

# Annual Progress Report 2017

on EITI Implementation  
in Kazakhstan



## **1. General assessment of year's performance**

The main achievement in the implementation of the EITI in Kazakhstan in 2017 was the inclusion of norms in the New Subsoil and Subsoil Use Code for further successful implementation of the EITI in the country [https://online.zakon.kz/document/?doc\\_id=31764592](https://online.zakon.kz/document/?doc_id=31764592). The key standards in terms of the implementation of the EITI requirements were the submission of EITI reporting by the oil and gas and mining sectors, as provided for by the EITI Standard confirmed by a person who is an auditor in accordance with the Law of the Republic of Kazakhstan “On Auditing Activities” (article 76, paragraph 3), and reporting on the composition of the persons directly or indirectly controlling the subsoil user (Articles 132, 180 and 192, paragraphs 7.11 and 3, respectively, for hydrocarbons, uranium and solid minerals).

Also, the main and main event in 2017 was the passage of the next VALIDATION in Kazakhstan (the validation process for meeting the international requirements of the EITI Standard), which resulted in the decision by the International EITI Board [http://eiti.geology.gov.kz/images/stories/IPDO/validation/validation\\_2017-orys.pdf](http://eiti.geology.gov.kz/images/stories/IPDO/validation/validation_2017-orys.pdf) on the status of the country. Kazakhstan has made significant progress in implementing the Extractive Industries Transparency Initiative. At the same time, according to the Validation Rules, the International EITI Board determined 18 months to eliminate defects to fully comply with the international requirements of EITI Standards before the re-validation (August 13, 2019).

On September 7, 2017, the annual IXth National Conference on the EITI was held in the framework of the Kazenergy forum in an interactive mode and provided for in panel discussions. The conference was attended by Deputies of the Parliament of Kazakhstan, key ministries involved in the implementation of the EITI, representatives of the oil and gas (KazEnergy) and mining (AMME) associations, large companies in the field of subsoil use, non-governmental sector, international organizations, observers and other interested bodies.

The theme of the conference is “EITI INTEGRATION IN PUBLIC DATA MONITORING AND BENEFICIAL LAW MONITORING SYSTEMS”

In 2017, in Kazakhstan, researching on the integration of EITI into state open data monitoring systems, the so-called “Mainstreaming” pilot project was completed. His results were presented at the Conference. The results were presented at the Conference. Also at the conference, activities on beneficial ownership were announced: legal regulation in the legislation in the sphere of countering the legalization (laundering) of proceeds from crime, and the financing

of terrorism. Materials can be found on the EITI National website <http://eiti.geology.gov.kz/ru/about-us/conference>.

## **2. Assessment of the work in comparison with the objectives and work given in the work plan.**

*Assessment of progress in achieving the goals outlined in the work plan (Requirement 1.5), including the impact and results of the established goals:*

The activities for the implementation of the EITI were carried out in accordance with the revised Work Plan (hereinafter- WP) for the implementation of the EITI for 2017-2018, taking into account the best practices in developing Work Plans in other EITI participating countries. It clearly identifies National priorities, such as open data policies and beneficial ownership, includes all necessary measures for their implementation. The work plan is published on the EITI National website

[http://eiti.geology.gov.kz/images/stories/ipdo2/work\\_plan/work1718.pdf](http://eiti.geology.gov.kz/images/stories/ipdo2/work_plan/work1718.pdf)

**Preparations for Validation.** Kazakhstan underwent another validation process, which began on July 1, 2017. Preparation for validation was carried out in accordance with the action plan in accordance with the recommendations of the International EITI Secretariat:

- ✓ a Supplement to the 11th National Report for 2015 was made with the inclusion of information data that are missing in the published version [http://eiti.geology.gov.kz/images/stories/ipdo2/national\\_reports2015/20170626-2015.pdf](http://eiti.geology.gov.kz/images/stories/ipdo2/national_reports2015/20170626-2015.pdf);
- ✓ changes were made to the Memorandum of Understanding of the Initiative, in terms of the regulation of the election and rotation of the members of the NSC <http://eiti.geology.gov.kz/ru/homepage/normative-base>;
- ✓ The Work Plan for the implementation of the EITI in Kazakhstan for 2017-2018 has been revised to reflect the best practices for developing Work Plans in other EITI member countries [http://eiti.geology.gov.kz/images/stories/ipdo2/work\\_plan/work1718.pdf](http://eiti.geology.gov.kz/images/stories/ipdo2/work_plan/work1718.pdf). It clearly identifies National priorities, such as open data policies and beneficial ownership, includes all necessary measures for their implementation;

