well as an increase in alcoholism with unsuccessful jobseekers and laid off workers. While public drinking and related issues have currently gone down, concern among the local authorities and service providers has shifted to the alcohol abuse in families. The focus here is on unemployment and the rise in alcoholism and domestic violence.

The levels of drinking among young people and children are seen as linked to the increased exposure to adults drinking in public (young boys will mimic this behaviour) and drinking among children in child-headed households and without parental supervision. School leaders and the youth consulted described how groups of children gather in houses where no parents are present. The Khanbogd Young People Group said that alcohol abuse among children is common in Khanbogd.

**Domestic violence**

School leaders in Khanbogd and Mandal soum highlighted unemployment as their main worry regarding the well-being of children. It is perceived that unemployment causes a rise in domestic violence, a lack of role models, inappropriate behaviour and often alcohol abuse in families. The schools were not able to provide statistics or data regarding these risks, as such issues are not reported. Abuse in families is considered a ‘hidden’ issue and schools and teachers only had secondary indicators such as school attendance of a child to detect any changes or potential risks.

The Youth Development Centre in Tsogttsetsii and NAC reiterated that domestic violence is a hidden issue. NAC also pointed out that until recently, there had not been a system or a requirement in place for reporting social issues and incidents. However, the new Child Protection Law (February 2016) makes it an obligation for social services professionals as well as neighbours and other adults to report issues regarding children, including children left behind and domestic violence.

**Crime**

Juvenile crime is linked to the absence of parental supervision in mining-affected areas. Authorities and youth pointed to children, especially boys, roaming the streets at night and getting involved in criminal activities such as small-scale theft and driving stolen vehicles. The South Gobi province Family Department for Children and Families Development said crime with the participation of children in the province has increased and that crime rates are higher in mining towns. The Department for Culture and Education in Dalanzadgad presented statistics from the Crime Prevention Council that showed levels of adolescent crime in the Dalanzadgad soum had decreased by 13 per cent in the past year, but that the concentration of criminal activity came from areas with child-headed households and children who had migrated from rural soums to Dalanzadgad. In both Dalanzadgad and Mandal soum, criminal activities were linked to the technical colleges in the towns.

The Mandal soum Governor pointed out that mine workers bring comparatively high salaries to the area, which will create further inequality in the communities and can lead to increased crime levels. There was also an indication from most of the local authorities interviewed that crimes and violence against children had risen, but no one had statistics or evidence to support this as crimes against children previously have not been reported or registered.

**Sexual harassment and exploitation**

All the studied areas presented cases of grooming and attempted grooming of young girls. Local authorities and schools were particularly worried about girls walking home from school or walking in the streets alone. One girl in the Tsogttsetsii youth consultation recalled: During the boom time, my parents told me not to go out too late because there were people out there. The youth groups recounted stories of young girls being stopped by cars in the street and asked for sexual favours,
and in one case in Khanbogd, a woman was dragged into the car, but managed to escape.

The descriptions of the risks of sexual exploitation echo the 2014 gender violence report, which describes the situation in Tsogttsetsii in which local women reported that they no longer felt safe to walk alone at night, and if they did go out, they travelled in groups. They explained that men in cars would stop and ask them whether they were prostitutes or wanted to go for a ‘drive’ with them. Hospital personnel in Tsogttsetsii reported in the research that the incidents of alleged rape had tripled since the onset of mining in the region. In 2013, three incidents of alleged rape were reported, of which two were related to mine workers and alcohol.

Further accounts suggest that South Gobi has seen an increase in violence since the commencement of mining. The following quote indicates that the rapid increase in ‘offences against the individual’ coincided with the construction of mines in Khanbogd and Tsogttsetsii:

Between 2008 and 2012, the population of Khanbogd grew 42.3 per cent and ‘offences against the health of individuals’ increased 1,300 per cent (from 2 to 28 reported cases). Likewise, in Tsogttsetsii, in the same period, the population grew by 131 per cent and ‘offences against the health of the individual’ by 517 per cent (from 3 to 18.5). These figures clearly illustrate how in both case areas, ‘offences against the health of individuals’ have risen more rapidly than residential population growth.50

The coal road and ‘fuel girls’

A specific area of sexual exploitation relating to mining activity in South Gobi pertains to the coal road from Tavan Tolgoi to the Chinese border and the so-called ‘fuel girls’ who work along this stretch of road and in settlements around the border post at Gashuun Sukhait. Although the interviewees in this study did not consider this a ‘local’ issue as none of the girls engaging in the sex trade were seen to be local but from Ulaanbaatar or other provinces, issues along the coal road were linked to the mining activity in the province and will be mentioned briefly in this study.

Oyu Tolgoi representatives raised the issue of the coal trade roads and sex trade along the route. All transportation for Oyu Tolgoi is handled by contractors who receive training on community issues and codes of conduct from Oyu Tolgoi as well as strict instructions and real-time monitoring through GPS tracking systems not to stop on the road. Still, the Oyu Tolgoi representative described the difficulty of addressing and managing the issue of sexual exploitation, and despite restrictions and codes of conduct, sexual transactions are still likely to happen.

