CONFLICT MANAGEMENT IN THE MINING INDUSTRY OF THE KRYGYZ REPUBLIC: REVIEW OF CHALLENGES AND COMPANY PRACTICES

PRACTICE PAPER
This paper offers an overview of the practices and requirements for mining company engagement with local communities, alongside recommendations as to how companies can manage and prevent conflict within the mining industry.

This study builds upon previous findings from the “Guidebook for Conflict Management in Mining Industry of the Kyrgyz Republic” (2017), which identified the dynamics and causes of conflict between local communities and mining companies. This study further explores ways in which existing good practices could be adapted to prevent conflict in other regions.

In 2018, the State Committee on Industry, Energy, and Subsoil Use requested PeaceNexus’ support in conducting research on addressing social challenges in the mining sector. Due to changes in the political context and the Agency’s management transition during the course of the collaboration, PeaceNexus independently carried the research through to its completion.

This paper was written by Aimeerim Tursalieva, an independent consultant, Nazgul Aksarieva, the lead on PeaceNexus’ Business Engagement Programme in Central Asia, and Indira Rakymova, PeaceNexus’ Programme Support Officer. The research was conducted in collaboration with the State Committee on Industry, Energy, and Subsoil Use of the Kyrgyz Republic and the International Business Council.

We would like to thank the State Committee on Industry, Energy, and Subsoil Use of the Kyrgyz Republic for supporting the implementation of the field studies. Furthermore, we appreciate the assistance of the International Business Council with conducting interviews and validations with mining companies.

FOREWORD

PeaceNexus is a Swiss-based foundation that aims to strengthen the capacity of organizations that play a role in building peaceful and inclusive societies. Through its business engagement support, PeaceNexus works to develop solutions to local peacebuilding challenges. We support affected communities, local civil society organizations, companies, and governments to improve business practices in fragile and conflict-affected countries.

Among other regions, PeaceNexus works in Central Asia. While investments in the mining sector can provide jobs, services, infrastructure and opportunities, experience has shown that they can also increase tensions over environmental pollution, unequal benefits for different workers (migrants and locals), and distrust of local people towards investors and local government.

We work to raise awareness around the drivers of conflict and provide recommendations to prevent such tensions at both the local and national level.

As in other Central Asian countries, the mining industry contributes significantly to the Kyrgyz economy. However, it is also associated with community disputes which can obstruct operations and lead to withdrawal of foreign investment. Through this study, we aim to showcase the best practices of mining companies operating in Kyrgyzstan. Acknowledging that mining companies’ face different circumstances relating to their geographical locations, mining deposits sizes and mining operation stages, this paper offers recommendations for establishing responsible mining practices.

The government’s role in the mining sector is important for long-term sustainable development. As a result, communication and interaction between companies and government agencies are crucial not only for addressing the disputes in mining affected communities, but also in building effective business that contributes to social cohesion.

We hope that this paper will help mining companies and other stakeholders understand the context of conflicts around mining and, by engaging in meaningful dialogue, take action to address the social challenges in the mining sector.

Catriona Gourlay
Executive Director
PeaceNexus Foundation
INTRODUCTION

The mining industry is one of the most strategically significant sectors of the Kyrgyz economy, and its development is considered crucial to the growth of the country. Gold mining is particularly important. According to the Extractive Industries Transparency Initiative (EITI) report for 2015-2017, the mining sector accounted for 11% of the Kyrgyz GDP, comprising 50% of industrial production, 40% of exports and provided over 15,000 jobs across the country. In recent years, several mining sites have begun preparations for large-scale mining projects and 30 small mines are scheduled to open between 2019 and 2020. Despite this, the development of the mining industry remains hampered by several issues. With the launch of new mining projects, conflicts between investors and local communities have been on the rise. The key problem is a lack of trust and dialogue between companies, local communities, and government agencies. The Subsoil Law, which governs mining activity in Kyrgyzstan, contains numerous deficiencies and discrepancies, resulting in frequent disagreements between different government agencies and mining companies, as well as between local communities and companies.