- ✓ A pilot study on the integration of EITI into state open data monitoring systems, “Mainstreaming”, was completed, the essence of which was to eliminate duplication of data in EITI reports with existing reports of companies and the Government, taking into account the available open data <http://eiti.geology.gov.kz/ru/homepage/mainstreaming>;
- ✓ A progress report on the implementation of the EITI in Kazakhstan for 2016 was prepared in accordance with the required standard template of the International Secretariat, which reflects the work on the implementation of the EITI by all parties to the National Council;
- ✓ The implementation of the Roadmap measures to disclose the beneficiaries of the companies  
<http://eiti.geology.gov.kz/ru/homepage/bo-roadmap>. The European Bank for Reconstruction and Development provides financial support for conducting trainings, seminars, round tables with the aim of increasing the knowledge potential in this matter.
- ✓ The 12th National EITI Report and its popular version were produced and published. The report was compiled on the new international requirements of the 2016 EITI Standard  
<http://eiti.geology.gov.kz/ru/national-reports>.

During the validation process, in order to collect information data and stakeholder consultations for an initial assessment by the International EITI Secretariat, a mission was carried out to Kazakhstan from August 15 to August 24, 2017.

Within the mission, meetings were held according to the schedule of the mission: with the National Secretariat of the EITI, a meeting of the National Council of Interested Parties was held and a meeting with the Deputy Minister for Investment and Development of the Republic of Kazakhstan, Toktabaev TS, meetings were held with representatives of the Committee on Financial Monitoring Incomes and the Department of Budget Crediting, the National Fund and interaction on financial sector issues of the Ministry of Finance of the Republic of Kazakhstan, a number of issues were discussed within the framework of the EITI implementation in the ministries of energy, investment and development, the national economy, religious affairs and civil society of the Republic of Kazakhstan, as well as the Ministry of Justice, held meetings with companies in associations of Kazenergy (oil and gas sector) and AMME (mining sector), with FBN Samruk-Kazyna JSC, the national companies of NK Kazmunaygas, the National Academy of Sciences Kazatomprom, the NGK Tauken-Samruk and the Kazgeology JSC, with transport companies Kaztransoil JSC and Kazakhstan Temir Zholy JSC. There were meetings with representatives of Civil Society, an Independent

Administrator, producing national EITI reports, and donor International organizations. More information on the results of the mission can be found on the National EITI website

[http://eiti.geology.gov.kz/images/stories/IPDO/validation/mission\\_2017.pdf](http://eiti.geology.gov.kz/images/stories/IPDO/validation/mission_2017.pdf)

In general, all scheduled meetings took place in a friendly atmosphere, at a sufficiently high level and the Kazakh side provided comprehensive answers to questions from representatives of the EITI International Secretariat, and expressed commitment and support for the further implementation of the EITI in the country as a tool aimed at the proper management of natural resources. for the benefit of the people of Kazakhstan.

**Activities of the NSC RK.** The activities of the NSC of the Republic of Kazakhstan and its results can be found on the National EITI Website, in the section “NSC” <http://eiti.geology.gov.kz/ru/the-national-council/minutes-of-meetings> For the period 2017 - 2018 (until July) 11 meetings of the NSC of RK were held, of which 6 were held in the form of electronic voting. The regulations of the NSC of the Republic of Kazakhstan are set forth in the Annex to the updated Memorandum of Understanding of the Initiative of October 9, 2013 (hereinafter-MUI), published on the National EITI website [http://eiti.geology.gov.kz/images/stories/IPDO/norm\\_baza/memorandum2013.pdf](http://eiti.geology.gov.kz/images/stories/IPDO/norm_baza/memorandum2013.pdf)

**Progress.** With a view to more detailed awareness of stakeholders and the public about the activities of the NSC RK starting from Protocol No. 61 of September 30, 2016. The NSC of the RK includes detailed information of a shorthand nature of the work of the NSC members of the RK in meetings, issues and decisions taken. Also on the site are additionally published lists of participants of meetings and bulletins of the voting members of the NSCS RK in cases of absentee meetings by electronic voting.

