Minutes of the meeting of the National Council of Mongolian Extractive Industry Transparency Initiative /2025-11-20/

The 23th meeting of the National Council is organized on 20th November 2025 at 10:00 in the meeting room of Ministry of Industry and Mineral Resources.

The meeting was attended by Mr. B. Dashpurev, State Secretary of the Ministry of Industry and Mineral Resources and Secretary of the National Council; Ms. O. Amarsanaa, Senior Specialist of the Environmental Policy and Assessment Department of the Ministry of Environment and Climate Change; Ms. B. Tuul, Specialist of the Accounting Department of the Ministry of Finance; Mr. B. Enkhbold, Statistician of the National Statistics Office; Mr. B. Galbadrakh, Secretary of the National Anti-Corruption Program; Mr. Batsuren, Manager of the Erdenes Mongol Group; Ms. Sarantsatsralt, Operations Manager of the National Mining Association; Ms. Erdenetsetseg, Secretary of the Board of Directors of the Coal Association; Ms. Ch. Tselmeg, External Relations Advisor of Rio Tinto; Ms. Ts. Bolormaa, Chief Accountant of PetroChina Daqing Tamsag LLC; Ms. Z. Sugarmaa, Public Relations Manager of Energy Resources LLC; Mr. B. Sugar, Local Relations Manager of Oyu Tolgoi LLC; Mr. B. Batsaikhan, Specialist of Mongolrostsvetmet LLC; Mr. B. Oktyabr, Manager of Monpolymet LLC; Mr. Ts. Ganbold, Manager of the Representative Office of Erdenet Mining Corporation SOE; Ms. G. Urantsooj, Chairperson of the NGO “Human Rights and Development Center”; Ms. O. Selenge, Manager of the Open Society Forum; Mr. S. Tserenpurev, Chairperson of the NGO “New Administrative Initiative”; Mr. T. Tormunkh, Chairperson of the NGO “Khovd’s Mirror”; Ms. N. Narantsetseg, Chairperson of the NGO “Save Mother Nature of Mongolia Foundation”; Mr. Chagnaadorj, Representative of the Association of Irkutsk State University of Economics Graduates; Mr. B. Chinzuurig, Member of the Board of the Mongolian National EITI Council; and Ms. Sh. Tsolmon, Coordinator of the EITI Mongolia Secretariat.

Out of the total 29 members of the National Council, 23 members attended the meeting, representing an attendance rate of 79 percent.The meeting was opened by head of department B.Delgerjargal behalf Mr.Tuvaan of Minister of Minister of Industry and Mineral Resources, chairman of Mongolia EITI National Council.

In addition, the meeting was attended by Mr. G. Erdene, Deputy Director of SICA LLC; Ms. T. Tumenchimeg, Department Director; Ms. B. Udval, Research Manager; Ms. O. Enkhzul; Ms. T. Ganbat, Auditor of Great Finance Audit LLC; Ms. A. Otgontungalag, Finance Officer of the EITI Mongolia Secretariat; and Ms. Kh. Khulan, Information Technology Consultant.

The meeting was opened with welcoming remarks by Mr. B. Dashpurev, State Secretary of the Ministry of Industry and Mineral Resources. (The opening remarks are attached.)

The 19th Reconciliation Report, i.e., the 2024 Report, was presented by Mr. G. Erdene, Deputy Director of SICA LLC.

Mr.G.Erdene: Good morning, distinguished members of the National Council. My name is Erdene, Deputy Director of SSC Research and Consulting Company. Today, the joint team of our company and Great Finance Audit LLC has completed the preparation of the 19th EITI Reconciliation Report, namely the 2024 Report of Mongolia, and we are ready to present it to you, the members of the National Council.

Today's presentation will be structured as follows. In the first part, we will provide information on the company selection related to the preparation of the 19th Reconciliation Report, i.e. the 2024 Report, including how the companies were selected. In the second part, we will present the reconciliation report , namely the core financial information and key results. In the third part, in accordance with the EITI Standard, the report is required to include non-revenue information, and we will present those components as well. Finally, we have prepared to present our comprehensive recommendations.

Compared to previous years, this year's work started relatively early. Following the successful tender selection on 28 April 2025, we signed the contract with the Ministry of Industry and Mineral Resources and officially commenced our work. Although the work started early, due to the phased nature of the reporting process, our activities experienced some delays, and the presentation of the Inception Report was conducted on 20 June.

The main reason for the delay was that the reporting timeline at the subnational level is relatively late, which required additional time for consolidation and analysis. After presenting the Inception Report on 20 June, we presented the draft report at the Working Group meeting on 24 October 2025, received comments and feedback from the Working Group members, and revised the report accordingly. We are now presenting the report to you, the members of the National Council.

Following this presentation, we will collect your comments and suggestions, after which the process of finalizing and formally approving the report will continue."

"Our core team responsible for preparing this report consisted of six members. In addition, our supporting team was also involved during the stages of data collection and data processing. With regard to report preparation, two main teams were engaged: SICA LLC was responsible for report compilation, while a separate audit team handled the financial audit component.

