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# MONGOLIA EITI 2024 ANNUAL REPORT

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REPORT FOR 2024

## Brief introduction

In the early 2019, Mongolia EITI Secretariat was transferred from the Prime Minister's office to the Ministry of Mining and Heavy Industry, which is now named as Ministry of Industry and Mineral Resources.

In July, 2019 MOF, MMHI and ADB have agreed to fund EITI in Mongolia through TA 9752 MON Improving Extractive Sector Governance, and concluded a respective agreement and implemented the Project.

Also, MOF and World Bank agreed and concluded Grant agreement on Project to improve Transparency of extractive sector through implementing EITI in May 2022. The Project commenced in October and being implemented by EITI Secretariat, as Project implementing unit and completed by December 31<sup>st</sup>, 2023.

From 1<sup>st</sup> of January of 2024, EITI Secretariat is operating under the State Budget funds and it tends to be continued in 2025.

As result of these assistances Mongolia EITI activities had been normalized and Mongolia EITI produced an EITI 13<sup>rd</sup> Report-2018 by the end of 2019, 14<sup>th</sup> Report-2019 by the end of 2020, 15<sup>th</sup> Report-2020 by the end of 2021, 16<sup>th</sup> Report- 2021 by the end of 2022 and 17<sup>th</sup> Report-2022 by the end of 2023 and 18<sup>th</sup> Report-2023 by the end of 2024.

The Reports are available in Mongolian and English languages at Mongolia EITI website- <http://www.eitimongolia.mn/p/33>.

Mongolia EITI had planned to take following measures for 2024:

- To produce Mongolia EITI 2023 Report in compliance with requirements of EITI standard.
- Finalize draft law on transparency in Mineral Resources sector, and implement 33 recommendations given by Validation.
- Subnational councils, which were reactivated in 2021 and now their activities have to be expanded and become more capable in terms of exchange of information and share experiences.

The following activities have been implemented within the scope of each output in 2024, namely:

## **Output I. Commitment to the Extractive Industries Transparency Initiative standard maintained and improved**

### **Organization of EITI Reporting for 2023**

It is estimated, 2159 mineral license and petroleum contract holding companies, or 1027 companies with exploration license, 777 companies with a production license, 340 companies with both licenses, 1 company with man-made deposit, and 17 companies with petroleum production sharing agreement have to produce EITI report for 2023 under new reporting templates.

In total 1096 companies have produced their EITI reports at E-portal, which was considered lowest number of reported companies.

The Secretariat has delivered official invitation with reporting template and password to the EITI E-reporting portal to the Government organizations such as 2 ministries and 7 agencies (such as taxation, mineral and petroleum, customs, professional inspection, state property, labor, social benefits, standard measurement, social insurance), Governors of 21 aimag, capital city and 9 districts to produce an EITI Report for 2023.

As result of these activities 5 agencies (like General taxation authorities, Mineral and Petroleum authorities, Customs office, Social benefits and service department, National Standard Measurement, its unit for probe), 8 districts and 18 aimags produced EITI report on revenues received from 2093 companies.

### **The procurement process for the 2023 EITI report**

According to Work Plan for 2024, there would have to be the following activity related to the government procurement for the 2023 EITI report in the first quarter of 2024.

- establish an evaluation committee in the Ministry of Mining and Heavy Industry under related law.
- produce terms of reference of tender and tender documentations.
- Get approved terms of reference of tender and by MMHI.

The Evaluation Committee has been established in February 20<sup>th</sup> at MMHI, by order No/A/12 of the State Secretary of MMHI, and consisting of 1 representative from MMHI, 1 representative from NGOs, and three from the Secretariat.

MMHI has approved the term of reference for consultancy services work for the production of Mongolian EITI 2023 or 18<sup>th</sup> Report.

The Selection and bidding process has started on 4<sup>th</sup> April with the publication of invitation of expression of interest both at the Government Procurement site [www.tender.gov.mn](http://www.tender.gov.mn).