Participants in the UNICEF workshop held in Ulaanbaatar raised the issue of temporary camps near the border. In addition to the problem of sex workers and potential child sexual exploitation, children were reported to stay in the camps with their parents who often provide services to the mining houses or their contractors. The NGOs in the workshop reported that, at its peak, more than 12,000 people were in the temporary ger camps, in an area with no police or hospital services. As this study did not visit the border areas, the following description from the IM4DC report helps to illustrate the situation in Tsagaan Khad community, which is crossed by the coal road between the Tavan Tolgoi coal mines and the Chinese border at Gashuun Sukhait, and where an influx community is established:

Tsagaan Khad is a small municipality of the Khanbogd soum governing area that lies on the border with China. Originally, herder families and small border control units occupied the area and before the onset of large-scale mining, the border opened twice a year for the trading of goods. In 2009, the border crossing opened for full-time traffic to service the haulage of minerals from the Gobi. Nowadays, a makeshift border-town stockpiles coal from the mines of Tsogttsetsii before delivery to

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49 Cane, Dr Isabel: Social and Gendered Impacts related to Mining, Mongolia, Adam Smith International (2015)
50 IM4DC: Action Research Report: Mapping Gender Based Violence and Mining Infrastructure in Mongolian Mining Communities
China. There are 28 to 50 registered herders to the area of Tsagaan Khad and a fluctuating transient population of 1,000 to 2,000 people. This consists of 70 to 80 percent men. The population fluctuates, depending on the level of extraction from the mines. Although Tsagaan Khad is primarily used by the coalmines of Tsogtsetsii soum, it falls under the governance of Khanbogd soum (for policing and health, etc.).

The research team was able to speak with several of these women and were informed of the lifestyle in Tsagaan Khad. The forms of sex-work in Tsagaan Khad are very informal – usually conducted from gers, in trucks and in karaoke bars. These arrangements are performed in secret and are fronted by other businesses. In these situations, the women can be paid with money, but also the very poor women are paid in trinkets, fuel or meals, etc. For example, ‘Fuel girls’ are poor women that accompany drivers up and down the ‘coal road’, moving from truck to truck and are paid in fuel, which is then used by the family or sold for money. It was explained to us that women in these environments are more vulnerable to violence; indeed, informants stated that customers treated them poorly, harmfully and had unrealistic expectations of them sexually. The police also believe that women are being paid or intimidated not to report the situation.

9.7. Periodical and permanent unemployment

Increased competition for jobs and unemployment are phenomena linked to in-migration, and interviewed stakeholders were highly aware of the social risks related to unemployment. All mining areas reported recent high unemployment levels due to the current economic downturn, affecting both workers who previously held mine or mine contractor jobs and the high number of job seekers waiting months and years for employment opportunities. The school principal in Dalanzadgad estimated that currently, most parents of children at the school were unemployed, except for the ones holding public sector jobs.

Although unemployment meant parents could spend more time with their children and participate more in school activities as well as a reduction in issues related to children left alone, the schools and social services highlighted unemployment as a key risk. This was seen as a cause of increased alcohol abuse, domestic violence, a lack of role models for children, and a disruption in children’s development and education when households move to look for employment. For families that had changed their livelihood from herding to mining, some were now trying to revert, but would need funding from the local authorities to restock their herds.

Unemployment and loss of income means a rise in poverty levels and risks to the families’ abilities to cover the children’s basic needs of food, clothing, school materials, fees for college qualifying exams, etc. The youth interviewed in Mandal soum pointed to the inequality and differentiation among children caused by unemployment, and they expressed that it leads to discrimination against children with unemployed parents. The Deputy Provincial Governor for South Gobi also pointed to the risk and consequences of indebtedness, as many mine employees had been given various loans and were now struggling to repay the debt without wage income.

In Mandal soum and Dalanzadgad where artisanal mining takes place (gold and semi-precious red stone), unemployment was seen to push people to take up artisanal mining to provide an income. In Mandal soum, reduction in the wood logging business was also seen to lead people to engage in artisanal mining. The general risks in relation to artisanal mining are described below, and although artisanal mining is outside the scope of this study, the link between commercial mining unemployment and artisanal mining activities is an important one to note.
In general, the current economic climate and the subsequent reduction in mining activity, including lay-offs of workers and contractors, is giving people in the mine-affected areas a negative picture of mining. The volatility of the industry and the instability of the mines’ operations and of labour needs mean that people have little trust in the industry. This lack of trust is further fuelled by the majority of the population’s general lack of a thorough understanding of the market and commodities fluctuations and how they affect the industry and in turn the impact in the local host communities. Even young people interviewed described the sector as unstable and risky, and the youth in Khanbogd in particular were sceptical about the frequent lay-off of staff. They linked this to a perception that the mine will not increase salaries and therefore fire people, and they said the mine discriminated against local people in the recruitment of staff and demanded bribes of two months’ salary to employ local people.

9.8. Artisanal mining

Throughout the UNICEF study, many stakeholders by default thought of artisanal mining rather than commercial large-scale mining when asked about the impacts of mining on children. This was the case both when talking to national institutions and NGOs such as the National Authority for Children and the Child Rights Research Institute, and when interviewing local authorities in Mandal soum and Dalanzadgad. It was not part of this study’s scope to go into detail of issues related to artisanal mining; however, there are many links between commercial and artisanal mining purely in terms of economic and social links, outside the (illegal) artisanal mining on or close to large-scale mining concessions. As mentioned above, unemployment in commercial mining can push a further uptake of artisanal mining by laid-off workers and families.