Regarding company selection, we received the year-end 2024 data as reported through the electronic reporting system, in its raw form without initial processing. Based on this, we conducted preliminary adjustments using primary data submitted by 853 entities from the government side and 785 entities from the company side. Compared to the previous year, the number of companies reporting increased by 75. However, the number of entities reported by the government side decreased from 1,193 in the previous year to 853 this year. Most importantly, the discrepancies between government-reported and company-reported data have relatively decreased. The situation where one party reports while the other does not has improved to a certain extent.

The company selection for this reporting cycle was based on five main criteria. First, in accordance with the Scope of work, we selected companies extracting key regional and mining products, namely gold, copper concentrate, and coal. Second, we considered the total amount of taxes and fees contributed to the state budget and their respective shares. Third, we took into account mineral resource royalties and mineral license fees, as well as their proportional contributions. Fourth, we considered the share of revenues contributed to the state budget. Fifth, company selection was based on historical participation data from previous years. In addition, we sought input from representatives of non-governmental organizations actively operating in the mining sector and incorporated their feedback into the report.

Based on the initial reports received as of the end of 2024, a total of 110 companies submitted data amounting to MNT 7.7 trillion. Compared to the previous year, while the number of reporting companies increased by 15, the total reported amount decreased by approximately MNT 400 billion. For these reports, data submitted by government entities and by companies were reconciled and verified. Naturally, certain reports contained technical and data discrepancies. Accordingly, our team sent clarification requests to all reporting companies and conducted additional financial audit reconciliations on both sides, after which the data were consolidated and processed.

Although the initial total amount reported to the government was MNT 7.7 trillion, the amount self-reported by companies totaled MNT 6.9 trillion. Therefore, the government-reported figures were used as the primary reference, and company-reported data were reconciled and clarified based on established criteria. Of the total MNT 7.7 trillion, MNT 5.8 trillion was reported by state-owned enterprises, while MNT 1.8 trillion was reported by private sector companies. State-owned enterprises accounted for 71.1 percent of the total revenue structure, while private sector companies accounted for 28.9 percent. Of the 110 reporting entities, 101 were private sector companies and 9 were state-owned enterprises.

Under the contract, we were required to include no fewer than 30 companies in this year's report. Accordingly, taking into account sectoral characteristics, taxes and fees, and other financial indicators, we selected a total of 68 companies and reconciled and consolidated their key information. In addition, based on proposals submitted by non-governmental organizations, a further 42 companies were selected and included in the report. In total, 110 companies were covered in this reporting cycle. Of these, 42 companies may be understood as having been selected based on recommendations from non-governmental organizations.

The information reported by these 110 companies accounts for 90.5 percent of the total revenues received by the Government. In terms of total payments and revenues, these companies represent 98.6 percent of the overall amount. In previous years, for example last year, 115 companies were included in the report, while 104 companies were covered in the year before that. Nevertheless, the share of revenues received by the Government remained high, at approximately 97–98 percent. This year, with 110 companies included, the coverage amounts to 90.5 percent.

The reason for this difference is that the companies selected based on proposals from non-governmental organizations tended to be smaller entities with relatively low revenue levels. As a result, although the number of included companies increased, their overall revenue weight decreased comparatively.

Therefore, it can be concluded that the 110 companies included in this year's report account for 90.5 percent of the total revenues received by the Government, and the core findings of the report are based on data from these companies.

Now, I will talk the second section of the Reconciliation Report, namely the data and reconciliation results. Based on the initial reconciliation, the Government reported total revenues of MNT 7.7 trillion, while the amount self-reported by private sector companies was MNT 6.9 trillion. Following the reconciliation adjustments, the additional amount on the Government side was MNT 2.0 trillion, and the additional amount on the company side was MNT 2.8 trillion. As a result, the final reconciled amount for the Government was MNT 9.7 trillion, while the final reconciled amount for companies was MNT 9.8 trillion. A residual unreconciled difference of MNT 22.5 billion remains between the two figures, representing amounts that could not be adjusted.

In summary, the initial reports indicated a certain level of under-reporting on both sides, and through the reconciliation process, the reported amounts for both the Government and companies increased. Looking at the structure of the initial reports, a total of 110 companies submitted reports amounting to MNT 7.7 trillion. Of this total, 103 private sector companies reported MNT 1.1 trillion at the national level and MNT 34.9 billion at the subnational level, while 7 state-owned enterprises reported MNT 5.2 trillion at the national level and MNT 443 billion at the subnational level, resulting in a total reported amount of MNT 7.7 trillion.

Within the scope of the Government-side reconciliation, additional adjustments amounting to MNT 1.3 trillion at the national level and MNT 661 billion at the subnational level were made, resulting in total adjustments of MNT 2.0 trillion. For private sector companies, adjustments amounted to MNT 2.6 trillion at the national level and MNT 249 billion at the subnational level.

As a result, total revenues consolidated by the Government reached MNT 9.7 trillion, of which MNT 9.0 trillion was collected at the national level and MNT 712 billion at the subnational level. This represents the consolidated outcome of the Reconciliation Report. Based on the initial reports, 81 companies had under-reported their information, and total under-reporting of MNT 1.8 trillion was identified between government and company reports. In addition, certain companies had over-reported amounts, and adjustments and corrections were made to address these total discrepancies, including both over- and under-reporting.