As result of this selection work, partnership of SICA LLC and Growth Finance audit LLC was selected as consultant in April and contract was concluded on May 10<sup>th</sup> and launched their work.

The inception seminar with task to finalize the scoping was organized in July 4<sup>th</sup> between Mongolia EITI Working Group and Secretariat and partnership of SICA LLC and Growth Finance audit LLC within MSG meeting No.63.

It was agreed to the scoping and reconcile reports of 125 companies.

A draft report was submitted to MSG on October 23<sup>rd</sup> within MSG meeting No.64 and approved finally by the National Council within meeting No.22 after discussions by members.

**The highlight of the achievement of Output I:** Mongolia EITI report 2023 or 18<sup>th</sup> was produced in timely manner. 1096 companies, 5 agencies, 18 aimags and 8 districts have produced EITI report on revenues from 2093. Implementation 100%.

## **Output II. Enacting law on transparency in the extractive industry and creation legal framework**

### **Consultation on finalizing of Law on transparency in MRS**

The Ministry of Justice and Internal affairs finalized the draft law of transparency in the extractive industries and draft is posted at website of MJIA for public feedback. <https://mojha.gov.mn/content/651fbaff99e06106c641f63a>

The Secretariat organized a consultation of Government organizations and NGOs at the Ministry of Justice and Internal affairs in February 2024 and acceptable comments and proposals have been received and integrated to the draft and presumed that it is ready for submission for Cabinet hearing.

**The highlight of the progress of achievement of Output II:** The draft law is produced, and prepared for the Cabinet hearing and expected to be enacted in 2025. Implementation is 100%.

## **Output III. Review of opportunities for better information dissemination and public monitoring of extractive sector activities conducted**

### **Communication with Subnational councils**

The Secretariat had organized a consultation and training of all aimag Subnational EITI Councils on March 26<sup>th</sup> and April 24<sup>th</sup> in online format. 33 representatives of EITI subnational councils from 21 aimags and soums participated in this event, obtained information how to report for EITI under new EITI reporting system.

### **Information on the training, seminar, and communication**

#### **Training activities.**

Online training on how to report for EITI under new EITI reporting system was organized along with Dazo Company, which has developed this system for company representatives, 220 companies' representatives participated.

The Secretariat participated in implementation seminar of National Anti-Corruption in March 6-7<sup>th</sup>, and presented what EITI is implementing and planning to achieve within this program.

On 10<sup>th</sup> May, the Secretariat co-organized consultation with Khentii aimag Governor and mining companies operating in this aimag, and presented detailed overview of company's involvement in EITI

and plans for coming years in terms of capacity build-up of aimag EITI subnational council and tripartite cooperation.

The Secretariat co-organized along with NGO “Erdent Khumuunii ev negdel” combined indoor and online consultation and training of EITI subnational council of Orkhon aimag in May.

### **63<sup>rd</sup> meeting of EITI working group**

The 63<sup>rd</sup> meeting of Mongolia EITI working was organized on July 4<sup>th</sup>, during which scoping and inception seminar of Mongolia EITI 2023 or 18<sup>th</sup> Reconciliation Report was organized along with partnership of SICA LLC and Growth finance audit LLC, and inception report and to reconcile reports of 125 companies.

During the meeting, it was agreed and established 4 sub-working groups on TORs of 2024 EITI Report, Contract and SOEs transparency, and follow-up of Validation.

### **64<sup>th</sup> meeting of EITI working group**

The 64<sup>th</sup> meeting of Mongolia EITI working was organized on October 23<sup>rd</sup>, during which the draft report of Mongolia EITI 2023 or 18<sup>th</sup> Reconciliation Report produced by partnership of SICA LLC and Growth finance audit LLC was discussed and approved for submission to the National Council meeting.

During the meeting, Secretariat submitted progress report of Mongolia EITI 2024 Work plan, and draft of Mongolia EITI 2025 Work plan and it was agreed to be submitted to the National Council meeting.

