

# **LAW OF MONGOLIA**

## **LAW ON ENVIRONMENTAL IMPACT ASSESSMENTS**

January 22, 1998

Ulaanbaatar

### **CHAPTER ONE**

#### **General Provisions**

##### **Article 1. Purpose of this Law**

1.1. The purpose of this Law is to regulate relations that arise in connection with protection of the environment, prevention of the ecological misbalance, the use of natural resources, assessment of the environmental impact and decision-making on the start of a project.

##### **Article 2. Legislation on Environmental Impact Assessment**

2.1. The legislation on Environmental Impact Assessment shall consist of the Constitution of Mongolia, the Law of Mongolia on Environmental Protection, the present Law, and other legislative acts which is consistent with those laws.

2.2. If an international treaty to which Mongolia is a signatory is inconsistent with this Law, then the provisions of the international treaty shall prevail.

##### **Article 3. Definitions**

3.1. In this Law the following terms shall have the following meaning:

3.1.1. “Environmental Impact Assessment” shall mean prior identifying, minimizing and mitigating any possible adverse effects of production or service by individuals and legal entities to the human health and the environment;

3.1.2. “Project” shall mean construction of new, or renovation or extension work of existing, facilities or any other activity toward the use of natural resources;

3.1.3. “Project implementer” shall mean an individual or a legal entity responsible of the project implementation.

3.1.4. “Risk assessment” shall mean prevention of possible risks of the production process or natural disaster during the project, determination and mitigation of the consequences of the risks;

3.1.5. “Assessment expertise” shall mean a conclusion by an independent experts appointed by the organization which has screened the detailed assessment report on the environmental impact of the project.

3.1.6. “Expert” shall mean a person authorized to assess the environmental impact of the project and issue the assessment conclusion.

3.1.7. “Assessment specialist” shall mean a person authorized to participate in specific areas of detailed assessment of the environmental impact and to make assessment and evaluation.

3.1.8. “Project sponsor” shall mean an individual or a legal entity sponsoring the project.

## **CHAPTER TWO**

### **Environmental Impact Assessment**

#### **Article 4. Screening of a project**

4.1. New projects as well as the renovation and expansion of existing industrial, service and construction activities and project which use natural resources in different ways shall be subject for screening.

4.2. The screening shall be done prior to mining, procurement of a license of land possession or use as well as implementation of a project.

4.3. The Citizen Representative Khurals of aimags, the capital city, soums, districts, their Presidiums and local environmental inspectors shall verify the performance of the environmental impact assessment by a project implementer.

4.4. The project implementer shall submit a project description, the technical and economic feasibility study, the work drawings and other related documents to the state central administrative body in charge of nature and environment or the local government for screening according to the classification contained in the appendix to this Law and a screening shall be conducted accordingly.

4.5. The state central administrative body in charge of nature and environment shall issue methodological guidelines for the screening of projects.

4.6. The expert shall perform screening of a project within 12 working days and will issue one of the following conclusions:

4.6.1. the project may be implemented without conducting a detailed environmental impact assessment;

4.6.2. the project may be implemented pursuant to specific conditions:

4.6.3. a detailed environmental impact assessment is required;

4.6.4. rejection of the project on the ground of non-conformity with the relevant legislation, or adverse impact of the equipment and technology on the environment, or absence of the project in the land management plan.

4.7. The state central administrative body in charge of nature and environment shall appoint an environmental impact assessment expert taking into consideration professional ability and work experience. If necessary, relevant officials may be involved in the assessment work.

4.8. If necessary, the state central administrative body in charge of nature and environment may extend the period indicated in Article 4.6 of this Law.

#### **Article 5. Detailed Environmental Impact Assessment**

5.1. The conclusions referred to in Article 4.6.3 of this Law shall define the scope of the work for the detailed environmental impact assessment.

5.2. Detailed Environmental Impact Assessments shall be conducted by a legal entity authorized to do so according to Article 9 of this Law.