The State Committee for Energy, Industry and Mineral Resources has made significant efforts to reduce conflicts in this sector. Between 2013 and 2015, the State Committee conducted a series of public information activities in extractive regions, which decreased the number of sector-related conflicts between 2015 and 2017 compared to previous years. However, as of 2018, disagreements and conflict between companies, local communities, and government agencies have been increasing, partially due to a reduction in information and communication-related activities with local communities on mining issues.

1 Appendix 1: Mining Industry State
2 Natural Resource Governance Institute (2017)

METHODOLOGY

This study was conducted in two stages. The first stage consisted of an e-survey and interviews with the representatives of mining companies. Throughout this stage, the International Business Council supported the organization of interviews, as well as the validation workshop with mining companies. The second stage involved field research in the regions where surveyed companies carry out their activities. Field research was conducted between November 2018 and August 2019. A total of 30 interviews were conducted at various project development stages with company representatives in headquarter offices in Bishkek and select regional offices, as well as with the heads of village municipalities, members of village councils, local activists, and NGO representatives.

The research findings and draft were presented at a workshop in 2019, during which 15 mining companies and 4 government agencies contributed to the discussion and validation process.

The study aimed to identify the practices of mining companies and their compliance with the standards of the Responsible Mining Index. Companies were interviewed on the following areas/standards:

I. Environmental issues.
II. Informing local communities;
III. Hiring;
IV. Grievance handling;
V. Local procurement and content;
VI. Working with government authorities;

LIMITATIONS OF THE STUDY

The study and interviews coincided with the meeting of the Security Council of the Kyrgyz Republic on mining issues, which highlighted the poor performance of government agencies responsible for attracting investment, as well as for formulating and implementing the mining policy. In an
effort to combat corruption in the mining sector, the State Committee for National Security has increased the frequency of their inspections. This has significantly increased tensions between mining companies and the government\(^4\). Company representatives were therefore reluctant to give public interviews as to avoid the spread of misinformation and falsification of data, which affected the collection of data during the first and second stage of this study. Another challenge was that most mining companies did not have an official website. Even when some companies did have websites, they had not been updated for years or were designed to attract foreign investors rather than to inform local communities.

**COMPANIES OPERATING IN THE KYRGYZ REPUBLIC**

Currently, both small local companies and large foreign investors are active within the mining sector in Kyrgyzstan. The number of Western companies in the country fell drastically following outbreaks of political instability and conflict with local populations between 2007 and 2013. As a result, there has been an increase in the number of investors from Kazakhstan, Turkey and Russia\(^5\). However, the number of Chinese companies prevails as they are ready and well-equipped to work in high-risk environments\(^6\). Companies that receive funding from international financial institutions, which have methods and strategies defined by their internal protocols, often adopt more responsible practices in line with the terms of their loans. On the other hand, private or partially state-owned companies that do not borrow heavily to finance their mining projects tend to have less transparent strategies for engaging with local communities and government authorities.

Companies operating in the same region and facing similar challenges do not seek to address them together, but instead work separately. Different forms of cooperation between mining companies take place across multiple mining platforms and national associations based in Bishkek. The most active platform is the International Business Council (IBC), which has been successful in bringing the business community together and advocating for their interests at the legislative level.

Mining companies greatly impact the development of Kyrgyzstan's regions. Some of the main contributions include the creation of employment opportunities and infrastructure development, which change the regions' social and economic dynamics.

**ATTITUDE TOWARDS CHINESE COMPANIES**

Chinese companies have been actively implementing large and small-scale mining projects in Kyrgyzstan. Major projects include Altynt Ken LLC, Kaydi LLC, Kichi Chaarat LLC, Full Gold Mining LLC, Zet Explorer CJSC and small enterprises such as Terekas Jashtary, Chatkal 17, KG Group and others. The study showed that it is difficult to find detailed open-source information about the activities of most Chinese companies. It is equally difficult to find information about small mining projects funded by Chinese companies, as they are often registered to Kyrgyz citizens.