As of 2024, revenues received by the Government increased by MNT 1.4 trillion compared to the previous year, while revenues reported by companies increased by approximately MNT 4.0 trillion. Looking at the indicators over the past four years, revenues contributed by the mining sector to the state budget have increased steadily, reaching a level three times higher than the reconciled amount of MNT 3.2 trillion reported in 2021. This clearly demonstrates a significant increase in mining production and its contribution to the state budget.

Among the top 20 taxpayer companies, state-owned enterprises such as Erdenes Tavan Tolgoi and Erdenet Mining Corporation alone accounted for 37.2 percent of the total consolidated revenues, contributing MNT 3.3 trillion to the state budget. This was followed by Erdenet Mining Corporation with MNT 1.4 trillion, Oyu Tolgoi LLC with MNT 802 billion, and Mongolian Mining Corporation (MAK) with MNT 572 billion, respectively.

In total, 20 companies account for 96.3 percent, or MNT 8.7 trillion, of the revenues consolidated at the national level, indicating that a small number of large mining companies dominate the structure of the mining sector. The combined production of the remaining 700–800 companies accounts for only about 3 percent. Over the past four years, tax payments by the top five taxpayer companies have increased fourfold, and in 2024, they recorded an 8.8 percent increase compared to 2023.

In addition to economic and financial information, companies covered by this reporting under the EITI framework are also required to submit other information in accordance with approved templates. The submission and compliance status of these templates is presented in graphical form. For example, with respect to reserves information, only 10–20 companies out of approximately 2,000 companies submitted reports, which represents about 1 percent of all companies. Project-level information was submitted in the form of preliminary reports by 45 companies, and as of today, this information accounts for approximately 9 percent of the total data. Submissions under other types of templates show relatively better compliance. From this, it can be observed that certain progress has been made in areas not directly linked to percentage-based indicators.

The third section of the report covers non-revenue information in accordance with the Extractive Industries Transparency Initiative. The EITI Standard 2023 has been updated and approved, clearly defining the core requirements and validation indicators applicable to implementing countries. The non-revenue information included in the report was compiled from relevant public and private sector institutions. These include, inter alia, the Ministry of Industry and Mineral Resources; the Mineral Resources and Petroleum Authority; the Ministry of Finance; the State Property Policy and Regulation Authority; the Ministry of Road and Transport Development; and the Mongolian Tax Administration.

Let me present some of the key notes included in the Reconciliation Report. Over the past five years, the mining sector has accounted for 27.3% of GDP. The country's total GDP has grown to MNT 20.8 trillion, of which the mining sector accounts for MNT 7.9 trillion, remaining a sector with stable and strong growth in recent years. The number of companies holding mining and exploration licenses stands at 2,724, with valid licenses covering a total area of 6.9 thousand hectares. In 2024, new licenses were issued to 105 companies; licenses were returned by 28 companies; licenses were canceled from 57 companies; 101 companies transferred their licenses; and 304 companies extended licenses. Detailed lists and supporting information are included as annexes to the report.

In 2024, the total extraction and production volumes reached 97.7 million tons of coal. Compared with previous year, coal production increased by 16.4 million tonnes, or 20.2 percent. Copper concentrate production increased by 166.9 thousand tons, or 12 percent, while iron ore production increased by 24.5 percent. As a result, the production of key mining products has demonstrated steady growth.

Coal export revenues decreased by USD 215 million, or 2.3 percent, compared to the same period of the previous year, while export volumes increased by 14.4 million tonnes, or 2.3 percent. This was primarily due to a decline in average market prices. In 2023, the average price of coal was USD 130.14 per tonne, whereas in 2024 it declined to USD 107.3 per tonne, a decrease of USD 24.1 per tonne, or 18.3 percent. The main factors contributing to the decline in coal export revenues are presented in the report. In contrast, exports of gold and copper concentrate experienced relative growth during the year.

In accordance with the requirements of the Extractive Industries Transparency Initiative (EITI) Standard, information on contract transparency is required to be included in the report. As of 8 October 2025, a total of 1,365 contracts had been uploaded to the contract disclosure database. This represents a significant increase compared to previous years, with contract disclosures rising by 200 compared to last year. In terms of contract composition, the electronic database includes 390 community development and cooperation agreements, 442 mining exploitation agreements, 130 land-use agreements, and various other types of contracts.

Information on beneficial ownership was also collected from companies and included in the report. In 2023, 795 companies reported beneficial ownership information; however, as of the end of 2024, this figure decreased by 14.2 percent. In the 2024 electronic reporting system, beneficial ownership information was registered for a total of 452 companies, of which 88 percent, or 404 companies, fully disclosed their information.

A breakdown of beneficial ownership by nationality is as follows: Mongolian nationals – 297; Chinese nationals – 58; Australians – 5; British nationals – 4; and nationals of other countries – 33. Of the Mongolian nationals, 192 individuals held managerial or executive positions within the respective companies.

Another category of information included in the report relates to waste management. In 2024, 37 companies paid a total of MNT 1.5 billion in waste disposal fees to the state budget. Of total waste generated, 49 percent was industrial waste, while 23.9 percent consisted of disposed waste. Among the ten companies paying the highest waste disposal fees were Energy Resources, Erdenet Mining Corporation, and Erdenes Tavan Tolgoi, all operating in Umnugovi Province.

