

Minutes of the meeting of the Working Group of Mongolian Extractive Industry Transparency Initiative /2024-10-23/

The 64th meeting of the working group is organized on 23th October 2024 at 14:00 in the meeting room of Puma Hotel.

In the meeting participated

Mr. S.Javkhlanbaatar State secretary of the Ministry of Industry and Mineral Resources (MIMR),
B.Delgerjargal, head of the statistics and research department,
Daariimaa specialist of Ministry of Finance behalf Mrs Bolormaa, head of Accounting Department,
Tunamal-Erdene, senior officer of the Independent Authority Against Corruption (IAAC),
Ch. Battsengel inspector of the Mongolian Tax Administration (MTA),
S.Battulga, senior specialist of Mongolian Resources and Petroleum Authority (MRPAM),
Mrs.G.Erdenetuya, CEO of Mongolian National Mining Association,
Mrs.Erdenetsetseg, Secretary of Coal Association,
T.Munkhbat, Senior Manager of Oyutolgoi LLC,
Ts.Enkhjargal, senior manager of Communication department of Badrakh Energy LLC
Ts.Bolormaa senior accountant of PetroChina Dachin Tamsag LLC,
Ts.Tuyatsetseg coordinator of the Publish What You Paid (PWYP) coalition,
D.Erdenechimeg manager of Open Society,
S.Tserenpurev, the head of the New Administration Initiative NGO,
N. Narantsetseg, head of the Nature Mother Rescue Fund of Mongolia NGO,
A.Chagnaadorj behalf Z.Munkhbat, Head of NGO Bugant Zaamar Burgast
Dulmaa members of Mongolian Environmental Citizen Council,
Sh. Tsolmon, coordinator of the secretariat Mongolian EITI and secretary of the working group.

In the meeting participated 19 members from 33 of the Working Group members that was 57.6 percent of attendance.

Also T.Ganbat and M.Enkhmaa auditors from Growth Finance Audit LLC, G.Erdene vice director, E.Doljin vice director of business development and D.Sainbayar manager of SICA LLC attended this meeting. From Mongolian EITI Secretariat S.Bolor-Erdene IT consultant, A. Otgontungalag financial officer attended.

The meeting was opened by Mr.Javkhlanbaatar who is State Secretary of MIMR.

Speech is: How are you? Dear Participants!

I am pleased to open the regular meeting of the Working Group of the Extractive Industry Transparency Initiative that is being implemented by the Government of Mongolia. Mongolia has been implementing the Mining Transparency Initiative since 2006, and now, in its 18th year, it has played a significant role in Mongolia's mining sector. Current 18th annual summary report of EITI discussion will yield results. Also, the work plan is our next discussion, which is an important issue: what we should pay more attention to and what new tasks should be done. The new government has been formed, and the goals are clear. There is a general goal to improve the mining sector by one level. It starts with a political decision and a government plan that it is time to move on the base of mining to process plants. Therefore, the Ministry of Industry

and Mineral Resources was established with this aim. We think that the time has come to introduce new products with the latest technology in the mining industry, in which we have been for 30 years. Of course, there are many obstacles to developing mega-projects, such as infrastructure and funding. But we can't sit back and wait; middle-level organizations must take the lead and work, and if manufacturers don't support them, we may be talking about it for another 30 years. Some of our major projects are still stalled due to misunderstandings, deadlocks, bureaucracy, and government agencies and CSOs failing to understand each other. I think our working group has been contributing to some extent since 2006. So, let's listen to the 2024 report, discuss the 2025 plan, and make our recommendations. It is planned to convene a National Council and receive recommendations within this year. The Great Khural is discussing next year's budget and how to implement and proceed with major projects that have been stalled. Parliament members are raising the issue of responsible mining frequently, and it is directly related to the issues we are working on. I think our working group needs to work with leadership to improve the company's transparency and governance. So, let me announce the opening of the Working Group meeting. I wish you all success.

Sh. Tsolmon: Thank you. Now, as per the program, I would like to invite Mr.G. Erdene, Deputy Director of SICA LLC, to make an introduction.