As Chinese companies are new to Kyrgyzstan, not only is the public's understanding of their work limited, but companies have yet to establish consistent communication channels with local populations and the government agencies with which they engage. One obstacle to the establishment of cooperation and trust between Chinese companies and local communities is the difference

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5 International Business Council (2018 r.). Mining and processing of non-ferrous metals: the overall contribution of the sector to the economy of the Kyrgyz Republic and the impact of fiscal initiatives. Bishkek. Source: www.ibc.kg/ru/download/1234
in their language and cultural values. For example, most respondents were in favour of Russian and Kazakh investors, arguing that they share a culture and language and have similar historical backgrounds.

Furthermore, this study shows that Chinese companies often comply with the demands of local communities and authorities to ensure the smooth running of the company. However, this does not help reduce conflict at the local level, as companies often lack experienced managers who can understand and tailor their communication strategies to the local context and dynamics.

**KEY AREAS TO AVOID CONFLICTS IN MINING INDUSTRY**

**I. ENVIRONMENTAL ISSUES**

Between 2000 and 2013, the main causes of conflict between local communities and companies were environmental issues. The local population was wary of mine-related environmental disasters. However, companies believe that local communities at the extraction stage are more likely to complain about a lack of jobs than the violation of environmental standards or norms. Companies that were interviewed also claim that, while they had rarely published their environmental reports and EIA findings in the past, these documents can now be found on the companies' websites and viewed in more detail. The main problem is that during the exploration phase, companies often fail to properly inform local communities about their upcoming exploration or prospecting activities. People are especially resentful in areas where prospecting work is carried out on previously unmined pasture land using heavy machinery and frequent blasting operations. Interviewed environmentalists and activists noted that artisanal and small-scale mining enterprises violate environmental standards and rarely recultivate the area after extraction, thus damaging the environment. Many companies operate in areas where large-scale mining projects were implemented during the Soviet era. Industrial waste in the form of tailing sites or waste dumps is not properly managed, often triggering environmental protests and even greater outrage among local communities.

**II. INFORMING LOCAL COMMUNITIES**

While working with local communities is not a priority for most mining companies, due to the growing number of local conflicts, companies are increasingly required to inform affected communities of their activities. Given their limited human resources and understanding of local needs, companies often rely on local self-governments to inform the community. However, local self-governments lack the resources and technical knowledge to effectively inform the public about upcoming mining activities. This disorganized process and the information vacuum among local communities often contributes to an increase in conflict.

A local community is defined as a group of people with shared interests within defined administrative and territorial boundaries. Groups interact with each other within a certain territory to achieve common goals. When negotiating, companies often struggle to identify local communities, delineate their boundaries and understand how their decision-making processes are organized. Each region has different traditions, clan divisions and influential social groups, such as informal leaders, elders, active youth move-

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8 EFCA 2013 r., 2017 r.
9 Environmental impact assessment
10 Altyn Alliance LLC http://www.altyn-alliance.ck/stoychivoe-razvitie/ovos/
11 Altyn Ken LLC http://www.altynken.kg/technical-interventions
ments and political groups. Companies often build relationships with a limited circle of community members, excluding other social groups.

Companies’ approaches and practices for engaging with local communities depend on the stage of mine development. Public hearings with local communities, a common practice across the country, are usually held once per year. These public hearings can become very emotional, both for company representatives and locals, as they are one of the only platforms through which the local community can express their needs and grievances in the presence of government agencies and key company officials.

Many mining companies do not have specialists in their regional offices that are qualified to work with local communities. The concept of “working with the local population or community” is therefore unfortunately limited to the submission and acceptance of job applications. The study revealed that companies most often hire local residents from the ranks of opposition activists or ‘local councils’ (a representative body), who lack adequate information about the company’s activities, mining standards and requirements and the social package.