5.3. The authorized legal entity shall develop Detailed Environmental Impact Assessment Report.

5.4. The Detailed Environmental Impact Assessment Report shall include the following:

5.4.1. Environmental Baseline data and indices;

5.4.2. Project alternative;

5.4.3. Recommendations for minimizing and mitigating measures as well as eliminating of potential and significant adverse impacts;

5.4.4. Analysis and calculation of the extent and distribution of adverse impact and its consequences;

5.4.5. Risk assessment;

5.4.6. Environmental Protection Plan;

5.4.7. Environmental Monitoring Program;

5.4.8. Opinion of local residents of the area of the project implementation;

5.4.9. Other issues with regard to the special nature of the project.

5.4.10. Rehabilitation project.

5.5. The draft Detailed environmental Impact Assessment Report shall be submitted to the project implementer for review and official comments.

5.6. The costs of conducting Detailed environmental Impact Assessment Report shall be settled according to the contract between the project sponsor and the authorized entity.

5.7. The organization that has conducted Detailed environmental Impact Assessment Report shall keep the original paper and reports of experts and submit three copies of the Detailed environmental Impact Assessment Report to the state central administrative body in charge of nature and environment and the project implementer and all copies shall have equal legal validity.

## **Article 6. Environmental Protection Plan and Environmental Monitoring Program**

6.1. The project implementer shall develop an Environmental Protection Plan and Environmental Monitoring program for the purpose of implementing the recommendations and conclusions of the detailed environmental Impact Assessment and to monitor and control process and performance of its own activity.

6.1.1. The Environmental Protection Plan shall include measures to minimize, mitigate and eliminate adverse impacts identified during the detailed environmental Impact Assessment as well as determine the timeline and estimated budget for implementation of those measures;

6.1.2. The Environmental Monitoring Program shall address the

monitoring and study of changes in the environment as a result of project activity and reporting requirements, include monitoring schedule and methods as well as determine the timeline and estimated budget for implementation of those measures;

6.2. The estimate budget for implementation of the Environmental Protection Plan and the Environmental Monitoring Program shall be approved by the project screening organization.

6.3. A project implementer other than mining license holder shall place, as a guarantee, a sum in the amount of no less than 50 percent of the total annual amount of the environmental protection measures in the local environmental protection account of the local soum or district and shall annually report on the implementation of the Environmental Protection Plan. The pecuniary guarantee of the environmental protection measures of the mining project shall be governed by the relevant legislation on mining.

6.4. The Citizen Representative Khural of Aimag and Capital City, Soum, District and their Presidiums, and local environmental inspector shall exercise oversight of the implementation of the Environmental Protection Plan and the Environmental Monitoring Program.

6.5. The screening organization shall resolve the issue of refund the guarantee to the project implementer upon consideration of the report of implementation of the Environmental Protection Plan and the oversight mentioned in Article 6.4 of this Law.

6.6. Regulations for development of the Environmental Protection Plan and Environmental Monitoring Program and procedure and guidelines of rehabilitation shall be issued by the state central administrative body in charge of nature and environment and the rehabilitation standards – by an organization authorized to do so under the law.

## **Article 7. Decision on the detailed environmental Impact Assessment report**

7.1. The legal entity which conducted the detailed environmental impact assessment shall submit the detailed environmental impact assessment report and related documents to the screening organization.

7.2. The expert who has received the detailed environmental impact assessment report shall review the report and come to conclusion within 18 working days.

7.3. The state central administrative body in charge of nature and environment shall make a decision to permit the implementation of the project upon the expert's conclusion on the statement on the detailed environmental impact assessment report.

7.4. Procedure of assessment expertise and guidelines for the assessment shall be issued by the state central administrative body in charge of nature and environment.

7.5. The recipient organization of the detailed environmental impact assessment report shall ensure public access to the report.

7.6. Creation of the database of the environmental impact assessments shall be governed by the Law on Environmental Protection.

### **Article 8. Review**

8.1. If a project of a legal entity, which has been subject to the detailed environmental impact assessment, caused or has caused damage to the health of the local population or the environment, the assessment shall be reviewed.

8.2. The state central administrative body in charge of nature and environment shall appoint the review group of the relevant professionals as necessary.

8.3. The state central administrative body in charge of nature and environment shall cover expenses of the review and shall later on reimburse these expenses from guilty party.

8.4. The legal entity, which conducted the detailed environmental impact assessment, and the project implementer shall promptly provide all required documents to the review.

8.5. The state central administrative body in charge of nature and environment and the parties shall consult to set the time for the review.