According to the recommendations of the EITI International Secretariat, an Annex was developed to the MUI on the implementation of the EITI in Kazakhstan dated October 9, 2013. It more clearly reflects the work of the NSC RK, its composition, duties, powers, meetings, review procedures and decision-making. The annex to the MUI was approved by the Protocol of the NSCS RK No. 67 of June 15, 2017.

**The release of the National Report for 2016.** According to the Work Plan activities on the implementation of the EITI following the results of the public procurement competition held, UHY SAPA Consulting LLP has been declared the winner. A contract was concluded with the company (No. 25 dated March 28, 2017) for the production of the 12th National EITI Report for 2016.

Companies with a threshold of materiality established by the NSCS were subject to reconciliation of payers and recipients. Of the 178 payers in the oil and gas sector, the total amount of revenues from 69 companies over 1 billion tenge per year amounted to 98.91% of all revenues in the oil and gas sector.

Of the 368 payers in the mining sector, the total amount of income from 90 companies over 100 million tenge per year accounted for 99.28% of all income in the mining sector.

Reconciliation of tax and non-tax payments and receipts for companies - subsoil users at the threshold of materiality established by the NSCS according to the list (Annex 10) for reports submitted by subsoil users on payments through the EGSU system and data of the State Revenue Committee of the Ministry of Finance applicable to International Standards of Auditing (ISA), applicable international standards to related services (ISSAC 4400 “Agreements for the implementation of agreed procedures for financial information”). The agreement on the implementation of the agreed procedures included checking, analyzing data and comparing them with primary documents, personal taxpayer accounts data, Recipient reports, and currency conversion, according to which the reconciliation was carried out to obtain sufficient information and evidence to express an opinion on the audit purpose. The purpose of the reconciliation is to ensure the completeness, accuracy and availability of information on payments / receipts to the state from the extractive industries for 2016 as part of the implementation of the EITI in the Republic of Kazakhstan.

A summary report on dividends was compiled on the basis of payers' data submitted through the EGSU system and recipient data provided at the request of MID RK (Appendix 2, 2-1 and 2-2).

Reconciliation of reports on social sector expenditures by subsoil companies submitted through the EGSU system and data of regional akimats (Appendix 3, 3-1 and 3-2).

The contextual part is the review of the extractive sector, the legal basis and the fiscal regime, data on state participation in the extractive industries, information on the distribution of income, licensing registers and the allocation of licenses, quasi-fiscal sector, beneficial ownership. The report reflects funds allocated for treatment plants, monitoring of pollution of the subsoil, the social sphere and training of specialists (Annex 5); production and export volumes by minerals of the oil and gas and mining sectors (Annex 6); information on transportation (Annex 7); macroeconomic indicators of the extractive industries (Annex 8, described by the text in the contextual part), Kazakhstani content in the goods of work and services for companies - subsoil users of the oil and gas and mining sectors (Annex 9).

Calculations were made, according to Annex 11, a statement of materiality (substantial revenues subject to reconciliation; substantial revenues subject to unilateral disclosure by the government and insignificant revenue streams from the extractive sector, which should be excluded from the EITI Report).

Annex 12 contains supporting documentation (main documents with links to all other documents used in the text of the report). A popular version of the 12th National EITI Report has been prepared.

***Progress.*** The context of the 12th National EITI Report for 2016 has been significantly improved compared to previous reports in a structural, qualitative and meaningful way. A large amount of analytical information was included, taking into account the dynamics of past years in accordance with the required information for disclosing in accordance with the international requirements of the EITI Standard, the graphic material was improved, comments and recommendations of the Working Group on Verification and the EITI International Secretariat were taken into account. The work was carried out to compile a SUMMARY report in excel format, a new Popular version of the EITI Report for 2016 was produced. Along with tax and non-tax payments and receipts, the Independent Consultant conducted a reconciliation of these subsoil users to finance social activities (projects, programs, social facilities, including those transferred to the balance to local executive bodies (hereinafter IEB) under agreements, memorandums, treaties, social partnerships, etc. <http://eiti.geology.gov.kz/ru/national-reports>.

The report was reviewed and approved by NSC RK (Protocol No. 69 dated September 28, 2017). taking into account adjustments according to the comments of the Working Group on reconciliation and the members of the NSC in the shortest possible time. The report is published on the National EITI Website <http://eiti.geology.gov.kz/ru/national-reports>.