Companies do not pay due attention to the professional training of local representatives, who play an important role in building dialogue and trust between the company and local community. However, KAZ Minerals Bozymchak can be highlighted as a positive example due to its efforts to grow and improve their engagement with local communities. The company actively participates in the cultural life of the region, supports community cultural events and publishes a monthly local newspaper to inform the public about ongoing and upcoming company activities.

Hiring village council members is a relatively new approach to working with local communities across Kyrgyzstan’s regions. In Chatkal, Ala Buka and Talas, almost half of the village council members were employed by mining companies. While village council member respondents noted that this practice allows the village council to benefit from firsthand information about companies’ work, their livelihoods are also highly dependent on their employment as they are not paid for their role in the village council. This can have negative implications, such as bringing into question the objectivity of village council members when assessing and deciding on the activities of mining companies in their area. The study shows that there is a high risk of decreasing trust in local self-government. Another important issue stems from local communities’ inability to participate in monitoring and decision-making processes relating to company activities, driven not only by a lack of interest from the mining companies, but also the personal interests and opposition of local community representatives. As a result, there is a lack of constructive dialogue and joint problem-solving among participating parties.

III. HIRING

Taking into account the local and geographical specifics of different villages, many companies, together with local self-governments, have implemented inclusive hiring strategies following the example of Chaarat ZAAV, which uses job quotas that give priority to the village, district and region closest to the mine. However, companies often experience a shortage of skilled workers and have to retrain or hire workers from outside the region, which contributes to conflict with the local population. To address the shortage of qualified specialists, KAZ Minerals Bozymchak paid the tuition fees of 22 university students of various specialisations. According to the company’s employees from local communities, their work, living and safety conditions were quite good. For example,
KAZ Minerals Bozymchak employees have the opportunity to undertake internships at other KAZ Minerals sites, such as Bozshakol and Aktogay.

Most companies in the Chatkal district are Chinese companies. While respondents say this has led to an increase in Chinese workers in the area, official data on the number of employees is not available due to a lack of company transparency. The example of Kichi Chaarat revealed that companies most often hire local workers as part of community investment programmes and that, in most cases, local labour has no impact on company operations.

IV. GRIEVANCE HANDLING

Companies do not handle complaints in a structured manner. Only one of 10 surveyed companies systematically addresses complaints and has a clear mechanism in place to receive and respond to complaints. Alongside a clearly defined complaints policy, the company has a specialist responsible for the collection and registration of complaints. Many companies stated that they did not receive any complaints from the local community, other than those relating to employment, and therefore did not consider the establishment of a grievance mechanism to be a priority for working with local communities. This could be explained by the fact that people in rural areas are not used to writing official letters or filing complaints, as complaints are often voiced at public hearings or in private to company representatives. Since these complaints are not officially registered, many of them are never even considered.

V. LOCAL PROCUREMENT AND CONTENT

Local procurement and content are important aspects of local communities’ engagement with companies, as they allow local businesses to partner with mining companies as equals. Most mining companies noted the challenges of implementing local procurement in villages, as the underdevelopment of entrepreneurship in rural areas has resulted in a lack of skilled labour and a very limited market for goods and services. While local procurement is most often conducted as a part of community investment programmes and in the context of conflict mitigation, no concrete steps are taken to ensure its effectiveness.

The study also identified companies that voluntarily support local cooperatives and, as part of social package, help them start and establish their businesses with follow-up support, although companies are not obliged to provide capacity building and training for new business ideas. For example, KAZ Minerals Bozymchak purchases products from local producers, with the number of suppliers growing every year. The company also supported the local cooperative “Kok Tash Eco Clean Juice” from the beginning of the business planning process to production. At the time of the study, the company had been working with five local cooperatives.

VI. WORKING WITH GOVERNMENT AUTHORITIES

At the national level, companies have staff and specialists that work directly with government agencies. While the responsibilities of government agencies involved in the regulation of the mining sector have been defined, there are numerous inconsistencies between agencies. According to experts within the sector, there is no clear division of responsibilities between the State Committee for Industry, Energy and Mineral Re-

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15 Local procurement means the purchase of goods and services from local sources within the same geographical region as the mine site. Local content means not only the purchase of goods and services from local sources, but also the production of these goods in the same area. (GIZ, 2016)

16 KAZ Minerals Bozymchak LLC supported a sewing workshop and a juice production plant. CHARAAT ZAV CJSC assisted in organizing a sewing workshop.