Some of the impacts on children in relation to artisanal mining and immigration are:

- Environmental health issues, especially due to chemicals used in the artisanal gold mining process – this includes maternal health, birth defects and infant mortality rates;
- Child labour at the mine sites, often children working with parents, and risk of accidents to children on mine sites;
- Violence and crime between artisanal miners;
- Unhealthy living conditions for children of artisanal miners;
- Lack of access to health care and social services, including kindergarten;
- Abandonment of children and severe neglect, and children not attending school;
- Sexual exploitation;
- Children engaging in criminal activities;
- Conflicts between artisanal miners and local communities;
- Confrontation between artisanal miners and the government, often with harsh treatment by the state.

9.9. Sexual harassment of women mine workers

This study did not interview mine workers or female mine workers directly; however, the issue of women’s working conditions in mining is of importance to the impact on children as the parents’ well-being affects children. The following observations from the Mongolian context and women in mining is drawn from the 2015 Adam Smith International study: Social and Gendered Impacts related to Mining, Mongolia.
Mining is traditionally a male-dominated industry, also in Mongolia, and there are many barriers for women to take up employment in a meaningful way as part of the industry: absence of family-friendly workplace policies, sexual harassment and discrimination, a lack of career pathways and leadership roles, and finally a lack of support and mentoring.53

The 2012 Australian Mongolia Extractives Programme (AMEP) Scoping Report highlighted that:

[...]there are also a range of factors which make female participation in the mining workforce more difficult, including organizational culture, and socio-cultural barriers, stereotyping of jobs, discrimination (including through regulations that restrict or prevent women from employment as heavy equipment operators or underground workers which are generally higher paying jobs), sexual harassment, and lack of complaints handling mechanisms, or unwillingness to access them. The larger mining companies such as Oyu Tolgoi, Tavan Tolgoi and Energy Resources recognize the importance of maximizing participation of the local workforce which is inclusive of women. All three companies now employ women as heavy vehicle drivers despite the regulations; however, the organizational cultures and individual attitudes and behaviours within both government and companies ensure that challenges still remain for women wishing to work in the mining sector.

Forms of sexual harassment include objectifying women, and using sexual favours for job security (Cane, 2014; Cane, 2014b). Previous studies support accounts of sexual discrimination and sexual harassment both on large-scale mine sites and in neighbouring communities.

53 Cane, Dr Isabel: Social and Gendered Impacts related to Mining, Mongolia, Adam Smith International (2015)
Collaborative approaches

Various collaborative financial models have been developed in Mongolia to facilitate investment in local development in mining communities. These models introduce a higher level of consultation with communities and coordination between development investors such as the government, companies and local authorities. The models of collaboration have been welcomed by NGOs and civil society as they are seen to emphasize transparency and inclusion. Companies have also welcomed the platforms for collaboration and joint efforts, especially as they help to address communities’ high expectations of mining companies as well as the risk for companies of taking on the role of the government regarding local service provision.

10.1. Local Development Fund

The Local Development Fund (LDF) was introduced in 2013 along with the Integrated Budget Law of Mongolia, which is the first law that specifically prescribes public consultations and inputs to government budget-related decision making. The LDF provides monetary assistance directly to local governments both in rural areas and in Ulaanbaatar for projects that improve the living standards of local residents, including infrastructure and services. The law emphasizes the importance of having the participation of community members informing the allocation of the resources available through the LDF. The 2016 amendments (in the budget law and law on the human development fund) dictate that 50 per cent goes to the central fund of LDF, and 30 per cent goes to three levels: a) a central budget (70 per cent), b) aimag LDF (20 per cent) and c) soum LDF (10 per cent).

Although the LDF emphasizes consultation, this element seems not to be working optimally yet. Representatives from the Ministry of Mines pointed out that local authorities do not know how to carry out the public awareness process and consequently, citizens are not able to play an active role in deciding where and how resources should be spent. The NGO workshop participants criticized the government for not inviting companies to the development conversations and thereby missing the opportunity to engage mining companies in the LDF process and the opportunity for additional funding to the affected soums. According to the NGOs, the LDF was initially spent on agriculture investments such as fences and equipment.

10.2. Community Development Agreement

A legal requirement for local-level agreement making in Mongolia was first introduced in the Minerals Law in 2006 as a result of civil society’s push towards local participation in decision making on mining. The push was for an agreement with local government authorities representing project-affected communities as an integral element of the licence issuing process. Article 42.1 of the Minerals Law in 2006 states that a licence holder shall work in cooperation with the local administrative bodies and conclude agreements on

54 Dalaibuyan, Byambajav, Enhancing transparency of local level agreements in the Mongolian mining industry, Goxi.org 2 December 2015
issues of environmental protection, mine exploitation and infrastructure development in relation to mine-site development and job creation. Under the amendments made to the Minerals Law in 2014, and after extensive consultations with stakeholders, the Government of Mongolia developed in 2016 a model template for company-local government agreements in partnership with the World Bank and Hogan Lovells, an international law firm. A good practice in this regard is the cooperation agreement established between Oyu Tolgoi and South Gobi province in April 2015. The agreement is publicly available and has become an important source of information and experience in designing, negotiating and implementing local-level agreements, as it clearly articulates the decision-making process for investment, and roles and responsibilities in the process for all stakeholders, along with key priorities.