Presentation One: Presentation of the Draft 2023 Consolidated Report of the Mongolian EITI.

G.Erdene: Greetings to all members of the working group. Our company, in collaboration with Growth Finance Audit LLC, has been selected as the team to prepare the 18th consolidated report of the EITI for 2023 and is preparing the consolidated report for the third time. Prior to this, a draft report was prepared in accordance with the Work Plan, presented to you, and feedback was received. The draft report has been submitted in advance. Today, we will present the general information of the 2023 report of the EITI, the definition of materiality and scope, and the results of the first comparison of the report information submitted by public and private sector enterprises. An initial seminar was held in July 2024 to solicit your input on the financial indicators included in the EITI consolidated report and the selection of entities to be included in this year's consolidated report. Our joint team is working on the report for the third time. The research team consists of nine people in total, most of whom have been involved in developing the consolidated reports for the last three years. The 18th consolidated report for 2023 included 125 business entities and was completed within the scope of 8.1 billion tugriks. The 2023 report was submitted to the EITI electronic reporting system by 1,193 enterprises from the government and 710 enterprises from the private sector, resulting in a difference of 483 enterprises. From the government side, 72 companies with revenues from 500 million to 1 billion reported 51.8 billion tugriks, and from the company side, 24 companies with revenues from 500 million to 1 billion reported 18.6 billion tugriks, resulting in an initial difference of 33.2 billion tugriks. The initial difference is 18.7 billion tugriks, with the government side reporting 958 companies totaling 42 billion tugriks and 24.1 billion tugriks from the companies' side. According to the reported results, a total of 1,193 companies reported 8.1 trillion tugriks from the government side, and 710 companies reported 7.3 trillion tugriks from the companies' side, resulting in an initial difference of 769.5 billion tugriks. A discrepancy means there is an error somewhere. So we found the place where the error occurred, cross-validated it, and validated the differences to the smallest level. The scale of large companies is evident from the fact that 11 businesses reported revenues of over 100 billion tugriks, accounting for 85 percent of the total amount

reported by the government. We worked in accordance with the EITI standards to select the entities to be included in the 2023 Consolidated Report. Starting last year, companies that report low amounts are also included in the report based on stakeholders' offers. In line with this, requests for suggestions for names to be included in this report were sent to the participating NGOs. Of the 125 enterprises to be included in the consolidated report, 26 were recommended by NGOs. Of these, 20 enterprises operate in the gold sector, and 5 operate in the coal sector. 29 gold mining enterprises, 36 coal mining enterprises, and 5 copper mining enterprises were initially selected. These 125 entities account for 98.8 percent of government revenue and 99.2 percent of total payments to companies. Regarding the attendance of companies submitting reports, the attendance rate was 99.2 percent, which is a very high rate. Of the 125 selected enterprises, 14 are state-owned, and 111 are private sector enterprises. The 14 state-owned enterprises reported 5.5 trillion tugriks on the government side and 5.4 trillion tugriks on the company side, respectively, resulting in an initial difference of 70.8 billion tugriks. The 111 private sector entities reported 2.5 trillion tugriks on the government side and 1.9 trillion tugriks on the company side, resulting in an initial difference of 795 billion tugriks. These 125 entities reported a total of 8 trillion tugriks on the government side and 7.3 trillion tugriks on the company side, resulting in a difference of 605.2 billion tugriks in the initial consolidation. The government report included an upward adjustment of 369.3 billion tugriks, and the company's results included an upward adjustment of 1,108.1 billion tugriks. A final unexplained difference of 133.6 billion tugriks remains. When considering the unexplained differences by revenue stream, there were 50 enterprises that underreported in the initial government report, 46 enterprises that did not submit information to the government, 53 enterprises that underreported in the initial report, and 52 companies that did not register on a cash basis, for a total of 152 enterprises that submitted inconsistent information. The top 5 tax-paying companies have paid a total of 17.1 trillion tugriks in taxes to the state budget in the last 5 years. In the consolidated report, the top 20 taxpayers paid 7,904.1 billion tugriks in taxes to the state budget. The highest tax is shown in the list of Erdenes Tavan Tolgoi, which is 36 percent of the above tax, and Erdenet Factory, which is 1.8 trillion. The total revenue of the extractive industries sector, which paid the highest taxes in the last 5 years, is related to the activities of the top five taxpayers. We received a total of 25 forms of disclosure information from the companies involved in the report. The indicators of the enterprises that submitted information are shown in Chapter 2.