### **Additional current EITI activities.**

#### **Participation of the Kazakhstan delegation at the Global Conference on Beneficial Law in the city of Jakarta (Indonesia) in the period from 21 to 25 October 2017.**

The Ministry of Investment and Development and the Ministry of Finance of the Republic of Kazakhstan notes the importance and relevance of the Conference held in Jakarta (Indonesia) under the Extractive Industries Transparency Initiative (EITI) on ensuring the transparency of revenues from the oil, gas and mining industries from October 21 to 25 2017, in which participated from Kazakhstan: Deputy Chairman of the Committee on Financial Monitoring of the Ministry of Finance of the Republic of Kazakhstan Aisagaliyeva S.S., Director of the

Department of Subsoil Use of the Ministry of Investment and Development of the Republic of Kazakhstan Baimishev R.N., Consultant Fund “Soros - Kazakhstan” Kushkunbaev A.

The problem of disclosing beneficial ownership and ensuring the transparency of such information is very significant, especially for strengthening the fight against corruption, evading tax liabilities and for returning stolen assets. Within the framework of the conference, the participating countries discussed the issue at the level of which legislative acts should regulate the rules on the identification of beneficial owners.

The forum contributed to the understanding by all participants of the need for effective national interaction between tax authorities and financial intelligence units in identifying beneficial owners. The conference provided an opportunity for countries to more deeply explore aspects of close national engagement.

The Law of the Republic of Kazakhstan of August 28, 2009 “On Counteracting Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism” (hereinafter - the Law on AML / CFT) requires the use of measures by the subjects of financial monitoring to identify beneficial owners.

In turn, the beneficial owner is an individual who directly or indirectly owns more than twenty-five percent of shares in the share capital or shares of a client that is a legal entity, as well as an individual who controls the client in some other way or operations with money and (or) other property.

The subjects of financial monitoring include 18 categories of financial institutions and established non-financial enterprises and professions. Among the latter, lawyers include notaries, accountants, gambling houses, real estate agents. The determination of the beneficial owner and the adoption of measures to verify his identity are carried out by the subjects of financial monitoring as part of taking measures to ensure proper verification of the client.

The requirements for internal control rules, as well as the AML / CFT Law, establish the obligation of subjects not only to identify, but also to update information about the client (his representative) and the beneficial owner, including the subject, conducts a procedure for verifying ownership and (or ) Client’s involvement in a foreign public official, his family members and close relatives in accordance with the requirements of Article 8 of the AML / CFT Law.

**March 15, 2017 in Astana, a working meeting of the EITI National Secretariat with the regional expert of the EITI International Secretariat Olyana Valigura was held**, and moderators of the validation and reconciliation working groups and members of the NSC took part in the Skype conference mode. The validation action plan was discussed; reviewed the recommendations of the International Secretariat on additional comments on the National EITI Report and



the preparation of a Report on the progress on the implementation of the EITI in Kazakhstan.

On the same day, a meeting of the Vice Minister for Investment and Development of the Republic of Kazakhstan, Toktabaeva T.S., Director of the Subsoil Use Department of the Ministry of Investment and Development of the Republic of Kazakhstan R.B. Baimishev took place. and his deputy, Shalabayev A., with Olyana Valigura. Issues of forthcoming work on beneficial ownership and financing of some EITI activities from the European Bank for Reconstruction and Development (EBRD) were discussed. Also, issues were discussed regarding the representation of Kazakhstan in the International EITI Board.

### **About the visit of the Head of the International EITI Secretariat Jonas Moberg May 31, 2018 in Astana.**

In 2017, another validation for compliance with international requirements of the EITI Standard was carried out, following which the Decision of the International EITI Board on February 13, 2018 recognized significant progress in Kazakhstan, with 18 months defined for additional activities until full compliance with the EITI Standard was achieved.

On May 31, 2018, the Head of the EITI International Secretariat, Jonas Moberg, and the Regional Manager for Eastern Europe, the Caucasus and Central Asia Olyana Valigura visited Astana to visit the current situation and meet with representatives of the Government, Parliament, companies in the extractive sector and civil society.