The Community Development Agreement (CDA) model is presented as a data-driven and equity-driven framework that moves away from ad hoc spending and short-term financial compensation towards long-term shared visions for development. The Ministry of Mining described the objective of the CDA framework as sustainable benefits, through the minimizing of negative and maximizing of positive impacts, towards a post-closure socio-economic situation. The Ministry of Mining representatives highlighted that the CDA helps to find a common point between the companies and local authorities and their respective commitment: creating benefits through operations (the mine) and looking after environmental and social development (the local authority).

Yet, NGOs have criticized the CDA model for being based on a mandatory template that precludes negotiation with stakeholders on the relevance of content. The model does not promote inclusive engagement and is seen as not flexible enough to reflect the difference in context, stakeholders and issues from area to area. The Open Society Forum mentioned that the previous agreement processes had been messy and suspected of covering up fraud, and the model CDA was therefore a welcome development. However, the template is seen as too technical, too governor-centric, and not accessible enough.

10.3. The Gobi Oyu Development Support Fund

As part of its cooperation agreement with partner communities composed of four soums in the South Gobi province, Oyu Tolgoi committed to contributing US$5 million every year for 30 years for community programmes and projects through its Development Support Fund (DSF). The agreement sets out a timeline for selecting projects, describes how the parties will work together and determines the focus of DSF—water, environment, pastureland management, cultural heritage, tourism, local business development and procurement. Through the period of developing the DSF, stakeholders have been engaged and kept well informed, and people interviewed for this study seemed aware of the fund and its purpose.

The announcement of the US$5 million per year has raised high expectations in the South Gobi communities. The youth in Dalanzadgad expressed that, through its fund, Oyu Tolgoi will now pay for ‘everything’. However, the distribution and beneficiaries of the fund appear to not have been determined or agreed. The Governor of Khanbogd expressed that Khanbogd should get 40 per cent of the fund each year but that this had not been agreed, and at present the soum could only suggest a couple of projects per year. In contrast, the Deputy Provincial Governor of South Gobi said that the funds should be distributed equally across the province so that soums without mineral deposits would also benefit. He said that an equal distribution would prevent people from migrating to Khanbogd in the expectation of improved social services.

Oyu Tolgoi representatives confirmed the opposing views of the soum administration and the provincial administration, and said the provincial Governor was not prioritizing Khanbogd. Having reviewed the DSF funding proposals, the Oyu Tolgoi representatives highlighted the need for support and capacity in the Khanbogd administration for a development project proposal and plans for implementation.
Currently, Khanbogd soum has proposed building a new school and kindergarten complex. The DSF board approved the Khanbogd school and kindergarten project in August 2016.

Background information on DSF

The Oyu Tolgoi–Omnogovi cooperation agreement was a condition of Oyu Tolgoi’s investment agreement. The cooperation agreement sets out how Oyu Tolgoi, South Gobi province and the partner communities will work together under the principles of mutual obligation and long-term commitment towards sustainable development in the partner communities.

Following substantial engagement, consultation and negotiation, the cooperation agreement was signed on 22 April 2015. Co-signatories were the governors and speakers of the benefiting partner communities, South Gobi province, Khanbogd, Manlai, Bayan-Ovoo and Dalanzadgad soums, and the president and chief executive officer of Oyu Tolgoi.

The consultation identified the following topics of primary concern for the partner communities and were included in the agreement schedule:

- Water management – Schedule 4
- Environmental monitoring and protection – Schedule 5
- Traditional animal husbandry and pasture land management – Schedule 6
- National history, culture and tourism – Schedule 7
- Basic social services (health, culture, education, vocational training and employability) – Schedule 8
- Local enterprise development, goods, services and procurement – Schedule 9
- Public infrastructure and capital projects – Schedule 10

Schedules 8, 9 and 10 have particular relevance to in-migration management.

Governance of the cooperation agreement

The cooperation agreement is governed by a relationship committee (CARC) and the Gobi Oyu Development Support Fund board. The role of the CARC is to review how developments may affect partner communities and to ensure transparent consultation. The CARC comprises four Oyu Tolgoi senior leaders and nine partner communities and local government leaders, and from time to time Oyu Tolgoi managers and employees are invited to present reports to the CARC. The Gobi Oyu Development Support Fund manages the funds that Oyu Tolgoi makes available annually for partner communities’ development. Its board is composed of four senior Oyu Tolgoi leaders and three senior partner community and Omnogovi leaders, who review proposals for community projects and programmes submitted to the fund.

The CARC supports DSF with submission reviews and advises the DSF board on the suitability of funding submissions and their relevance to the long-term development goals for the area as set out in the cooperation agreement.

Together, the CARC and the DSF ensure that checks and balances are in place in overall cooperation agreement governance, and make sure the best development proposals are supported, linked to good advice and government programmes to help them succeed. The rules and guidelines for the CARC and the DSF are publicly available, and the DSF board aims for consensus agreement on all approved funding.
Management approaches

In-migration will take the form of controlled and uncontrolled influx. Controlled influx covers the workers that a project is bringing to an area to work in the mine. Such workers will typically stay in designated camps or local housing provided by the company. Uncontrolled influx includes job seekers, contractors and suppliers, and any opportunistic migration for economic or social purposes. There is very little that projects and companies can do to manage the uncontrolled influx of people to or near a project area. In most countries, citizens have the right to move and settle, and the options to minimize or avoid in-migration are few.