Regarding water use, in 2024, water use contracts covering a total of 1.5 million cubic meters were concluded, of which 51 percent, or approximately 800 thousand cubic meters, was actually utilized. The 110 companies included in the report paid a total of MNT 61.8 billion in water use fees to the state budget. Companies with the highest water use fees included Erdenet Mining Corporation, Oyu Tolgoi LLC, Invest Resource, Tsairt Mineral, and Coal.

As part of efforts to ensure transparency, information disclosed by state-owned enterprises was reviewed and verified in accordance with the Law on Transparency, the Law on Glass Accounts, and other relevant legislation. Compliance by state-owned enterprises in disclosing legally required information through the Glass Account portal and their official websites has improved relatively.

Overall, while progress in report preparation has been steady, challenges remain, including cases where some companies submitted incomplete information or failed to submit information altogether. In the case of state-owned enterprises, there were instances where procurement plans and procurement reports were not fully disclosed. For example, annual procurement reports for 2024 were not posted by some companies, and certain information from Oyu Tolgoi and Badrakh Energy was found to be incomplete. After reviewing the key findings, I will now move on to the recommendations.

This is the fourth EITI Report prepared by our organization in collaboration with the joint team. Whereas in the past such reports were prepared by large, internationally recognized firms, over the past four years national companies have gradually undertaken this work. In our case, this is the fourth report prepared jointly with an audit firm, and we have paid particular attention to avoiding duplication of recommendations from previous years. We reviewed prior international recommendations and benchmark reports, incorporating their strengths into our work. This year, we slightly revised our reporting methodology and updated the structure based on a comparative review of similar international reports. As a result, compared to previous years, the report has become more organized, contains fewer redundancies, and is easier to read.

Based on the experience of the team that has carried out this work over the past four years, we believe that attention should be focused on the following areas in order to further improve the quality of future work and ensure the integrity of the reports:

First, transparency should be ensured at the legal level. It is necessary to improve the legal and regulatory framework that supports transparency, particularly by aligning and updating it in conjunction with the law on transparency in the extractive sector.

Second, the participation of civil society organizations and business entities should be strengthened. In recent years, progress has been made in working together with non-governmental organizations and in improving access to information from business entities. Expanding this participation further will have a significant positive impact on improving the quality of the report. With regard to reducing duplication in reporting and improving data quality, previous reports contained excessive duplicated, unclear, and in some cases confidential information, which increased the reporting burden. The structural changes introduced in this year’s report therefore need to be further refined and developed going forward.

At this stage of preparing the reconciliation report, it can be noted that relatively large companies tend to be more active, socially responsible, and accountable in their operations. As a result, working with major companies, particularly top companies in the preparation of the reconciliation report is generally smoother and involves fewer difficulties. In contrast, working with small business entities presents significant challenges. They often do not listen to our requests, some are overly difficult to deal with, and others question whether there is any formal authority behind the requirements. Therefore, we have come to understand that there is an unavoidable need for a clear accountability mechanism to make small enterprises more responsible, to include them in the reconciliation report, to ensure the submission of required information, and to establish transparency.

To improve beneficial ownership transparency, we hope that the relevant institutions will consistently pay attention to, institutionalize, and not overlook the measures that have already been approved at the legal and regulatory level. Secondly, it is necessary to strengthen companies’ reporting engagement and accountability systems. It is important to apply appropriate influence and measures to companies that fail to submit reports or provide information. The conclusions in this section also emphasize the need to address passive reporting behavior and to increase accountability.

Regarding the accountability mechanism, there is a need to carry out concrete actions on how an accountability system can be implemented in practice, under what conditions, and which evaluation methodologies should be applied. It is considered necessary to study the feasibility of applying influence measures such as publicly disclosing information about business entities that did not participate in the reporting process or refused to do so.

The third issue concerns policy-level support for the reporting and capacity of local government. Over the past four years, cooperation with central institutions such as the Mongolian Tax Administration and the Mineral Resources and Petroleum Authority has been relatively active, and they have become more consistent in submitting information. This is largely because their representatives participate in working group therefore understand the importance of this work. However, cooperation with local government remains challenging. Difficulties are frequently encountered when requesting information and reports from local government administration and other relevant local government bodies. For example, they often refuse to provide information by citing legislation related to the confidentiality of mineral reserves, or they submit incomplete information. The main cause of delays in the initial reporting phase this year was related to local-level reporting. Accordingly, our recommendations emphasize the need to enhance the reporting capacity of local government, to train and build the capacity of staff responsible for transparency initiatives at the local level, and to regularly organize training and information-sharing activities.

There is also a need to improve coordination and exchange information among government institutions. One of the main challenges is the lack of exchange and coordination between government organizations. For instance, when attempting to obtain information on state-owned enterprises, it is often difficult to determine which institution is responsible. For example, there is sometimes uncertainty as to whether a company is overseen by a regulatory agency or by Erdenes Mongolia, which negatively affects transparency and reporting efforts.

Fifth, there is a need to improve beneficial ownership transparency. Compared to the previous year's reporting cycle, the submission of beneficial ownership information has declined to some extent. Although we have made the necessary outreach efforts to obtain beneficial ownership information from business entities, the overall reporting rate has decreased compared to previous years.

Sixth, ensuring contract transparency is another key issue. Contracts and related processes concerning the use of natural resources and public assets should be subject to public oversight. Further improvements are needed to the legal framework governing confidential contracts within government institutions, as well as to the practical implementation of contract transparency. During the meeting, the State Secretary emphasized that the Government is paying particular attention to this issue.