According to the schedule of meetings, the first one took place at 9:00 am with Vice-Minister of Energy of the Republic of Kazakhstan Akchulakov B.U. with the participation of representatives of the Department of Subsoil Use and the Department of Information Technology of the Ministry of Energy of the Republic of Kazakhstan. During the meeting, issues of full digitalization of information systems were raised within the framework of the State Program “Digital Kazakhstan” from oil production, oil metering from the well to receiving the final oil and gas production. Akchulakov B.U. support was expressed in terms of open and transparent data, while not affecting the interests of investors who do not want to disclose some of them. Also discussed issues of trade in raw materials.

The second meeting at 11.00 was held with the Vice Minister of Investment and Development Toktabaev T.S. and R.N. Baimishev, Director of the Subsoil Use Department. The issues of legislative support for the EITI, the integration of the EITI Report and the sale of raw materials were discussed. Toktabaev T.S. expressed support for the implementation of the EITI as an image project for the

country, noted the similarity of interests with Norway in ensuring transparency, accounting and control of trade in raw materials and readiness for cooperation.

At 12:00, the meeting took place at a meeting of oil and gas and mining companies at the site of the Kaznerji Association. During the meeting, issues related to key international requirements of the EITI Standard for disclosing final beneficiaries and contracts were discussed, and the main requirements that need to be implemented to fully comply with the EITI Standard in terms of state-owned business transactions, quasi-fiscal sector, barter transactions, commodity trading were voiced.

In general, companies support these requirements, taking into account non-violation of the country's legislation on confidentiality of information. In addition, under the PSA, competition among partners may be raised. The EITI International Secretariat has announced that research has been conducted on this issue, which they will provide for review.

In terms of contract transparency, it was proposed to develop a single format for the data to be disclosed under the EITI, as well as in other countries.

At 2:30 pm a meeting of the NSC was held under the chairmanship of the Chairman of the Committee of Geology and Subsoil Use of the MID of the Republic of Kazakhstan and the Deputy Chairman of the NSC Nadyrbaev A.A. The meeting was also attended by members of the NSCC: deputies of the Parliament of the Republic of Kazakhstan Muradov A.S., Khituov T., representatives of the Ministry of Investment, the Ministry of Energy and the Ministry of Finance, Kazenergy Association and AMME, non-governmental sector, observers

According to the Agenda, issues were discussed regarding corrective measures until full compliance with the EITI Standard was given by the Decision of the International EITI Board on February 13, 2018 following validation results in Kazakhstan. The main ones were related to transactions of state enterprises, the quasi-fiscal sector, barter transactions and commodity trading.

The issues of representation of the civil society in the NSC were also discussed in accordance with the EITI requirement, which should coordinate the process of ensuring diverse and representative participation in the NSC. The invitation to participate in the work of the NSC should be open, transparent and independent.

Details of the Protocol of the NSC of RK No. 73 dated May 31, 2018 can be found on the National EITI website <http://eiti.geology.gov.kz/ru/the-national-council/minutes-of-meetings>

At 4.20 pm, a briefing was held at the Central Communications Service on the topic “EITI Validation Results in Kazakhstan 2018, Progress”.

The speakers were the Head of the International EITI Secretariat Jonas Moberg and members of the NSC RK: Chairman of the Geology and Subsoil Use Committee of the MID RK Akbatyr Nadyrbayev, Executive Director of the Association of Mining and Metallurgical Enterprises AMME Maxim Kononov and representative of the Coalition “Oil revenues under the control of society!” Sholpan Aytenova.

Kazakhstan's achievements in the implementation of the EITI, the results of successful validation, progress, participation of Civil Society, as one of the main components in the overall process of the EITI implementation and future plans to achieve full compliance with the EITI Standard were announced.

The last meeting on May 31 at 5.30 pm was held with the Executive Vice President for Oil Transportation, Processing and Marketing of JSC NC KazMunayGas DS Tiesov, Senior Vice President for Marketing and Sales of JSC Naizabekov B.T., Deputy General Director for transportation Otarov B.I. and other representatives of JSC NC "KazMunayGaz" and "KazTransOil".

The issues of trade in raw materials and the interest of the group of companies and the Government in this matter were discussed. On harmonization of acceptable reporting of trade in such resources within the framework of the Working Group of interested countries (Indonesia, Nigeria and others).

Tiesov D.S. expressed support in this matter and readiness to discuss it with the Government. In general, support was expressed for the implementation of the EITI in Kazakhstan.