The following management approaches build on best practice from the country study and international best practice in impact management. The management approaches address the social issues highlighted in the previous section and provide suggested actions for companies, local authorities and government.

11.1. Baseline data for child impact management

A key point to including children in the management of mining-related impacts and in particular in-migrations impacts is the inclusion of children as stakeholders in data for planning and management. At present, the companies, NGOs and child rights experts interviewed acknowledge that in relation to mining, child rights are not seen as a comprehensive issue. Mainly due to a lack of data, companies as well as local authorities are not registering the subtleties of impacts on children. Understanding the sensitive nature and importance of child impacts is vital, as many impacts will only become apparent in the future.

The interviews with companies confirmed the lack of child impact data, as well as the lack of in-migration impact data.

Looking at the status of data in baseline studies and impacts assessments of Mongolia-specific companies, the research found that:

- When indicators for women and/or children are mentioned, they normally focus on health, education and in some instances labour;
- In general, data are not aggregated to reflect children, youth or women, and therefore do not provide a complete demographic analysis;
- Women and/or children are not referred to as distinct stakeholder groups;
- Education statistics provide quantitative information regarding access and coverage of education (percentage of children in school, access to secondary education), but the data do not refer to the quality of education and conditions for learning (facilities, class sizes, materials, teacher availability and quality);
- Only a few baseline reports mention child risks in relation to impacts of mining/industry activities, including the risk of trafficking and the risk of accidents associated with increased levels of traffic and vehicles near communities.

Data gaps in relation to children as a stakeholder group and affected party can mean that not all impacts regarding
children and social issues related to children are being detected, and that the design of projects and impact mitigation are not necessarily able to accommodate affected child rights. The Oyu Tolgoi Influx Management Plan (2012) did set out gender-disaggregated data for the key performance indicators for the implementation plan, but in general, children are included in the wider stakeholder identification/engagement as part of vulnerable groups, including women, people with disabilities and the elderly, and not as a separate stakeholder.

Baseline data that include children are important for project design and management in the following areas:

- Infrastructure, housing and land use planning;
- Risks and impact mitigation;
- Resettlement management;
- In-migration management;
- Employment policies and management;
- Social programme planning and implementation.

Issues relevant for baseline and impact assessments for mining companies in Mongolia include:

- Security issues;
- Grievances that include children;
- Compensation for project-affected households regarding resettlement, impact mitigation, etc., involving children;
- Settlements/housing and living conditions;
- Conflict:
  - community unrest (e.g. against mining industry)
  - Intra-community conflict
- Child gender issues;
- Family separation/children left behind;
- Psychosocial data;
- Poverty trends and impacts;
- Division of labour regarding children in mining-affected households;
- Children’s access to resources – water, electricity, sanitation – and developmental impacts;
- Youth unemployment.

**Recommended actions**

- **Companies**
  - Include data on children in all data collection, using disaggregated data and child impact indicators.
  - Share data indicators and measurement methods with local authorities and government and encourage use of similar indicators in government data collection.

- **Government and local authorities**
  - Include child impact indicators in data collection locally.
  - Provide statistical data at the soum level as well as aimag level, and share with companies operating locally.

The UNICEF Toolkit on Child Rights Guidance for the Mining Industry provides tools to guide impact assessments with child rights indicators and recommended approaches. The UNICEF Guidance can be used as reference and support for baseline and data collection.

### 11.2. Creating forecasting data for in-migration and population growth

The Mongolia study revealed that in-migration and population growth in the mining areas had not been forecast and planned for, and therefore was poorly managed by local authorities. In Mongolia, this is further challenged by the process of budgeting for the local authorities’ service provision, which is based on the registered population in the
previous reporting period. This budgeting process does not take into consideration the unregistered and mobile population, or the likelihood of rapid increases in the registered population. Such increases are often linked to jobseekers to local industry, including mining.

As this study shows, all mining-affected areas are expecting a renewed influx boom in the next few years, based on mining activity recommencing, and are projecting significant population increases in the next 10–15 years. To better forecast population numbers and changes and to plan accordingly, the following actions should be considered by companies, government and local authorities and other stakeholders.

**Recommended actions**

- **Companies**
  - Undertake a project and area situational analysis (see table below) to estimate in-migration and area absorptive capacity, including local authority and social service provision capacity.
  - Share project plans, timing and projected employment with local and national government.
  - Consider how capacity and budgeting of local authorities can be supported through funding vehicles such as the Local Development Fund and the Community Development Agreement.

- **Government**
  - Work together with local authorities on population projections, including natural population growth projection and in-migration, and mapping other (in addition to mining) attraction points such as industrial/agricultural/tourism development and investments, and social infrastructure development. Ensure population projections include figures for children and young people.
  - Companies and central government
    - Work with the Government of Mongolia to consider how to recognize the presence of unregistered populations in mining areas and reflect the population numbers in budgeting processes.