17 Appendix 2: Government Agencies Involved in the Governance and Regulation of the Mining Sector

18 Natural Resource Governance Institute (2017)
sources and the State Inspectorate for Environmental and Technical Safety with regard to the supervision of drilling and mining operations. According to interviews with government officials, this is primarily due to the regulatory framework and its inadequacy for addressing companies’ legal issues.

In general, communication and interaction between companies and government agencies is viewed positively, but there are a number of areas where the performance of government agencies could be reviewed and improved, such as the management of delays in issuing permit documentation, as well as unilateral and non-transparent decision-making around changing tariffs and fees.

At the local level, local self-government bodies (LSGs) play an important role in the regional development of the mining industry. While companies noted that an experienced LSG employee can be crucial for establishing effective cooperation, LSGs are accountable to the central authorities and have to follow decisions of higher authorities.

**COMPANY NEEDS**

All companies that were interviewed noted that the situation in the mining sector had deteriorated significantly in 2018-2019. Companies overwhelmingly stressed the need to reduce the number of unjustified inspections by the Kyrgyz controlling authorities. Almost every company interviewed at the time was involved in several litigation cases, including cases where authorized government agencies were persecuting company employees.

Political stability and investment security guarantees were identified as key company needs. In particular, frequent changes of government have led to significant restructuring within authorized government agencies responsible for the formulation and implementation of the mineral resources policy. As a result, companies have had to restart processes to re-establish their contacts and sign new agreements.

The study showed that government agencies often placed the responsibility of solving local social and economic problems on mining companies. At the same time, many companies had been working to address illegal mining activities conducted by locals. For example, after the collapse of the Soviet Union, local groups began extracting antimony in Terek Sai using artisanal methods. The arrival of companies with mining licenses led the local population to be denied access to the mines that had been their main source of livelihood for the past 20 years.

**CULTURAL ASPECTS**

In their work with local communities, mining companies need to take into account their values and traditions. While many cultural factors affect the dynamics between companies and local communities, differing perceptions of land play a particularly prominent role. Local communities have cultural and historical rights to the land and pastures where they live, which are viewed as the “land of fathers” or “ancestral land” that should be protected and passed on to the next generation. The practices of mining companies are often fundamentally incompatible with the values and traditions of local communities, resulting in increased conflict at the local level.

**RECOMMENDATIONS FOR COMPANIES TO PREVENT AND MITIGATE CONFLICT**

I. **Environmental issues:** Companies should clearly distinguish their environmental footprint from others working in the area. At the beginning of the prospecting and exploration phases, companies should set the goal of conduct-

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19 Explanation in Appendix 4

20 The situation around Solton Sary, Terek and Terekkan mines

21 Jean de la Croix (2010). Moral Geography in Kyrgyzstan: How important are pastures, dams and holy places in the pursuit of a good life.
ing environmental baseline assessment and publicly share the results of their initial water, air, soil and vegetation measurements. To address the environmental concerns of affected communities, it would be beneficial to involve local community representatives in their annual water, soil and vegetation quality testing. While, during the extractive phase, companies also need to determine their environmental impact, mitigate this impact to the largest extent and inform communities about these impacts and mitigating actions.

