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The Political Economy of Enhancing Children’s Rights through Mineral Rents

The Case of Mongolia

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prepared for the UNRISD/UNICEF project on

Mobilizing Revenues from Extractive Industries:
Protecting and Promoting Children’s Rights and Well-Being
in Resource-Rich Countries

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Introduction to Working Papers on Mobilizing Revenues from Extractive Industries: Protecting and Promoting Children's Rights and Well-Being in Resource-Rich Countries

This paper is part of a series of outputs from the UNRISD and UNICEF research project on Mobilizing Revenues from Extractive Industries: Protecting and Promoting Children's Rights and Well-Being in Resource-Rich Countries.

The project seeks to contribute to knowledge creation and institutional learning processes within the partner organizations; to bring knowledge to national and international debates about channeling revenues from mineral extraction towards social policy and investments in children; and to examine public finance mechanisms, economic and social policies, and political conditions that are conducive to this end.

More specifically, it aims to:

- advance knowledge and understanding of the linkages between extractive industries and public policies as they relate to children's rights and well-being in Mongolia, Papua New Guinea and the Philippines; and
- advance knowledge and understanding of the political processes and institutions that impact on revenue mobilization in Mongolia, Papua New Guinea and the Philippines.

For further information on the project visit <http://www.unrisd.org/eiandchildren>.

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Acronyms

AMV	African Mining Vision
BIC	Bank Information Centre
CAO	Compliance Advisor Ombudsman
CDSUWS	Centre for Development Studies University of Wales Swansea
CMP	Child Money Programme
CRC	Committee on the Rights of the Child
DSF	Development Support Fund
EBRD	European Bank for Reconstruction and Development
EITI	Extractive Industries Transparency Initiative
GDP	Gross domestic product
GoM	Government of Mongolia
HDF	Human Development Fund
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICMM	International Council on Mining and Metals
IDS	Institute of Development Studies
ILO	International Labour Organization
IPEC	International Programme on the Elimination of Child Labour
MNT	Mongolian Tögrög (the currency of Mongolia)
MOF	Ministry of Finance of Mongolia
NHRCM	National Human Rights Commission of Mongolia
OHCHR	Office of the United Nations High Commissioner for Human Rights
RBAD	Rights-Based Approach to Development
SDC	Swiss Agency for Development Cooperation
SSAM	Small-Scale and Artisanal Mining
UNECA	United Nations Economic Commission for Africa
UNGA	United Nations General Assembly
UNICEF	United Nations Children's Fund
UNRISD	United Nations Research Institute For Social Development
USAID	United States Agency for International Development

Summary

Populated by predominantly young people, Mongolia's economy has relied heavily in recent years on mining. After several years of boom, the recent decrease in mining rents has only emphasized the pressing need for linking mining revenues to continuing demands in social expenditure, especially in ways that promote the rights of the child. While geared at attracting foreign investors for large-scale mining activities, the more liberal norms adopted by Mongolia since its political transition may have hampered the implementation of a development model informed by a rights-based approach. Moreover, the particular set of norms driving Mongolia's mining boom appears to be displacing, at least partially, the policy debates over the country's mining governance to the transnational level. In turn, such trends seem to explain why local and national socio-environmental issues pertaining to the sector have at times been addressed in technocratic terms that cannot easily conform to a rights approach.

The paper reviews the historical progression of the country's mining regime and its contribution to government revenues, analyses the linkages between mining rent and social expenditure, focusing on children and the extractive sector's ability/willingness to take account of children's rights in the small-scale and artisanal mining (SSAM) sector. It concludes that Mongolia should establish a coherent long-term poverty reduction strategy that encompasses both the economic benefits and potential harm of extractive industries; strengthen socio-environmental regulation and enforcement capacity; ratify and apply international instruments regarding access to information, public participation in decision making, and access to justice in environmental matters; put in place effective prevention and remedy mechanisms for human rights abuses by private companies; and pursue its efforts towards the legalization, regulation and monitoring of SSAM using a rights-based approach.

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