8.6. If it is determined by the review that the detailed environmental impact assessment was done incorrectly, then the authorized legal entity shall conduct a reassessment sufficient to meet the requirements and the state central administrative body in charge of nature and environment may suspend the legal entity's right to conduct further detailed environmental impact assessments for other projects during the suspension period.

8.7. If the review determines that additional studies are required, then all expenses for those studies shall be covered by the legal entity which conducted the original detailed environmental impact assessment.

### **Article 9. Licensing Procedure for conducting detailed environmental impact assessment**

9.1. A Mongolian legal entity wishing to be licensed to conduct detailed environmental impact assessments shall submit an application to the state central administrative body in charge of nature and environment.

9.2. The following documents shall be attached to the application:

9.2.1. Introduction of activities of the applicant legal entity;

9.2.2. Curriculum vitae of an assessment specialist.

9.3. The Technical Commission shall examine the competence of the applicant to conduct detailed environmental impact assessments and shall render a decision within 26 working days.

9.4. The state central administrative body in charge of nature and environment shall appoint the Technical Commission.

9.5. The licensed entity's main activity shall be conducting detailed environmental impact assessments.

9.6. The license for conducting detailed environmental impact assessments shall be issued to an entity Paragraph 5, Article 7 of the Environmental Protection Law.

9.7. The state central administrative body in charge of nature and environment shall make a decision on licensing an entity to conduct detailed environmental impact assessments for a period of two years based on the recommendation of the Technical Commission appointed in accordance with Article 9.4 of this Law.

9.8. The licensed entity shall file an application for extension of its license and a report of its completed activities to the state central administrative body in charge of nature and environment at least 2 months prior to the expiration of the license.

9.9. The Technical Committee shall review the application and report and shall issue its recommendation on the extension of the license.

9.10. The state central administrative body in charge of nature and environment may decide to extend the term of the license for conducting detailed environmental impact assessments for a period of up to two years at a time upon the recommendation of Technical Commission.

9.11. The licensed entity whose detailed environmental impact assessment has been proven as incorrect as a result of an assessment expertise or a review shall be imposed administrative liability or its license shall be revoked by the state central administrative body in charge of nature and environment.

9.12. The state central administrative body in charge of nature and environment shall issue and revoke a license of an assessment specialist to conduct environmental impact assessment.

## **CHAPTER THREE**

### **Rights and obligations of participants in environmental impact assessment**

#### **Article 10. Rights and obligations of a project implementer**

10.1. The project implementer shall have the following rights:

10.1.1. to choose a licensed entity to conduct environmental impact assessment;

10.1.2. to choose a licensed entity to conduct detailed environmental impact assessment;

10.1.3. to require the entity conducting detailed environmental impact assessment to keep confidentiality of the technological and business related information. some information that related technology and business activities of them.

10.2. The project implementer shall have the following obligations:

10.2.1. to provide authorized agencies and persons additional information and documents related to the conducting of the detailed environmental impact assessment of the proposed project as required;

10.2.2. to develop and implement environmental protection plan and environmental monitoring program and report its performance pursuant to a schedule.

#### **Article 11. Rights and obligations of a licensed entity**

11.1. A licensed entity shall have the following rights:

11.1.1. to request the project implementer to provide necessary documents for conducting the detailed environmental impact assessment;

11.1.2. if necessary, to have free access to the working place and to take samples;

11. 1.3. to monitor implementation of the plan and the program described in the detailed environmental impact assessment, to recommend to the state central



administrative body in charge of nature and environment on the issue of continuation of the project.

11.2. A licensed entity shall have the following obligations:

11.2.1. to use the existing reports and conclusions of previous research studies;

11.2.2. to revise the detailed environmental impact assessment report based on the comments on the report;

11.2.3. to ensure accuracy of the results of the detailed environmental impact assessment;

11.2.4. to keep confidentiality of the technological and business related information of the proposed project.

11.3. The risk associated with conducting detailed environmental impact assessment by a licensed entity shall be regulated according to the insurance law.

## **CHAPTER FOUR**

### **Miscellaneous**

#### **Article 12. Sanctions to be imposed for violation of the legislation**

12.1. Violators of environmental impact assessment legislation are subject to the criminal or administrative liability in accordance with the nature of the violation and the size of the damages.