Now let's introduce the non-revenue information that will be included in the EITI Report. Regarding the EITI standards, a process will be implemented to collect, consolidate, and analyze non-revenue information for inclusion in consolidated reports, in line with the requirements set for implementing countries. Information related to this has been received from relevant ministries and agencies. Also, all aimags' State Treasury and other financial and investment departments, open data sources, and glass account information were used. Mining sector revenues accounted for 28.1 percent of GDP, or 19.8 trillion tugriks, in 2023. As of the end of 2023, a total of 2,552 licenses had been issued. This includes 1,721 exploitation licenses covering 1,836 thousand hectares and 831 exploration licenses covering 4,114 thousand hectares. According to EITI standards, information on contract transparency must be included. As of 1st October 2024, there are 1,173 contracts, 162 contract clause explanations, and 8 legislative details posted in the transparent contract database. Recently, there has been an increase in the number of contracts entered into the contract database. As the 125 companies were selected, 58 beneficial ownership information was recorded for 44 companies. Implementation of the recommendations in the annual consolidated report is improving; some

issues are recurring, and there is no guarantee that it will be completely problem-free. Recommendations are made annually to ensure that companies and government agencies submit EITI reports on a regular basis and ensure the accuracy of the reports submitted, but there has been no progress in the results of this year's reports. Recommendations are made annually to ensure that companies and government agencies submit EITI reports on a regular basis and ensure the accuracy of the reports submitted, but there has been no progress in the results of this year's reports.

Let me introduce recommendations for the 2023 consolidated report.

First, to reduce the gap between government revenue and company payments, improve the rate of data entry into the reporting system, especially focusing on fully entering data from local organizations;

Second, in the context of preparing the consolidated report, there was a need to obtain additional information in accordance with the EITI standards, and the process of contacting companies and government agencies to obtain information was excessively slow and time-consuming; therefore, there is a need for influential action towards them.

Third, recommendations were provided for configuring the electronic reporting system to ensure that the information uploaded to the electronic reporting system is accurate and complete. If you have any questions or clarifications regarding the presentation of the report, I am ready to answer them. Thank you. /The presentation is attached/

Sh.Tsolmon: Thank you to Director Mr.G. Erdene for the detailed and clear introduction. Please ask any questions related to the presentation.

S.Javhlanbaatar: Thank you to the research team for presenting the draft of the consolidated report, and good luck. I'm leaving because I was called to the next meeting. I will give my opinion on the report later, and there will be representatives from our ministry and the Secretariat coordinator Mr.Tsolmon. If the members of the working group have any feedback related to the ministry, please let me know, and I will pass it on to them. We will incorporate your suggestions and critiques into our report and have them discussed at the next National Council meeting. Thank you all.

Ts.Tuyaatsetseg: In general, EITI has a three-party council which are a working group and a National Council. Although meetings are held, they are ineffective, and the state secretaries of the ministry are frequently replaced. You are the one who must play an important role in coordinating all of this. Secretariat operations are shrinking, and it is very difficult for us CSOs to work. We are working with electronic information and electronic systems, but due to technical issues and budget issues, this work is not moving forward. This is also reflected in the consolidated report, and issues such as the decrease in the number of organizations providing information, the scarcity of information, and the slowness of information delivery are discussed. In recent years, only a few state-owned companies have been able to pull out this transparency report, while other companies have lagged, however the issue of mining has been constantly discussed. The Secretariat should work independently and without taking sides. Since its work is being undermined, I would like to request that you pay more attention to this issue and provide us with the opportunity to meet specifically with representatives of civil society organizations to discuss solutions to this issue. The main thing is that the State Secretary just took the job, so I

am addressing you. I used to meet with the State Secretary briefly, and they were just symbolic, but now I don't want to do that anymore. Should there be a Secretariat? Whether this work will be symbolic or not depends largely on you. Please give us some time in the near future. We are working hard to get it done, and the ministers and chiefs have no idea about this work.