In addition, technical issues related to the consolidation of deposit-related data were identified. Business entities make a wide range of errors during the reporting process, and this situation has not improved over time. This year, preliminary data amounted to MNT 7.7 trillion, but during the reconciliation process discrepancies of MNT 2 trillion were identified, resulting in a final figure of MNT 5.9 trillion. This highlights serious problems related to data quality.

Most of these discrepancies are caused by reporting errors. For example, there are ongoing issues such as confusion between customs and VAT data, incomplete information submitted by local authorities, and inconsistent data provided by companies and government institutions. In some cases, taxes were reported using incorrect methodologies rather than on a cash basis. Therefore, the report prepared by the team notes the need to issue recommendations to the business entities that caused discrepancies and to pay closer attention to this area.

This brings my presentation to an end. I am ready to answer any questions you may have. Thank you.

B.Dashpurev: Thank you. Let us now invite members to ask questions and receive answers related to the report.

N. Narantsetseg: Good day. Director Tsolmon, does the State-Owned Enterprises Regulatory Agency participate in our meetings?

Sh.Tsolmon: No.

S. Tserenpurev: They should be included. State-owned enterprises have many serious issues. Based on evaluation and inspection results, there are only 61 state-owned companies identified. I believe the regulatory authority should provide very clear explanations regarding them. I also assume that auditors have requested specific information from these entities as well.

B.Chinzorig: Good morning. I listened to the presentations and explanations. Compared to previous years, there has been clear progress and tangible results. I believe greater attention should be paid to collecting feedback, complaints, and recommendations related to business entities operating at the local level.

At a previous meeting, I suggested providing and improving information on 20 local business entities, including which aimags they were from. However, it seems that this information is somewhat insufficiently reflected in the report. There also appear to be shortcomings in the reporting data of local and other business entities.

In general, government institutions operating at the local level need to improve the way they ensure transparency and report on how the reporting process is being implemented. I noticed that recommendations and conclusions related to this issue are included in the report. Going forward, more focused attention should be given to this area.

In addition, there is a need to make specific changes to the procedures governing how information is received from local residents and civil society organizations, and how citizens are involved in transparency-related information. Policy level improvements are required regarding how information should be collected from citizens and how information from people working at the local level should be received.

T.Turmunkh: Hello, I am from the NGO Khovdiin Toli. In previous years, the reconciliation reports have provided constructive and effective recommendations. This year's reconciliation report also presents meaningful and well-targeted recommendations. However, it is evident that the level of implementation of these recommendations remains insufficient. Therefore, I would like to emphasize the importance of strengthening the implementation of recommendations and establishing effective mechanisms to ensure their execution. In addition, I believe that a clear accountability mechanism is needed in this area.

G.Erdene: Thank you. In response to your question and those raised by previous speakers, we can further elaborate and include more detailed recommendations in the report from our side. Since this work is being carried out jointly by the researchers and the audit team, we are able, at our level, to clearly outline what measures should be taken to ensure the implementation of the recommendations.

However, making decisions on concrete actions and ensuring implementation in line with these recommendations falls entirely within the mandate of the relevant government institutions and decision-making authorities. In line with your suggestion, we will further expand and clarify our recommendations and include them in the report.

Regarding the selection of companies and aimags, we have included detailed tables in the report; please refer to those sections.

B.Dashpurev: Are there any other members who have questions?

Members: No.

B. Dashpurev: Thank you to the SICA team. Next, the Head of the Secretariat of the Mongolia Extractive Industries Transparency Initiative, Mr.Tsolmon, will present the performance of the 2025 work plan and the draft work plan for 2026.

Sh. Tsolmon: Thank you. It is good to see that the National Council is meeting today in accordance with the rule of convening once a year. Thank you all for your active participation.

I will now briefly present the implementation and progress of the 2025 action plan, as well as the draft action plan for 2026. The 2025 plan included around 40 activities in total, of which 21 have been completed or are currently being implemented. The overall level of implementation has been estimated at 52 percent.

A key focus was on legal issues. The program was implemented with the expectation that the draft law would be adopted; however, although a working group was established in January 2025, progress has been limited. Changes within the government and related circumstances slowed the progress of the work. The Secretariat held consultations with several members, including Member Zayaabal and Member Uyanga, to brief them on the progress of the draft law and to seek their guidance.

Secondly, organizing the preparation and submission of reports is one of our core responsibilities. Government institutions, business entities, and aimag and local governor's offices are required to submit reports. In this framework, a total of 1,010 companies submitted reports. From government institutions, 25 agencies, 15 aimags, the capital city, and 3 districts submitted their reports. Reports from 972 companies were received electronically and consolidated. While company reports are being submitted electronically with relatively few issues, delays persist among government institutions. Although training sessions were organized, electronic reporting remains challenging for government bodies. In addition, the staff member responsible for this work at the Mongolian Tax Administration has retired, and a successor has not yet been appointed, which has caused certain delays in progress.

Regarding the reconciliation report, a partnership of audit firms, including SICA and Growth Finance, prepared and presented the 2024 reconciliation report, which is the 19th reconciliation report. The tender was organized, the contract was signed in May, and the work commenced on schedule. Online training sessions were organized for central and local government institutions. For aimags, where the number of companies is relatively small, electronic reporting has proceeded smoothly. However, challenges persist among government agencies, and I would like to emphasize this point once again.