### **22<sup>nd</sup> meeting of National Council**

22<sup>nd</sup> meeting of Mongolia EITI National Council was organized on November 29<sup>th</sup>, during which the draft report of Mongolia EITI 2023 or 18<sup>th</sup> Reconciliation Report produced by partnership of SICA LLC and Growth finance audit LLC was discussed and National Council approved it.

During the meeting, Secretariat submitted progress report of Mongolia EITI 2024 Work plan, and draft of Mongolia EITI 2025 Work plan and they were approved by the National Council

### **Other Communication aspects**

First time in Mongolia, Ulaanbaatar, jointly EITI International Secretariat peer exchange seminar of Central Asia and Caucasia regional EITI implementing countries in June. There were representatives from Armenia, Kazakhstan, Kyrgyzstan and Mongolia, and Contract Transparency, Disclosure of Beneficial owners and data had been covered in this seminar, there was exchange of information and best practices, and agreement to cooperate furthermore. During this regional seminar, there were several presentations submitted by project team of NRGi and EBRD.

Also, within the scope of project of NRGi and EBRD, 3 series of training data collection was given to responsible specialists from Government organizations and SOEs in June, and another 3 series of training on SOEs, energy transition, contract transparency and prevention of corruption was organized in August.

As result of these activities, NRGi has developed road map of transparency in SOEs and better Contract Transparency in Mongolian and English which were submitted to members of Working group online, and obtained feedback and approval from them.

The Secretariat participated in assessment of International Open Government Partnership and delivered some presentations on implementation of this program.

The Secretariat also participated in 2 working groups on assessment of return of field under Production sharing agreement.

### Communication activities

Video content of Mongolia EITI 2022 Report was produced by the Secretariat and posted for public at own website and Facebook account. [www.eitimongolia.mn](http://www.eitimongolia.mn)

Some communication materials like invitation, introductions had been published at websites of MMHI, MRPAM, Mongolian mining association, Minerals journals like [mongolian mining journal.com](http://mongolianminingjournal.com), [mining.mn](http://mining.mn), [mininginsight.mn](http://mininginsight.mn).

Video release of Mongolia EITI 2023 was produced by funds of Ministry of Industry and mineral resources and posted at the Secretariat Facebook account.

**The highlight of the progress of achievement of Output III:** Activities in communication and international cooperation had been conducted actively. Implementation is 100%.

### Brief statement of the 2024 progress:

Items	Output	Highlight of progress
I	Commitment to the Extractive Industries Transparency Initiative standard maintained and improved.	<ul style="list-style-type: none"> <li>• Procurement and Contract work for Mongolia EITI 2023 Reconciliation Report was done successfully in timely manner.</li> <li>• The Reconciliation Report covered reports of 125 mining companies and contextual information as per 2019 Standard.</li> <li>• For 2023 1096 companies, 5 agencies, 18 aimags and 8 districts report on revenues from 2093 extractive companies.</li> </ul>
II	Legislation to improve transparency in the extractive industry identified	The draft on transparency in extractive industries was updated and posted at the website of MJIA with link: <a href="https://mojha.gov.mn/contentList/62dfcd0a3982fa3c90f2a7da">https://mojha.gov.mn/contentList/62dfcd0a3982fa3c90f2a7da</a>
III	Review of opportunities for better information dissemination and public monitoring of extractive industry activities conducted.	<ul style="list-style-type: none"> <li>• All planned trainings, meetings had been organized.</li> <li>• 4 sub-working groups had been established.</li> <li>• Project of NRG I and EBRD was implemented, which covered 6 series of trainings and produced Roadmaps in Mongolian and English, capacity build up improved.</li> </ul>

### Planned Activities for 2025

The first priority and focus of the 2025 Work Plan are to promote an enactment of the draft law on transparency in the extractive industries and prepare a smooth implementation of the law.

The second priority is to implement recommendations given by Mongolia EITI 2022 Validation report, made by the EITI International Secretariat and produce Mongolia EITI 2024 or 19<sup>th</sup> Report in timely manner under new or 2023 Standard.

The third priority is to improve communication and use of EITI data, improve activities of Subnational councils.

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