**Issue of the National Report for 2017.** In order to implement the budget sub-program 100 for the preparation of the 13th National EITI Report for 2017 (hereinafter- Report), the NSC RK approved the Terms of Reference (Minutes of the NSC RK No. 71 of January 29, 2018) to attract reconciliation company, which will manufacture it in accordance with the legislation on public procurement.

The EITI National Secretariat supervises the production of the 13th National Report for 2017. Information data on the annexes to the 2017 EITI National Report for 2017 were collected and transferred to the Independent Administrator in accordance with the Terms of Reference (TR). The initial draft of the Report will be reviewed until June 30, until August 31 - interim and final - until October 10, according to the Work Schedule. After approval by the NSC RK, the Report will be published on the National EITI website.

**Progress.** In accordance with requirement 6.2, the government and the NSC should ensure that SEs disclose all significant quasi-fiscal costs. Quasi-fiscal expenditures include agreements through which state-owned enterprises undertake to carry out government social expenditures, such as payments for social services,

public infrastructure, fuel subsidies, public debt service, etc., in addition to the national budget process. The multi-stakeholder group should develop a reporting process with a view to achieving a level of transparency commensurate with the transparency of other payments and revenue streams, and should include subsidiaries and joint ventures of SEs. A reconciliation working group, together with the EITI National Secretariat, developed a form of a report on quasi-fiscal expenditures for national companies, including subsidiaries with a 100% state share and having a government share in.

### Quasi-Fiscal Expenditure Report

№	State share (%)	Region, city, district	Name of company with state ownership of the company / national holding	Assignment of expenses (social services, state infrastructure, working employment, fuel subsidies, public debt service, etc.)	Name of the event (project, program, social object, etc.)	Completion dates	Planned amount (thousand tenge and (or) national form)	Actually transferred amount (thousand tenge and / or in-kind)	Recipient (organization / address / details)
1	2	3	4	5	6	7	8	9	10

#### Note.

- Social services - charity, sponsorship, sports, cultural, educational and other events;
- State infrastructure - construction, overhaul, maintenance, maintenance of social facilities of state importance;
- Employment - the provision of jobs or related activities that go beyond the functions performed, in excess of the number that companies need. Payment of wage rates above market due to bank loans or through the accumulation of mutual debt;
- Fuel subsidies - the difference between the market price of supply of raw materials and the actual price of delivery;
- Servicing the public debt - losses from measures to stabilize the exchange rate of the currency, interest-free and concessional loans to the government and

refinancing loans to commercial banks to service non-performing loans, as well as financing agricultural, industrial and housing programs at preferential rates, etc.

This form has been entered into the EGSU system for online reporting and will be available to interested parties and anyone interested.

### **Analytical research.**

In 2017, a pilot study “Mainstreaming” was completed to address the issue of Kazakhstan’s transition to a new level of reporting. Its essence is to eliminate duplication of data in EITI reports with existing reports of companies and the Government, taking into account the available open data.

The goal is to optimize the reporting system in the field of subsoil use. Considering the automated process of collecting and monitoring information, it is possible to reduce the cost of reconciliation and analysis, both in EITI reports and in other types of research aimed at good governance in the extractive sector.

The consultant (Ernst & Young, as part of the study, presented a feasibility study, which:

- (1) assesses to what extent the information required by the EITI Standard or otherwise relevant for achieving the objectives specified in the NSC work plan is already open to the public by the Government of Kazakhstan;
- (2) describes any obstacles or gaps in the disclosure of timely, complete and reliable information, as well as the need for technical or financial support;
- (3) documents the views of stakeholders and their willingness to integrate EITI disclosures into government and corporate systems;
- (4) offers a program to integrate EITI disclosures. This should include actions, names of responsible actors, timelines, resource requirements and technical assistance.