Discussions with licensed companies were organized by the Governor's Offices of Bayan-Ulgii and Khentii aimags. We participated in these discussions and presented the reporting status of companies operating in those aimags.

Separate online reporting trainings were organized for the Sub-Councils. In addition, the Sub-Councils, in cooperation with the Open Society Forum, carried out an update of the “iltodgeree.mn” website. Due to changes in the staffing of relevant officials at the Governor’s Offices of the aimags, additional refresher trainings were organized within this framework, with support from the Open Society Forum.

A presentation on the implementation of the EITI was delivered to all staff of the Erdenes Mongol Group. Our representatives participated in the “Responsible Mining” conferences held in the central and eastern regions, where they presented the progress of EITI implementation and took part in panel discussions.

Meetings were held with the leadership of Sub-Councils in Tuv, Darkhan-Uul, Sukhbaatar, Dornod, and Khentii aimags, and meetings were organized to activate and strengthen the activities of the aimag-level Sub-Councils.

In cooperation with the Asian Development Bank and the Natural Resource Governance Institute, a regional experience-sharing training is planned to be held from December 10 to 14. Preparations for this activity have been completed.

Training, seminars, and discussions were organized in cooperation with the Critical Minerals Association, the United Nations Development Program, and the Mining Association.

In cooperation with the International Secretariat, representatives participated in trainings held in Turkey and Indonesia focused on improving transparency of state-owned enterprises and sharing regional experiences, thereby strengthening their capacity.

In addition, within the framework of cooperation with the International Secretariat and the Open Extractives Program, a training aimed at improving beneficial ownership transparency is being organized in Armenia, and our representatives are participating. A consultant has been engaged to work on the issue of quality assurance of beneficial ownership data, and the results of the study will be presented in December.

Furthermore, with funding from the United Nations Development Program, three targeted trainings were organized with the objective of establishing anti-corruption policies for legal entities. Representatives from more than 120 companies participated. A sub-working group has been established to develop a draft policy. In accordance with the updated 2023 EITI Standard, legal entities are required to have anti-corruption policies, and preparations for implementing this requirement are underway. These activities are being conducted in line with the standard’s requirements and have yielded relatively strong results. Going forward, this experience has the potential to be promoted to other countries, including UN Member States, and to make a meaningful contribution to enhancing the international reputation of Mongolia.

A brief presentation and video content on Mongolia’s 2023 EITI Reconciliation Report were posted on Facebook, enabling anyone who is interested to access additional information.

The National Council meeting, held after the Working Group meetings, is taking place today. All materials related to the draft 2026 Action Plan were distributed in advance, and we are confident that all members have reviewed them.

In 2026, work will continue legal matters, ensuring compliance with the EITI Standard, establishing the necessary legal and regulatory framework, and implementing standard requirements. If the law is adopted, preparations will be made to develop and implement the accompanying regulations. In this regard, financing and support from donor organizations such as the Asian Development Bank and the World Bank will be considered.

If the draft law is not adopted, based on the proposal of the Open Society Forum, the Action Plan includes options such as issuing a Government resolution, introducing amendments to the Law on Minerals and the Law on Petroleum, and ultimately approving the requirements as a national standard. Through this approach, the reporting components and regulatory structure would be clearly defined within the framework of laws and government resolutions.

Tasks have been assigned to align the renewal and organization of the National Council with relevant Government resolutions, and proposals have been submitted by relevant stakeholders regarding the organization of the 2025 Reconciliation report and the revision of the 2026 terms of reference.

It is planned to implement the additional requirements of the 2023 EITI Standard, organize relevant trainings and discussions, and secure financing through donor organizations. The largest activity planned for 2026 is the Validation process scheduled for October. The previous Validation conducted in 2022 resulted in a “meaningful progress” assessment and generated 33 recommendations. Implementation of these recommendations can be significantly streamlined if the draft law is adopted. Accordingly, the Validation will take place in October 2026. Prior to this, a sub-working group will be established, and representatives from the International Secretariat will visit the country. Consultations and collaborative work will be carried out with multiple stakeholders.

I have briefly introduced. Thank you

B. Dashpurev: Members, if you have any questions or comments related to the report, please feel free to ask.

B. Chinzorig: How can this law be adopted? In this regard, we need to focus more attention, work in an accelerated manner, and identify possible pathways. This needs to be clarified specifically.

We also need to pay attention to how the Standard will be implemented. How will mining companies comply with the Standard, and what policy direction will the Ministry take? If we fail to comply with standards and contractual requirements, we will lag behind internationally. Therefore, it is important to focus on this issue and propose how discussions should be organized, how amendments to the law should be made, or how it should be revised. By doing so, we can intensify our work. Thank you.

T. Tormunkh: If this law is considered absolutely necessary and a draft has already been prepared and is ready for discussion, why is it still not being adopted? Shouldn’t we be working to address the reasons behind this? That is one important question.

Secondly, there is the issue of guaranteeing the implementation of the EITI annual action plan. The Ministry should be responsible for implementing and ensuring this plan. Therefore, the Ministry of Mining should be responsible for guaranteeing the implementation of the 2026 action plan. Is such a guarantee in place? For example, the budget for implementing the 2025 plan was not approved last year. Will the budget be approved this year or not? Please answer this now.