12.2. Where violation of the legislation on environmental impact assessment is not subject to the criminal liability, following administrative sanctions shall be imposed by a judge or by an environmental inspector:

12.2.1. if the project has been implemented without conducting environmental impact assessment and appropriate permission, illegal income shall be confiscated to the state and transferred to the soum and district budget.

12.2.2. if project implementation activities do not meet the requirements defined in the environmental impact assessment report, project implementation shall be suspended until the rectification of the violation and fine of 50,000 tugrugs shall be applied to an official and 250,000 tugrugs to a legal entity guilty of the violation

12.2.3. if the project has been implemented and operated without an

environmental protection plan and environmental monitoring program or does not fulfill environmental protection plan and environmental monitoring program or report its performance on time to the authorized authority, a fine of 25,000-50,000 tugrugs shall be applied to an official and 250,000 tugrugs to an entity guilty of the violation.

12.2.4. If a licensed entity has completed a detailed environmental impact assessment which has been found as incorrect as a result of an assessment expertise or a review, a fine of 150,000 – 250,000 tugrugs shall be applied to that entity.

**Article 13. Compensation for Damages**

13.1. Damage to the human health, property and environment caused by the implementation of a project without an environmental impact assessment or non-compliance with the requirements defined in the environmental impact assessment shall be eliminated or compensated by guilty party.

13.2. In the event it is found that the licensed entity has conducted the detailed environmental impact assessment incorrectly, the direct losses shall be compensated by that entity.

Speaker of Parliament of Mongolia

R. Gonchigdorj

*ANNEX TO THE ENVIRONMENTAL  
IMPACT ASSESSMENT LAW*

**Environmental Screening Criteria of projects**

Type of project	At what level will conduct Screening	
	The State Administrative Central Organization in charge of nature and environment	Governor’s Administration Department of Aimag, Capital city
1. Mining projects	All type of mining projects	Mining of universal minerals within its border
2. Heavy industry	All type	-
3. Light and food industry	Large scale, state property projects	Small and medium scale local projects
4. Agricultural projects	-water reservoir -irrigation scheme -projects on development cultivation in virgin lands	-other agricultural production and service activities
5. Infrastructure projects	-power station with installed capacity more than	-power station with installed capacity less than

	<p>1MW</p> <ul style="list-style-type: none"> <li>-high voltage (35kV and higher) electricity transmission line</li> <li>-heat pipeline</li> <li>-hydro power station</li> <li>-railway development</li> <li>-airport</li> <li>-state and intercity road development</li> <li>-state and intercity communication development</li> </ul>	<p>1 MW</p> <ul style="list-style-type: none"> <li>-electricity transmission line with voltage up to 35 kV</li> <li>-local heat pipeline within its border</li> <li>-local road and communication development</li> </ul>
6. Service sector projects	<ul style="list-style-type: none"> <li>-hotel, resort and other service facilities with capacity more than 50 beds</li> <li>-tourism development projects</li> </ul>	<ul style="list-style-type: none"> <li>-hotel, resort and other service facilities with capacity up to 50 beds</li> </ul>
7. Other projects: -urban development -military and civil defense projects -water supply system -waste treatment -landfill etc	<ul style="list-style-type: none"> <li>-water supply, waste treatment and landfill development projects for residential centers with more than 10000 population</li> <li>-state property military and civil defense construction projects</li> </ul>	<ul style="list-style-type: none"> <li>-water supply, waste treatment and landfill development projects for residential centers with up to 10000 population</li> <li>-local property military and civil defense construction projects</li> </ul>
8. Biodiversity projects	<ul style="list-style-type: none"> <li>-state property large scale fish farm development projects</li> <li>-wild animal and plant resettlement projects and other activities</li> </ul>	<ul style="list-style-type: none"> <li>-hunting and forestry unit, hunter' campus development projects</li> <li>-local fishing projects (that aims to supply only local market)</li> </ul>
9. Toxic chemicals, radioactive substance and hazardous waste projects	<p>Production, utilization, storage, transport and disposal of toxic chemicals, radioactive substances and hazardous wastes</p>	
10. Activities in special Protected Areas	<p>Proposed activities in zone of State special Protected Areas</p>	<p>Proposed activities in zone of Local Protected Areas.</p>