S.Javhlanbaatar: About the Secretariat introduced me, that activity has reduced significantly; also, the salaries are low, and young people tend to seek higher-paying jobs. I'm also thinking about what to do about this. We can meet up sometime and discuss our ideas. I'm ready to meet up anytime.

Ts.Tuyaatsetseg: I need to organize a meeting with representatives of the PWYP in the near future.

D.Erdenechimeg: Members of the multi-stakeholder working group should attend the meeting. Lately, key organizations are not coming, and most of them are representatives of CSOs. I would like to pay attention to this aspect.

S.Javhlanbaatar: We will discuss the issues at the working group meeting, and today is the meeting to discuss the official report. I would like to meet and discuss a little bit about the specific issues, not necessarily in a formal meeting. There's no way to have everything sorted out and decided; Mr. Tsolmon will probably arrange a time to meet.

S.Tserenpurev: The draft law on the EITI has been stuck at the Ministry of Justice since October 2023. It's been a year now without any comments, and the working group on this law is not working at all, so I am proposing to form a new working group.

S.Javhlanbaatar: Okay, I understand; a new working group will probably be formed now.

B. Delgerjargal: If anyone has any questions or comments regarding the draft introduction of the consolidated report, please ask.

M. Chinzorig: I am a member of the Mongolian Environmental Citizens' Council. There was talk that last year's budget was insufficient. How was the budget for this year's consolidated report tender amount met? Compared to what I said a year ago, the work is progressing step by step. Please give your opinion on what to do with businesses that do not submit their reports in the future and how to address legal issues. Thank you.

G.Erdene: When our company first entered the tender, we estimated that we could complete this work within the budget, and we completed the work within the budget and worked with 125 companies. We are the contractor, and since we entered to do this work, it would be pointless to talk about money. Companies that do not report will likely be subject to social responsibility issues, but since there is no law, it is not mandatory. Some companies are responsible and provide disclosures, while others display various angry behaviors. We have included the adoption of a transparency law in our recommendations from previous years. I think we should be more responsible in this case. It would be a good idea to provide training and information to those who prepare corporate reports. However, government agencies are not providing this report, and I think it should be included in their work. People who are supposed to submit reports for government agencies don't submit their reports, or even when they do, they act as if they don't care, or they reveal a lot of secrets. It should be issued in accordance with international obligations and standards. While ministry officials have issued their reports, local government

officials refuse to provide them, citing confidentiality. Therefore, I am looking for it is necessary to do more work on influencing.

D.Erdenetuya: We've been talking about law for a long time, and there are many countries in the world that don't have laws. This program is a voluntary initiative. The Federation and civil society organizations are discussing the Responsible Mining Code. Regional conferences have been held over the past two years to implement this.

In 2022, there were 105 companies, but this year, 125 companies have participated in the reporting, which shows progress. This year, Canada is entering advanced standards. Although they are talking about the mining sector, the consolidated report shows that the sizes of the companies vary. A few large companies account for the majority of total budget revenue, while others account for less than 1 percent. Therefore, since there are many small companies, we encourage members to work together to implement this Code. We are also working to begin major mining projects to accelerate Canadian Mining Association projects. This code is not only implemented by companies but also by NGOs and government organizations, which have set their own requirements in line with environmental plans and mining work plans and have also incorporated the code into bank loan requirements. In addition, if we introduce financial incentives and legal requirements, such as those required by companies listed on the stock exchange, and insist on their implementation from all sides, we believe that if this program is implemented on a voluntary basis, our companies will become more responsible in the future. We encourage the members of the working group to cooperate on this. I believe it would be more effective to develop one standard rather than requiring multiple standards from multiple parties. The Gobi Regional Conference on the Extractive Industries will be held on November 12-15 of this year, and we would like to propose working together on this.