B. Dashpurev: Thank you. From a legal perspective, we are working toward developing our legal framework and pursuing the adoption of an independent law. At present, policy-related work is ongoing.

As for why this is challenging: internationally, only a limited number of countries have a standalone law. For example, Canada and Kazakhstan have independent laws, while many other countries ensure a certain level of transparency and openness through other laws and regulations. Amending or adopting the Minerals Law and other related laws is not a simple or quick process. However, in terms of policy direction, we continue to push forward efforts to develop a standalone law. If such a law is not adopted, we will proceed by introducing amendments to existing legislation instead.

Although major policy changes and comprehensive legal reforms are being discussed, passing them through Parliament is complex and time-consuming. Therefore, we have moved away from a full-scale revision and are instead preparing amendment proposals, ensuring that the changes do not exceed 50 percent of the existing law while incorporating the core regulatory provisions.

In addition, the 2026 state budget has approved a certain level of funding to support transparency in the extractive sector. This funding is intended to ensure the continuation of activities and the improvement of transparency.

As mentioned earlier, many companies still face shortcomings in ensuring transparency and openness, avoiding corruption, complying with rules and procedures, and publicly disclosing their activities. The Ministry of Industry and Mineral Resources is supporting and enforcing this through policy measures. However, efforts to raise awareness within the sector and inform the public remain insufficient. Many engineers and technical staff focus primarily on their daily operational tasks and are less engaged in communicating with society, which reduces corporate engagement. Therefore, there is a need to better communicate with the public through reporting and information disclosure, using appropriate management tools.

Although some initiatives have been undertaken at the initiative of members, the overall impact remains limited due to a lack of broad public understanding. This issue is also significant at the international level. Factors such as corruption, corporate governance practices, and bureaucratic inefficiencies affect transparency in the sector. Nevertheless, if companies begin to comply more consistently with rules and improve transparency, positive outcomes can be achieved.

Accordingly, it is necessary to align corporate activities with budgets, annual work plans, and performance, provide appropriate financing and tax arrangements, and create opportunities for companies to engage in socially oriented activities. Attention should be paid to ensuring adequate operational budgets, fostering public participation and trust, and providing clear policy guidance.

Today's meetings and the active participation of members are important, and there is a need to further encourage public participation and support efforts to enhance transparency in the sector. Thank you.

O. Selenge: Good day to everyone. My name is Selenge, and I represent the Open Society Forum.

In general, we have already submitted our comments related to the report in advance. I would now like to briefly present additional comments that were not previously included.

First, we would like to express our appreciation for the cooperation with relevant stakeholders, the inclusion of civil society organizations, and the engagement of companies in the preparation of the 2024 EITI Report. However, based on the report, it can be concluded that the level of information disclosure and clarification has weakened. In this regard, it is necessary to establish a legal framework that ensures the effective implementation of the Extractive Industries Transparency Initiative.

Under Article 48.10 of the Minerals Law, failure to fulfill reporting obligations allows for the imposition of liability as stipulated in Article 7.11.2.2 of the Law on Violations. Accordingly, imposing legal responsibility on companies that failed to submit safety reports or did not cooperate in the preparation of the reconciliation report is considered essential for improving the implementation of the Initiative.

In addition, the report notes the weak participation of government institutions. For example, the Ministry of Road and Transport and the Ministry of Environment and Climate Change did not provide the required information. There is a need to identify measures to improve this situation.

In Section 4.3 of the report, specifically Table 37, compensation for licenses has become an established practice. The EITI should examine whether licenses were granted outside the rules and procedures in force for the reporting year and include the justifications and reasons for such decisions in the report.

Where exploration funded by the state budget has identified reserves, companies that obtain exploration or mining licenses are required to conclude agreements to reimburse the costs incurred from the state budget. If such agreements are not concluded, or if the reimbursement specified in the agreement is not paid on time, this will be basic reason to cancel the license. Currently, approximately 40 percent of companies have not concluded such agreements.

Regarding beneficial ownership information, it is necessary to conduct sample-based verification to identify discrepancies between data reported through the EITI online system, company submissions, and information provided by the state registration authority. While the state registration system requires beneficial ownership to be identified and reported at the individual level, it is important to clarify why companies are failing to provide this information.

With the contract transparency, the legal framework needs to be strengthened. Amendments should be made to the Law on Transparency of Public Information and the Law on State and Official Secrets to ensure transparency and public oversight over any contracts, agreements, and processes related to state-owned and natural resources, and to prohibit unjustified confidentiality clauses.

As the principal institution responsible for implementing EITI, the Ministry of Industry and Mineral Resources should support transparent contracting practices and the operation of the electronic contract repository and formally define the roles and responsibilities of local administrative authorities.

Regarding the balance of the Environmental Protection and Rehabilitation Guarantee Fund, it would be possible to include detailed information on revenues and expenditures for 2024. In addition, the report should include electronic links to relevant government information systems and make publicly accessible key information necessary to monitor the accuracy and implementation of environmental management plans of license holders.

Thank you.

Sh. Tsolmon: These proposals were submitted to SICA after the working group meeting. It seems that some of them have already been reflected. Let us seek further clarification from SICA again.