II. Informing local communities: Companies should fully inform local communities about their planned activities, either before or during the prospecting and exploration stages. Mining companies’ regional offices should hire staff to better inform and engage with local communities, alongside environmental and communication specialists. Companies should provide informative materials to local communities, such as brief information about the company and their stages of operation, hiring policy, environmental baseline assessment results, etc. If some villages are located far from the district centres, information stands should be installed in local government buildings, post offices or other public places. Additional information sites or information tools would help companies raise awareness of their activities at the local level. Companies should also consider holding “open day” events that invite local community representatives (local schoolchildren, teachers, health workers, women, elders) to learn about the company, meet the staff who interact directly with the community and explain their roles. Moreover, companies need to inform the wider civil society about company activities: Companies only provide information about their activities at the local level where their exploration or mining operations are taking place. Information is rarely made available to the wider public. Recent protests against uranium mining in spring 2019 demonstrated the growing activity of civil society against mining companies. These protests showed that mining activities affect not only the interests of local communities in mining areas, but also those of civil society actors in Bishkek. It is therefore important to encourage an understanding and positive perception of mining companies among civil society actors in Bishkek, Osh and other cities across the country.

III. Hiring: The hiring policy should be as transparent and inclusive as possible. For instance, job openings should be available in local media, highlighting job requirements, selection criteria and selection process. Given the low levels of education in remote areas, companies should adopt practices such as mentor-apprentice programs or provide opportunities for locals to retrain into the professions that companies need. After the selection process, companies should send rejection letters to candidates who have not been selected, indicating the reasons for their rejection. Companies are also encouraged to monitor the performance of recruitment subcontractors and ensure employment commitments to local communities are met.

IV. Grievance Handling: Local affected communities should have an easy access for non-judicial grievance mechanisms. Such mechanisms should include a grievance form template that is easy to complete, time-bound and publicly available. Companies should provide detailed written responses to all complaints regarding any community issues.

V. Local procurement and content: Exploring local communities’ capacity to supply services and goods can be an important step in the exploration or feasibility study phases. As the mining proj-
ect develops, companies should provide continuous support to local business initiatives to further their partnerships.

VI. Multilateral partnership/cooperation agreement: Multilateral partnership agreements could enable companies to negotiate more constructively with all relevant stakeholders. For example, specific protocols or agreements could be signed between local self-governments, the company and local community representatives. Multilateral partnership agreements could cover employment commitments, major environmental issues, and other conflict issues.

VII. Building strong alliances and platforms: Creating and promoting effective platforms/events to bring together the mining business community could be crucial to their success. Mining companies, government agencies, local communities and other stakeholders could share their experiences and lessons learned to address common problems.

VIII. Incorporating conflict prevention practices in companies: Incorporating conflict-sensitive practices/concepts and problem-solving analysis into mining projects will help prevent conflict or its escalation. For instance, conflict-sensitive practice implies a process of identifying mechanisms for conflict mitigation/resolution within local communities, at the same time it may support companies to minimise risks and accelerate opportunities to build trustful relations between investors and affected communities.

IX. Cultural aspects: Companies need to take into account the cultural values of local communities in order to design an effective communication strategy. In particular, companies should pay attention to the sociocultural relations between local communities and the land.

CONCLUSION

The mining sector in Kyrgyzstan is actively developing and going through a stage of modernization. In the past 20 years, Kyrgyzstan has accumulated solid experience of working with foreign investors and local communities. While some successful companies have adopted transparent practices for working with local communities and government agencies, there is a need to adapt existing good practices and implement them in the country’s conflict regions. Both the government and business community in Kyrgyzstan need to pay more attention to compliance with social and environmental standards to prevent social and political conflicts and further environmental losses.

REFERENCES

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23 Successful experience of multilateral cooperation in the mining sector in Talas region: http://www.tazabek.kg/news:298431
24 Conflict sensitivity involves consideration of the spectrum of issues that may have, or may in the future, cause and trigger violence.
Governance System in the Kyrgyz Republic: 12 priority issues for the mining sector


- Nogoybaeva (2015). Batken Gold. Interaction between local people and investors. Source: https://danaker.org/ru/2016/gold/?fbclid=IwAR0P4Z_zTFP-MGVOA13TRmZP5KTRY2LVXZ6cg6Z5z-puuXkPP1eh3dmhZ5rC0