Ts. Tuyaatsetseg: Last year, we implemented improvements to the electronic reporting system. How much has this improved? You mentioned the problems we had with reporting this year.

G.Erdene: The electronic reporting system has been completely updated. From the beginning, when we started working, we met with them and gave them suggestions on how to improve it. In fact, it was programmed to automatically show any errors once it started working properly. It is not yet fully operational, and it has not been used in the classical sense this year. I think that there are small errors that can be improved in the future. For example, it would be better if it could be converted to Excel, or if it could be seen how many companies entered their reports. However, we don't know how the work was done, and if it wasn't the company's responsibility, it wouldn't have been done.

Sh.Tsolmon: A contract was signed with DAZO LLC to upgrade the electronic reporting system for 460 million tugrik. It is understood that the reporting system will be completely updated, but it is a bit difficult for users to enter their own data. For example, the Mongolian Tax Authority had to enter information for more than 1,100 companies. Companies have entered their own information, but on the other hand, government agencies are having difficulty entering it, and there are many technical problems. There is work to complete the adjustments for 125 companies this year.

D.Erdenechimeg: Thank you to the team at SIKA LLC for presenting the 2023 consolidated report and collaborating on the information in the beneficial owner's report. On page 18 of the introduction, it says that the response rate for additional clarification is insufficient. What is the

meaning of these 2 and 7 percent? Also, on slide 30, there is information about the procurement activities of state-owned enterprises, which is probably taken from the glass account. There are very few requirements for the SOC to enter glass account information. The Law on Transparency of Public Information requires the disclosure of income and expenditure transactions exceeding 5 million tugrik, excluding salaries. When disclosing information about the procurement process, was it checked according to the requirements of the Law on Transparency of Public Information, not just the glass account information? There are many recommendations in the annual consolidated report, but few of them are implemented. Why did you reduce the number of recommendations this year? Was it because the recommendations were not implemented? These four recommendations seem insufficient; we should not just issue a report and leave it at that, but should use this information to assess the legal environment of companies and other considerations. The number of companies reporting has been decreasing year by year. Why aren't there any recommendations to improve the governance environment in line with the law? Companies are posting information on the transparent contract website and saying they are doing a good job, but this work is being done without any legal support, and one day it may become impossible to post information. The Law of Transparency allows for at least 1 in 25 contracts to be made public. So, I propose to include legal issues in the recommendations. Is the beneficial owner information based solely on the EITI electronic report, or has it been cross-checked with information from the state registry?

S.Erdene: There is an error on page 18. We will correct it. The information on the glass account is based on the information in the SOCs. Glass account information was also recorded and verified on a monthly basis. But there was no way to check every piece of information. Last year, detailed recommendations were provided for entering information into electronic reports, and this year, although they were prepared in detail, they were briefly included in the report. The beneficial owner information summary report includes information from the State Registry as an appendix, and this presentation includes information from the company included in the electronic report. Almost all of the information in the glass account has been viewed.

D.Erdenechimeg: State-owned companies are required to include information on procurement transactions worth more than 5 million in the glass account, but this is rarely included. Therefore, I propose to include conclusions and recommendations in this regard in the report.

Dulmaa: Member of the Mongolian Citizens' Council for Nature and Environment, on behalf of Tseren. I have attended several reporting meetings before, and they are getting better than before, improving little by little. The Secretariat is working well, with many years of experience, but the number of staff has been reduced and cut. This is probably due to financial reasons. Therefore, it would be appropriate to provide recommendations for strengthening the work of the Secretariat and activating members. It seems that inactive people from all three sides of the working group do not attend meetings. They used to come often, but now they hardly come at all. Some of the members have been here for 20 years, so I think it would be a good idea to replace them. As for me, I'm looking at it almost from an outside perspective, and I think it's right to replace the members and build the team with more active people, especially since members of government organizations are inactive and have poor attendance at meetings. For me, I know and support mining, and I support the law. The mining company is planning to dig a small area on the cadastre, but this is a large grazing area for herders, which is why the mining company is facing resistance. Therefore, this issue should be regulated by transparency law. This work involves three parties, and it is understood that citizens are the ones who encourage mining

and end up losing money. The government says it wants to develop mining and keep digging. Mines and companies are caught in the middle and pay a lot of money, which is a disadvantage. Therefore, citizens see it as unprofitable and difficult for the public.