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55 Partly based on IFC Handbook for Addressing Project-Induced In-Migration.
<table>
<thead>
<tr>
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<td>• Project phases, including development of camps and infrastructure (including access roads)</td>
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<td>• Baseline population, including registered and unregistered individuals; numbers to include details of children</td>
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<td>• Estimated population growth for the area, including registered and unregistered individuals; numbers to include details of children</td>
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<td>• Health profile</td>
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<tr>
<td>• Artisanal and small-scale mining</td>
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</tbody>
</table>
Local government capacity

- Capacity of local government to undertake long-term, participatory planning and budgeting to meet the needs of the local population, including projections of population growth due to in-migration
- Existing service gaps or lack of capacity experienced by service providers, which can have an impact on the health and well-being of children
- Budget gaps regarding provision of adequate basic services for the local community

11.3. Registration of migrants

The registration of arriving migrants is related to the issue of population and migration forecasting. As a large number of migrants are jobseekers at the mines, local authorities and mines should work together to register in-migration. This study shows that, due to the mines’ requirement for local ID cards in the recruitment process, local authorities experienced inflated numbers of registrations and registration surges linked to the mines’ recruitment rounds. Especially in Khanbogd, high numbers of people have registered and then left the area until the next recruitment call.

**Recommended actions**

Diligent capturing and sharing of registration information will help companies and local authorities map the nature and scale of in-migration. The recommended actions include:

- **Companies**
  - Collaborate with local authorities on registering migrants, including migrant job seekers at the mine. This can include:
    - Capacity and resources to manage registration; especially relevant in cases where the company requires local ID for jobseekers to be eligible for mine recruitment;
    - Referring job seekers to the local authority for registration.

- **Local authorities**
  - Include questions relating to children in the registration process and records. These can include:
    - How many children does the migrant have?
    - Are children travelling with the migrant?
    - Are any of the migrant’s children staying behind in the region of origin? Are they staying alone? Who is looking after them?
    - Does the migrant plan to have the children join later in the receiving community?
    - Will anyone be looking after the children in the receiving area while the migrant seeks employment/takes up employment?

11.4. Addressing the lack of social statistics

A recurring issue identified in the study is the lack of social data and statistics regarding areas such as sexual and criminal offences against children, abandoned children and child-headed households, domestic violence, sexually transmitted infections and teenage pregnancies. The National Authority for Children explained that the reason for the lack of social data and statistics is partly the absence in Mongolia of a system of reporting and capturing data on offences and neglect. Consequently, there is also a lack of discipline and culture of reporting social issues, from both social service professionals and adult members of the public.

NAC representatives highlighted that the new Law of Mongolia on Child Protection (2016) introduces the obligation of professional staff in contact with children to report occurrences of child protection incidences. This includes teachers, medical doctors, alternative care staff, police and social workers. The NAC has also developed a new set of childhood well-being indicators, and will work with soums nationally for baseline data on these indicators.
Creating social statistics – Khanbogd

The Khanbogd school administration has created a survey of pupils to detect and register when children are left alone. This informs the preventive work of the school and shows further vulnerabilities of pupils that need care and attention.

**Recommended actions**

- **Companies**
  - Incorporate social statistics from local authority partners in baseline data.
  - Consider the NAC indicators as part of surveys and assessments for impact monitoring.
  - Use social statistics to inform social investments.
  - Use social statistics to inform environmental and social impact assessment audits and reports on progress on impact mitigation.

- **Local authorities**
  - Implement or support implementation of the new Child Protection Law’s obligations on reporting towards creating better social data.
  - Make statistics on social issues and reporting available to companies and social service providers.

**11.5. Stakeholder consultation**

This study shows that in relation to data on and management of child impacts of mining, it would be highly valuable to include children/youth and the providers of child services in consultations and data collection processes. Children and youth possess special knowledge about their conditions, behaviours and aspirations, and, as Oyu Tolgoi representatives pointed out, young people quickly become the decision makers and influencers in the community. Although some of the companies interviewed – including Oyu Tolgoi – carry out various child and youth engagement through open days, project groups, consultation with families, and career and information talks at schools, there was no consistent approach to including children and youth in consultations. Most of the engagements involving children provided information to the youth, i.e. informing and teaching them about the mining process, the rehabilitation process, career opportunities, etc. Few engagements focused on dialogue and on enabling the young people to provide information about how they experience the presence of the mining company in their lives and how they are affected. In addition, none of the service providers interviewed (with the exclusion of the provincial departments) reported having been approached by mining companies in connection with stakeholder consultation and data collection. Without such consultations, key data for impact management may be overlooked.

Linked to the mine/community dialogue gap, the youth groups and the Tsogttsetsi Youth Development Centre described how young people used social media to get information about the mines. They were in particular aware of anti-mining campaigns regarding environmental impacts of closure and rehabilitation, and they had extensive knowledge of the environment, artisanal mining, unemployment and safety issues.

To close the communication gaps, mines have an opportunity to start consultations and engagement with children, young people and their parents.
From PR to proactive listening

Oyu Tolgoi representatives described the progress the company had made regarding stakeholder engagement in Mongolia. Over the years, the company had changed the tactics of how it approached consulted communities.