APPENDIX 1.
MINING INDUSTRY

- Gold (including alluvial gold) with proven reserves – 694.4 tons (87 deposits) silver – 609.3 tons (20 deposits)
- Copper – 653.2 thousand tons (11 deposits)
- Iron – 549.1 thousand tons (2 deposits)
- Mercury – 40.3 thousand tons (4 deposits)
- Fluorite – 2,282.3 thousand tons (4 deposits)
- Tin – 186.8 thousand tons (2 deposits)
- Tungsten – 117.2 thousand tons (2 deposits)
- Lead – 41.4 thousand tons (4 deposits)
- Zinc – 24.8 thousand tons (3 deposits)
- Antimony – 265.6 thousand tons (7 deposits)
- Arsenic 65.2 thousand tons (2 deposits)
- Rare earth metals – 51.5 thousand tons (1 deposit)
- Molybdenum - 2,523.1 tons (2 deposits)
- Bismuth – 5,082.6 tons (3 deposits)

Source: Mining and processing of non-ferrous metals in the Kyrgyz Republic: the overall contribution of the sector to the economy and the impact of fiscal initiatives, 2018.

Kyrgyzstan has large amounts of mineral resources. According to the latest data, the following mineral reserves are on the state balance sheet:

There is also good potential to increase extraction of gold, coal, oil and gas (NRGI, 2017), but the country is currently focusing on coal and gold mining. There are currently over 2,500 active gold mining licences. According to recent studies, the mining sector contributes 53.9% of the country’s industrial production (EITI, 2018). One of the major income generating projects in this sector is the Kumtor Gold Company, a subsidiary of Canadian company Centerra Gold Inc. In addition to the Kumtor Gold Company, there are 8 large and medium-sized gold mining companies operating in the country, which have been contributing significantly to

<table>
<thead>
<tr>
<th>Company</th>
<th>Managing/Parent Company</th>
<th>Head Office Location</th>
<th>Production Start</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Kumtor Gold Company CJSC</td>
<td>Centerra Gold Inc. (Kyrgyz Altyn JSC owns 26% of company shares)</td>
<td>Canada</td>
<td>1997</td>
</tr>
<tr>
<td>2 Altynken LLC</td>
<td>Joint Venture Superb Pacific Limited – 60%; Kyrgyz Altyn JSC – 40%</td>
<td>China, Kyrgyzstan</td>
<td>2015</td>
</tr>
<tr>
<td>3 KAZMinerals Bozymchak LLC</td>
<td>KazMinerals</td>
<td>UK</td>
<td>2015</td>
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<tr>
<td>4 Kyrgyz Altyn JSC</td>
<td>State company</td>
<td>Kyrgyzstan</td>
<td>1992</td>
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<tr>
<td>5 Vertex Gold Company LLC</td>
<td>Vertex Holding LLC</td>
<td>Kyrgyzstan</td>
<td></td>
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<tr>
<td>6 Kichi Chaarat CJSC</td>
<td>Tun-Lin</td>
<td>China</td>
<td>2017</td>
</tr>
<tr>
<td>7 Fullgoldmining LLC</td>
<td>Linbao Gold Ltd, Linsi LLC</td>
<td>China</td>
<td>2016</td>
</tr>
<tr>
<td>8 Kaydi LLC</td>
<td>Private</td>
<td>Kyrgyzstan</td>
<td>2016</td>
</tr>
<tr>
<td>9 Eti Bakir Tereksay</td>
<td>Eti Bakir JSC, Kyrgyz Altyn JSC</td>
<td>Kyrgyzstan</td>
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</tr>
</tbody>
</table>
APPENDIX 2.
GOVERNMENT AGENCIES INVOLVED IN GOVERNANCE AND REGULATION OF THE MINING SECTOR

the country’s economy in recent years. A study conducted by the International Business Council and Ernst & Young Audit provided latest data on tax and non-tax payments made by mining companies to the government:

- The State Committee for Industry, Energy and Mineral Resources is responsible for development and implementation of the policy in the industry and mineral resources sector.
- The Ministry of Economy develops overall tax, investment and economic policies.
- The Ministry of Finance develops the policy for non-tax payments and public finance.
- The State Agency for Environmental Protection and Forestry under the Government of the Kyrgyz Republic is responsible for development and implementation of policy in the area of environment protection.
- The State Inspectorate for Environmental and Technical Safety (SIETS) under the Government of the Kyrgyz Republic supervises compliance with mining legislation requirements.
- Local state administrations and local self-government bodies are responsible for granting land sites and temporary land use rights.
## APPENDIX 3.