S.Tserenpurev: When looking at the licenses, there is no information on how much of them has been transferred and to where, only the quantity is shown. The recommendations for the consolidated report should be clear and concise. It's written as if everyone is late with their reports, as if everyone is filing incorrectly. I want to make it clear by including their names. Also, Oyu Tolgoi does not publish its reports, does not enter any information into the glass account, and Badrakh Energy is next.

G.Erdene: Thank you, I have accepted your suggestion, and we will work on the recommendations again. The report's appendix lists the names of companies that have not submitted their reports or have refused to provide information, which you can see here. Oyu Tolgoi has not entered the information into the glass account, as you all know. We don't know what to do about this, sorry.

A.Munkhbat: The Law on Glass Accounts states that SOCs must submit their information. Oyu Tolgoi is a foreign-invested company, so it not relates to this law, as I have explained before. Other reports are prepared by financial officials and audited. However, there is a company called Erdenes Oyu Tolgoi, in which the government owns 34 percent of the company. It would be good to clarify this with that company. Oyu Tolgoi, which is mentioned in this report, is an investor company, and it is biased to mention only a few companies from the companies that submitted reports. There are many companies, even small ones, that submit their annual reports, and since their names are not mentioned, it is understandable that they would be reluctant to do so. Therefore, it would be appropriate to regulate this with a transparency law. There is a lot of talk about tax issues for this 1-100 billion tugrik income. It would be unfair to say that small and large companies paid more or less tax, and it would be helpful to include all the companies that submitted reports in the next report. I propose to discuss and accept this report. Thank you.

D.Erdenetuya: We are talking about passing a law. There are almost 100 laws and regulations related to mining. Not everything will be fine once the law is passed. Now, the implementation of the Mining Standard Code requires the participation and pressure of all parties, not just our association. We want to push through the economic incentives mentioned above.

D.Erdenechimeg: I understand that it is difficult to pass a law. But I don't want to give the impression that it is unnecessary. Passing a law not only makes companies report, but also has many other benefits. It would be better to first submit the finished draft law, and if that doesn't work, then work on implementing Plan B or the code.

Sh.Tsolmon: There are no further clarifications regarding the consolidated report. So, we have accepted the draft consolidated report No. 18, we will take steps to incorporate the suggestions made by the members, revise and improve the report, and present it to the National Council for approval. Thank you all, and I wish you success in your future work.

Presentation two: Report on the 2024 Action Plan of the Mongolian EITI and the draft Action Plan for 2025.

The EITI's 2024 Action Plan includes 37 tasks, of which 23 have been implemented or are in the implementation phase. The implementation is 62 percent. For example, the draft law on transparency in extractive industries was discussed at the Ministry of Justice and Internal Affairs, and 1,096 companies, relevant government organizations, aimags, and districts have submitted their 2023 EITI reports. Four agencies, 18 aimags, and eight districts have submitted their reports. The draft of the 2023 Reconsolidated Report of the Mongolian EITI was developed by a partnership between SICA and Growth Finance LLC and presented to the EITI Working Group. The relevant tender was organized, and the contract was signed. The expansion of the Mongolian EITI electronic reporting system and the configuration of the beneficiary owner's electronic database were commissioned by Dazo LLC, and the training was jointly organized. Two hundred and two companies participated in the company's e-training, and more than 30 representatives of relevant government organizations participated in the central and local e-training. We also participated in relevant activities of the Open Government Partnership and the National Anti-Corruption Program and made a presentation on the implementation process of the EITI and the draft law.