G. Urantsooj: Thank you. I am just thinking. If we look at this over an annual timeframe, many of these issues are linked to recommendations made several years ago. Since then, I am not aware of the status of the implementation of those recommendations.

First, it is unclear whether there is an evaluation mechanism for the implementation of the recommendations. There is no available information on how the implementation of recommendations issued many years ago is currently being assessed.

Second, there is a question as to whether these recommendations are presented to the Government or to the Prime Minister. If they are not currently being presented, they should be. In addition, it is necessary to determine whether changes to the law or adjustments to other legislation are required from a legal and regulatory perspective.

Another issue concerns the initiative to renew the National Council and change its mechanism. This is a correct step. However, the current National Council—its activities, results, and significance—should be evaluated. This work is extremely important and of great significance for our country. Therefore, it needs to be further strengthened. If a new mechanism is to be established, an evaluation is required in order to clearly define what that mechanism should look like.

Sh. Tsolmon: It was presented to the Speaker of Parliament. It has not been presented to the Prime Minister.

B. Dashpurev: Please issue an urgent official letter from the Ministry of Industry and Mineral Resources under my signature, clearly stating the requirement to make information transparent and open, and specifying deadlines for submitting information. Send a similar letter to the Mongolian Tax Administrations well. There is no room for personal discretion or inaction; therefore, this work must be implemented immediately.

Accordingly, send official letters to all companies that have not concluded contracts, and additionally issue notices reminding companies that have not made their contracts transparent and open that legal measures will be taken in accordance with the law. Clearly state in the notification letters that concealing information or failing to submit information within the specified timeframe will entail legal liability. As a central government administrative body, we must impose a certain level of accountability and apply the necessary pressure. Otherwise, there is a risk that participation will become purely voluntary, with some acting at their own discretion, leading to disorder, and our work shifting into a position of merely persuading and pleading. This situation must be prevented.

In addition, it is appropriate to obtain environmental-related information with clearly defined deadlines and responsibilities, make it public, and reflect it in the report. I would like to thank the members as well for their active participation in this work. The suggestions and initiatives mentioned earlier are very important. Rather than approaching this work casually by saying everything is proceeding routinely, each member must participate responsibly and actively and make a tangible contribution to improving the report within the time available to us.

Members should not attend meetings while thinking about unrelated matters; active participation and initiative are required. Please instruct Coordinator Tsolmon to urgently organize the inclusion of representatives from the State Property Policy and Regulation Agency, as well as full participation from other relevant government bodies and companies. Ensure that all duly represented participants actively engage in the meetings, review the reports and presentations, and express their positions in a timely manner.

All of this reflects the image of Mongolia and the Government, and the real outcomes of multi-stakeholder engagement in the extractive sector. Therefore, as stated earlier, it is imperative that the Ministry demonstrate leadership in this area. Only then can we create the conditions to increase the engagement and participation of both state-owned and private enterprises.

You should focus not only on the work of our sector, but also on increasing the engagement of all stakeholders and establishing transparency, openness, and fairness. Coordinator Mr. Tsolmon, when preparing relevant information, training, and research activities, be sure to involve media organizations. The most effective way to ensure transparency is to inform the public. When members here communicate externally, the public and the media must clearly understand “what exactly is happening.”

It is evident through websites and other information channels that companies are failing to disclose contracts and make information open. Information regarding the legal consequences arising from failure to conclude contracts must also be clearly communicated to the public. Once such information becomes publicly available, companies themselves begin to pay greater attention to governance, discipline, and internal regulations. They must understand that being free from corruption and complying with rules and regulations is not only the responsibility of the state, but also the responsibility of the companies themselves. Therefore, I would like to emphasize the importance of simultaneously strengthening these multi-faceted, systematic efforts.

Meeting Conclusions and Decisions

B. Dashpurev: Now, let me present to you the draft minutes of the 23rd meeting of the National Council of the Mongolia Extractive Industries Transparency Initiative.

The 23rd meeting of the National Council of the Mongolia Extractive Industries Transparency Initiative, held on November 20, 2025, discussed the presentation of the 2024 (19th) EITI Reconciliation report , the implementation of the 2025 work plan, and the draft 2026 work plan.

Resolved: The 23rd meeting of the National Council decided as follows:

To approve the 2024 (19th) Reconciliation report , with the comments and recommendations of National Council members attached, and to authorize its publication and dissemination.

To authorize the Secretariat to pay the remaining 30% (MNT 32.7 million) under the 2025 Consulting Services Contract No. 23.

To approve the implementation report of the 2025 work plan and the draft 2026 work plan, incorporating the comments and recommendations of National Council members, and to authorize publication, assigning this responsibility to the Secretariat Coordinator, Mr. Tsolmon.

There is a proposal to add an additional fourth decision assigning further responsibilities to Coordinator Mr. Tsolmon. Are there any comments from the members in this regard?

Members: No additional comments. Approved.

The meeting ended at 12:00

Familiarized with the minutes of the meeting:

State Secretary of the Ministry of Mining and Heavy Industry
B.Dashpurev

The meeting chaired by:
Head of Finance and Investment Division of the MIMR
T.Amartuvshin

Reviewed the minutes of the meeting:
Coordinator of EITI Secretariat
Sh.Tsolmon

Minutes of the meeting noted by:
EITI Secretariat, IT consultant
Kh.Khulan