### LIST OF THE 32 INTERVIEWS CONDUCTED

<table>
<thead>
<tr>
<th>№</th>
<th>Place of employment 1</th>
<th>Place of employment 2</th>
<th>Location</th>
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<td>Kazminerals Bozymchak LLC employee</td>
<td>Kok-Tash Village Council (VC) member</td>
<td>Ala Buka</td>
</tr>
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<td>2</td>
<td>Vertex LLC representative</td>
<td>Kanysh Kiya Village Administration</td>
<td>Kanysh Kiya</td>
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<tr>
<td>3</td>
<td>Altyn Alliance LLC representative</td>
<td></td>
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<td>4</td>
<td>Chaarat ZAAV CJSC representative</td>
<td>Kanysh Kiya Village Administration</td>
<td>Talas</td>
</tr>
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<td>5</td>
<td>Kazminerals Bozymchak LLC representative</td>
<td>Kok Seirek VC member</td>
<td>Kok Seirek</td>
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<tr>
<td>6</td>
<td>Kazminerals Bozymchak LLC representative</td>
<td>Kok Tash VC member</td>
<td>Kok Tash</td>
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<td>7</td>
<td>Chaarat ZAAV CJSC representative</td>
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<tr>
<td>8</td>
<td>Highland Exploration LLC representative</td>
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<td>9</td>
<td>Zet Explorer CJSC representative</td>
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<td>10</td>
<td>Board Chair</td>
<td>Alryn Ken LLC</td>
<td>Orlovka</td>
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<tr>
<td>11</td>
<td>Former representative</td>
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<tr>
<td>12</td>
<td>Lawyer</td>
<td>Vertex Gold Company LLC</td>
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### Local Self-Government

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<tr>
<th>№</th>
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<tr>
<td>13</td>
<td>Eco-activist</td>
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<td>14</td>
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<td>15</td>
<td>Terek Say Village Administration Head</td>
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<td>16</td>
<td>Kanysh Kiya Village Administration Head</td>
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<td>Kok Seirek Village Administration Head</td>
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<td>Bekmolodo Village Administration Head</td>
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<td>19</td>
<td>Kanysh Kiya Village Administration, statistician</td>
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<tr>
<td>20</td>
<td>Mayor of Kemin City</td>
<td></td>
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<tr>
<td>21</td>
<td>Kok Tash Village Council Chair</td>
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</tr>
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<td>22</td>
<td>Kemin Village Council Chair</td>
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<td>23</td>
<td>Migration Office employee, Kanysh Kiya</td>
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### Regional Development Fund (RDF)

<table>
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<th>No.</th>
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<tr>
<td>24</td>
<td>Kemin Regional Development Fund representative</td>
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<td>25</td>
<td>Head of Chatkal Regional Development Fund</td>
<td>Kanysh Kiya</td>
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<td>26</td>
<td>Head of Talas Regional Development Fund</td>
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<tr>
<td>27</td>
<td>Representative of State Inspectorate for Environmental and Technical Safety</td>
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<td>28</td>
<td>Representative of Ministry of Economy</td>
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<td>29</td>
<td>Specialist of Regional Development fund Ala-Buka</td>
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### National and International organizations/Experts

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<td>30</td>
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<td>31</td>
<td>Expert on RDF</td>
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<td>Public Fund “Elnaz”</td>
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</table>
113 Dzh. Bokonbaev st., floor 8, Bishkek, Kyrgyz Republic

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ca_office@peacenexus.org