Participated and cooperated in a training and discussion for companies operating in Khentii aimag organized by the Khentii aimag government administration, then provided information about EITI. Organized training to introduce the electronic reporting system to the aimag EITI sub-councils. In order to strengthen the capacity of the Orkhon aimag sub-council, a training was organized in Erdenet City in collaboration with the "Erdenet Human Unity" NGO, and the Secretariat participated in person and online. Four subgroups have been established under the framework of Validation, Contract Transparency, State-Owned Company Transparency, and Terms of Reference Revision. In collaboration with the International Secretariat of the EITI, a Validation Workshop was organized in June for members of the National Council and Working Group, and the work plan was updated to meet the requirements of the new 2023 Standard.

In collaboration with the International Secretariat of the EITI, a seminar to exchange experiences with Central Asian and Caucasian countries was organized for the first time in Ulaanbaatar in June. Representatives from Mongolia, Armenia, Kazakhstan, and Kyrgyzstan participated in this event, exchanging experiences on contracts, beneficial ownership, and data transparency, and agreeing to cooperate in the future. Within the framework of the Natural Resources Governance Institute and the European Bank for Reconstruction and Development project, three data training series were organized for members of the Working Group, experts from government agencies, and state-owned companies in June, and three training series on energy transition, SOEs, contract transparency, and anti-corruption in August. A short video about the 2022 Reconsolidated Report of the Mongolian EITI was created with our own resources and capabilities and distributed on the Secretariat's website www.eitimongolia.mn and Facebook page.

Some works from the draft of 2025 plan of the EITI: The law on transparency in extractive industries, the creation of a legal framework, and the implementation of new requirements for EITI standards are aimed at achieving transparency and accountability. Prepare for the approval of the draft law on the EITI, the development of accompanying regulations, and its implementation. Organize the 2024 reconsolidated report. Prepare for the 2026 Validation. The activities of the four working sub-groups will be intensified to implement the recommendations provided in the 2018-2023 EITI Reconsolidated Reports and the 33 recommendations provided in the 2022 Validation Report. The implementation of the additional requirements approved by

the 2023 EITI standards will be carried out, and related training discussions will be organized. We present to you an optimistic project to continue some of the activities that could not be implemented in 2024 into 2025. Please send us your suggestions for inclusion in the work plan by email. The aim is to incorporate the suggestions and present them to the National Council for approval. T. Munkhbat: The CSO representatives are discussing meeting with the State Secretary of the Ministry, and in connection with the formation of the new government, the CSO will probably need to meet with the new Minister of the Ministry of Industry and Mineral Resources.

Ts.Tuyaatsetseg: Actually, there is a code of ethics for the EITI, and the PWYP coalition translated it and conducted a half-day training. The National Council has a legal act that requires it to work according to this code of ethics. It needs to be conveyed to the members of the National Council, and if not, our PWYP will conduct training. This code of ethics clearly states many things, such as non-proprietary information, transparent distribution, the Secretariat being independent of any party, funding, etc. It is proposed to include this in the action plan for dissemination and localization.

D.Erdenetuya: We went to London a few years ago. They were in tune with the current times, seeing in advance what products would be added, what issues were going to change in terms of society, nature, and governance, and preparing for them in advance. It is developing as an institution that works in partnership with CSOs and companies. We need to learn from it and empower ourselves as members of the Working Group and the National Council. As for how the funding will be resolved, they said they have currently submitted a request to the World Bank. Rather than going themselves, they need to invite people from other experienced countries, and members need to understand their roles and develop and listen to experiences. Every year, we meet and then break up. We talk about companies that don't submit reports, the number of companies increases or decreases, and now I don't want to do that. I suggest discussing this and including it in the plan. Since it depends on the budget and other issues, we will need to discuss it in detail. I suggest including it in the plan and working together.

Ts.Tuyaatsetseg: For us, working actively to approve the draft law on transparency and being in the Ministry of Mining, I see that this work is collapsing. There is no funding or motivation to carry out or develop the work; we just criticize each other, and we don't want to do that. The work plan includes the approval of the draft law every year, but it is not being implemented. We have to meet with members of the Great Khural and the Prime Minister. According to Erdenetuya, economic incentives are important, but their legitimate interests are being violated. This work will be implemented through coercive measures, which will inevitably be followed by the adoption of legislation.