- During 2004–2008 of the exploration stage, the engagement was PR-led and raised expectations in the communities.
- In 2010–2011, the expectations raised had not been realized, and the operations started with negative impacts and negative perceptions.
- From 2011 onwards, while positive impacts were happening, the company was not able to express the achievements to stakeholders. The evidence was not available regarding the infrastructure provided, the local employment, and raised and diversified incomes of households.
- The new approach is proactive listening, where the company communicates less, listens more and facilitates conversations between stakeholders. As result, the relationship between Oyu Tolgoi and the community has improved and strengthened.

Recommended actions

- Companies
  - Include focus on children and young people in stakeholder consultations, including in connection with baseline studies, impact assessments and situational analysis for in-migration projections.
  - Include focus in stakeholder consultations on the aspirations of the local community, including those of children and young people, and the perceptions of local issues and challenges and how they might be addressed.
  - Where appropriate, consult directly with children or children’s representatives to map existing child impacts and social issues.
  - In addition to consultation as part of mandatory data collection, establish a forum for ongoing dialogue and consultation.
  - Include children and youth in the review process for environmental and social impact assessment audits and impact mitigation progress reports.
  - Consult in detail with local government social service providers (clinics, schools and youth services) in receiving communities to map existing child impacts and social issues. This should include existing service gaps or lack of capacity experienced by service providers, which can have an impact on the health and well-being of children.
  - Local authorities (with civil society organizations, child rights stakeholders, etc.)
    - Consider ways of inviting and involving companies in child/youth dialogues.
    - Focus on creating a safe and open environment in which children and youth can identify and describe how mining affects them, voice general concerns, and share ideas on how to provide better development support.
    - Provide companies with information and views from youth/child consultations where companies were not involved.

UNICEF has created a tool for companies on stakeholder engagement, which provides advice and approaches to appropriately and responsibly engage children and child rights stakeholders.

11.6. Mine operations management

A key area of impact management pertains to the way mines set up their operations and manage policies on jobs and worker accommodation. The study describes two different operational models: Energy Resources, which has created an approach and facilities that encourage families to move close to the mine; and Oyu Tolgoi, which
has provided accommodation on site for workers during their rosters only and manages their movements tightly through a bus-in/bus-out and fly-in/fly-out system. All models have benefits and disadvantages, including impact on children, and the following options for policies can be considered.

**Developing a family friendly roster – Oyu Tolgoi**

The Oyu Tolgoi Mine in South Gobi, Mongolia is operated by Rio Tinto and holds one of the world’s largest deposits of gold and copper. The mine employs people from the nearby town, Khanbogd, in entry-level jobs, such as drivers, cleaners, kitchen staff, etc. In collaboration with the local authorities and the Governor of Khanbogd, the mine designed a new family friendly roster: Four days’ work/four days off. This new roster model for people living locally is seen as a great improvement regarding the conditions of working parents and their children. The 4/4 model means that parents spend more time with their children, improvements in school attendance and minimisation of risks to children who would normally have been left alone weeks at a time.

**Recommended actions**

**Operational models**

- **Companies**
  - Design operational models (including worker accommodation and conditions) towards child/family-friendly conditions:
    - Consider options for worker housing models, based on impact management (see models table below).
  - Design roster models to accommodate the family patterns of workers (i.e. remote, local, migrant).
  - Consult local people/employees and local authorities to inform the models design.

- **Local authorities**

**Company hiring policies**

Clear criteria for hiring options can help manage in-migration. Hiring policies can either encourage or discourage workers and job seekers to bring families.

**Recommended actions**

- **Companies**
  - Design company hiring policies to contribute to a child/family-friendly work environment.
  - Communicate the employment eligibility criteria (i.e. any options/requirements for local registered people to apply) and share the criteria with local authorities.
  - Communicate and make explicit the opportunities/limitations for migrant workers through radio/newspaper adverts, consultation and engagement with local authorities in labour-sending areas, local company office and company communications.
  - Opportunities/limitations can include types of jobs, skills requirements, length of contracts, and the variability of labour demand in the different mining phases.  

- **Local authorities**
  - Work with companies to review and understand their hiring policies and any projected peaks or lows in employment numbers.

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UNICEF research shows that due to skills requirements and lack of local skills, some companies are only able to offer entry-level jobs locally.
- Work with companies to communicate employment opportunities locally and facilitate links to mining recruitment officers.

### 11.7. Local development planning

The management of in-migration impacts often hinges on local development planning and the resilience and absorptive capacity of local communities to deal with population increases and changes. While mines frequently look to the existing development plans of the host government and local authorities for focus in their social investment and impact management, the local authorities often do not have updated or appropriate development plans for the area. The lack of long-term planning was described as a common feature of local authorities in Mongolia.

#### Economic diversification

Economic diversification is an important development-planning element and is a step towards minimizing host communities’ dependence on the mining operations. As has been the recent experience in Mongolia, the mining industry goes through both rapid expansion and contraction, which affects the host communities considerably. To counter these economic and social shocks, Khanbogd soum has developed a plan for economic diversification that comprises plans for mining, herding and tourism as main activities. However, at present, such plans need significant input and investment to create the desired balance of local economic activities.

**Recommended actions**

Supporting economic diversification should be considered as part of mines’ impact and in-migration management.

#### Communities’ ability to negotiate and collaborate with mines

The Governors of Mandal soum and Tsogtsetsii described how a lack of data and research into the resources and opportunities in the local area, including land use and agricultural potential, meant that they were not in a position to negotiate and collaborate with the mines.