Ch.Batsengel: I have reviewed the draft of the EITI 2025 action plan, and I support it. What is the work on 19.9 related to us? As far as I understand, it will be done in conjunction with the current system, but I don't understand if the formula is not changed.

Sh.Tsolmon: There is a recommendation in the 2019 consolidated report that needs to be implemented. You can give your opinion on how to harmonize it.

Ts.Tuyaatsetseg: How many days will we have to receive comments on the work plan? We will send it to the members of PWYP and then compile the comments.

Sh.Tsolmon: We don't want to wait too long, we can submit it within 14 days.

B.Delgerjargal: It is necessary to use economic incentives to get reports from companies that do not submit them. The results of the work we are doing should be visible through this report, and the number of companies submitting reports is decreasing year by year. In recent years, no penalties have been taken against companies that have not submitted reports, and before penalties imposed under the law on violations.

G.Erdenetuya: Let's think carefully, it is a law.

B.Delgerjargal: Now, when the PWYP members meet with the State Secretary, they need to clearly formulate their issues and make him understand the law well. If the Secretary of State understands it well, he will explain it to the minister. The Minister will then present it to the Minister of Justice and explain it. The new government has been formed, and the legal working group will probably change.

D.Erdenechimeg: Government agencies now enter all their information in Excel format. Is it not possible to enter your report information and license holder information like that?

S.Bolor-Erdene: We are working to connect the data to the databases of government agencies as much as possible through system updates. We are connected to the DATA center, and we are receiving some information. It will connect to the Minerals Resource Authority System, and this system is currently in the process of update. We met with the Mongolia Tax Authority, and government agencies should provide information to the KHUR system, and we should connect them. We submitted a request to the Mongolian Tax Authority; they said we could sign a contract and work together, and they would provide us with all possible information. The contract has been stalled because our project does not have a state registration certificate or number, so it has not yet been signed by the ministry.

G.Erdenetuya: The Ministry of Economic Development will connect and take all government agency information, and it will be completed in 2025.

B.Delgerjargal: The Mineral Resources Authority information system is being updated through a German project, which is expected to be completed in 2025. It is being developed in a way that allows users to sort and view the information they want. You should also connect with it.

Ts.Tuyaatsetseg: Can we include a meeting with a company that has updated its system in our work plan? Issues such as not being able to see data from previous years are being discussed.

S.Bolor-Erdene: The old system we used was hosted by a private company, and we paid a lot of money to host the virtual server. The report information must be on a government server, meaning it is government agency information. Currently, we took a server at the National Data Center. When transferring old data, we asked to clarify which program the previous data was created in, but there has been no response yet. If not, we will probably return it. Due to this issue, previous data is not visible. The scope of the work order with DAZO LLC did not include copying from the old program, it stated that the system would be built from new.

Ch.Batsengel: When discussing this issue, the legal department gave such a direction. Our MTA first started issuing reports in 2006. We supported it, but issues of data confidentiality and security have arisen. We believe that if the Cabinet Secretariat of Government studies the issue and provides a policy solution, then there will be no technical problems.

S.Bolor-Erdene: The Secretariat has signed agreements with potential organizations, as well as with the Ministry of Economic Development.

D.Erdenechimeg: My suggestion is that if we include mining information on open data, other organizations can have information about mining, and it will be easier for non-governmental organizations and researchers to access and use the information, and the information will be protected. Sh. Tsolmon: Well, thank you all for your active participation in the meeting, and let's end the meeting with this. Please submit your comments on time.

The meeting ended at 4:40 p.m.

Familiarized with the minutes of the meeting
State Secretary of the Ministry of Mining and Heavy Industry
S.Javkhlanbaatar

The meeting chaired by:
Head of Research and Study Department of the MIMR
B.Delgerjargal

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

Minutes of the meeting noted by:
EITI Secretariat Finance officer
G.Otgontungalag