**Planning Support – Oyu Tolgoi Steering Committee**

Oyu Tolgoi has established the South Gobi Steering Committee (SGSC) as a cross-departmental forum with senior representatives from Oyu Tolgoi operations and the Oyu Tolgoi Underground Project, as well as with leaders of South Gobi communities. SGSC is charged with providing strategic guidance on South Gobi matters, such as local employment, local procurement and in-migration management as standing agenda items.

**Recommended actions**

- **Companies**
  - Consider data sharing and research support as key contributions to local development planning.
  - Provide capacity building to local authorities on key issues of understanding mining management and stakeholders, development planning, funding and governance, economic diversification, etc.
- **Local authorities**
  - Invite companies to local development planning processes as stakeholders and contributors.
  - Outline a development vision for the local area and share it with companies.
- In conversation with companies, include aspects of extractive operation closure management in development visions, including perspectives on economic diversification.
- Outline key capacity needs in planning and administration, for the consideration of companies.

11.8. Social investment

Social investment is currently the main way in which companies support communities in the mining areas. The companies interviewed provided comprehensive accounts of their support areas and investments that cover a wide range of activities from large-scale infrastructure (schools, hospitals, street lighting, sports and leisure facilities), training and development, small and medium-sized enterprise development, cultural heritage and supporting community activities. Some companies linked their social investment focus to the impact analysis from baseline and impact assessment processes; however, the local people interviewed expressed that investments were ad hoc and not targeted at the most pressing social issues in the area. Some stakeholders also said there was not sufficient local dialogue or consultation to inform social investments.

Despite the range of social investment, the soum Governors and school leaders expressed that they found it difficult to access funding from the mining companies. In their experience, companies were not interested in funding smaller projects for one school or one entity only.

**Recommended actions**

- **Companies**
  - Use baseline and impact assessment data to inform social investment focus areas; make this link explicit.
  - Establish a data-driven methodology for social investment process and decision making.
- **Local authorities**
  - Share key social investment needs with companies in a coordinated fashion.
  - Highlight preventive measures as key support areas, such as: Awareness raising and education on social issues and safe social behaviours; Increase in health education, family planning and counselling.
Conclusion

This study set out to provide:

- Research to better understand and generate evidence on the impacts of in-migration specifically on children;
- Guidance to companies on how to manage in-migration impacts in policies and processes;
- Support to the integration of a child rights lens into corporate policies and due diligence;
- Support to strengthen companies’ operational planning and community development initiatives regarding in-migration and children.

The findings of the Mongolia country study on mining and in-migration impacts on children show that the movement of people in connection with mining have significant consequences for children. Yet, the understanding and evidence of how children are impacted and why is often lacking both from a mining company perspective and from a local authority perspective.

The key areas of impact were found when children were left alone or behind due to migrant parents and mine worker parents, and mine host areas had experienced surges in social ills during the peak periods of activity in the mining operations. The vastly increased pressure on social services due to unregistered migrant populations in mining areas also significantly affected the levels of support and care for children, with key risks around early childhood development due to lack of early childhood development initiatives, capacity and infrastructure. Many social issues affecting children remain hidden or unseen such as domestic violence, teenage pregnancies, sexual grooming or abuse, and the effects of child-headed households.

Mongolia has a strong set of regulations regarding child protection that has recently been strengthened through amendments to the legislation requiring professionals working with children to report on child protection incidences. On the mining regulation side, Mongolia recently updated legislation, improved the requirements regarding benefit distribution locally and developed a model Community Development Agreement template to facilitate cooperation agreements between mining companies and local authorities and communities. The regulative steps are seen as positive, and hopes are that they will enable better results of activities and investments into local development. Yet, concerns were voiced regarding the lack of detailed guidance on implementing the benefit requirements and regarding the reality of implementation processes between local authorities that may have differing views of priorities and beneficiaries.

The Mongolia country study was conducted during a significant slowdown in the mining sector, in Mongolia as well as globally. Many of the mining-related issues identified had had more substantial impact previously and had decreased during the slowdown. This perspective means that a new predicted upsurge in mining activity in Mongolia will make the issues bigger and more urgent, even compared to the previous mining boom. This means that now, during a slower period, is the time to start collaborative planning and forecasting of issues through multi-stakeholder partnerships. As the study shows, the risks and benefits of mining and in-migration are shared between mining companies, local authorities and the central government, and the trends in in-migration impacts point to the necessity of collaborative efforts.
While in-migration cannot easily be managed or stopped, a number of initiatives can help to reduce the negative impacts and enhance the development benefits of economic and social activities in areas that host mining operations. If children are a focus throughout – from the understanding of impact through prevention work and consultation and compensation considerations to the long-term development planning – they stand to benefit massively, both in instant risk reduction and in their future development perspectives.

In conclusion, the study found critical impacts on children of mining-related in-migration in major mining operations in Mongolia. The report includes recommendations for how companies as well as local authorities can address and manage these impacts effectively. However, the findings and recommendations in the report are relevant for all stakeholders in the mining sector in Mongolia.

UNICEF sees this study as an important step towards improving the knowledge and actions of everyone working in the sector with regard to how they can respect and advance children’s rights. UNICEF is looking to engage with mining companies, local authorities and all relevant stakeholders in implementing the recommendations as outlined in this report.
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