At a meeting of the NSCS (Protocol No. 70 of November 28, 2017), the results of the pilot study “Mainstreaming” were reviewed. A representative of Ernst & Young, Nursultan Kenzhebaev, made a presentation on this issue and voiced the results of a pilot study on integrating the EITI into government systems and recommendations. This presentation is available on the EITI National website <http://eiti.geology.gov.kz/ru/homepage/mainstreaming>

The International Secretariat also sent the following recommendations for EITI integration:

1. *The NSC will be retained for the transition period, as well as for the purpose of conducting periodic reviews of regular disclosures. For example, after the transition period, the NSC could hold one or two meetings per year to monitor the reporting process and analyze the data. Subsequent roles and obligations of the NSCS should be defined.*

2. *Companies will continue to disclose data through the USMS portal. All mining companies will receive an independent audit before August 31 of the following year. The USMS portal contains audited financial statements of companies; The NSC may consider the possibility of making the financial statements of all companies available online through the USMS portal.*

3. *For the government, data are disclosed through the Unified State System for the Management of Subsoil Use of Kazakhstan (USMS portal) and through the website of the State Revenue Committee, which collects taxes and non-tax payments and presents aggregated (without breakdown by items) income data on a monthly basis. However, it is the Independent Administrator, who is hired on an annual basis, who enters data on government revenues from the State Revenue Committee on the USMS portal. The NSC should find out whether it is possible to integrate data from the Ministry of Finance (State Revenue Committee) into the USMS portal. As an interim step, the national secretariat could input data from the government to the portal. In the long run, revenue data should be provided directly on the website of the State Revenue Committee.*

*The reliability of government and company data is high, which is illustrated by the insignificance of discrepancies with the audited financial statements published online. However, it is not entirely clear how the assurance of data from the government is ensured. The Accounts Committee conducts an audit of government bodies, but it remains unclear whether the audit includes an assessment of income received or an audit includes only financial control over the execution of the State Budget?*

4. *Transition from annual reconciliation of data to less frequent (for example, once every two years) random checks and to a narrower coverage of income (for example, for income for which there are discrepancies). **The government could issue annual EITI reports or annual progress reports covering non-financial data**, such as production volumes, social projects, local specifics, etc. As an option, extractive companies could use the IPIECA (International Petroleum Industry Environmental Conservation Association) Guidelines for the Oil and Gas Industry on Voluntary and Consistent Reporting, 10 ICMM Principles*

*(International Mining and Metals Council) for their annual reporting. You can also reduce the number of mining companies that are accountable, leaving those companies that are responsible for 80-90% of revenues from the extractive industries. Or reduce the number of payments, leave the largest tax or non-tax payment flows.*

**5. In order to fully integrate, the NSC should close the following gaps:**

- 1) 2.2 The granting of licenses should include the routine disclosure of any contracts, both awarded and transferred (regardless of the procedure), as well as the technical and financial criteria used, the list of prequalified firms, actual bidders and bidders. (provision of licenses for uranium and coal)
- 2) 2.3 The register of licenses should be updated by submitting application dates and coordinates for all licenses.
- 3) 2.5 Ensure public disclosure of beneficial ownership until 2020.
- 4) 2.6 Submit a complete list of all SOEs (state-owned enterprises) involved in the extractive industries; disclose data on government loans and guarantees; disclose ownership of all branches and subsidiaries; and identify and disclose: 6.2 quasi-fiscal costs (requires adjustment of reporting templates in the *USMS*)
- 5) 2.4, 4.3 and 6.1 full / partial transparency of contracts, in particular, under articles relating to barter / infrastructure agreements, social payments. All contracts are listed on the portal of the EGSU fund, but are not publicly available.
- 6) 4.1 In the long term, it should be ensured that data on government revenues are available directly on the website of the State Revenue Committee.
- 7) 4.4 Introduce regular disclosure of transportation income
- 8) 4.9. Enter an explanation that government revenues are audited by the Accounts Committee and its financial report is provided online.
- 9) 6.3 Establish a general approach to calculating employment in the extractive industries.

The National Council has decided. Take note of the recommendations in the study “Mainstreaming” and the International EITI Secretariat. Consider the possibility of including these recommendations when developing a plan (TS).

Given that the majority of subsoil use reporting is provided for by the Code on Subsoil and Subsoil Use, it is not possible to optimize it as part of integrating EITI reporting at this stage. In addition, they are submitted to other state automated monitoring systems, and the Rules for their presentation and form are governed by the relevant regulatory and legal acts.

According to the Work Plan, analytical studies (assessments) of potential capacity constraints in government organizations, companies and civil society were planned, which may constitute an obstacle to the effective implementation of the

EITI and the use of funding for environmental programs and projects. Due to lack of funding, the studies were not conducted. At the same time, it is known that the limitations of capacity in government organizations are related to the lack of job definitions of performing work within the framework of the EITI implementation (except the EITI National Secretariat) and their activity is limited to participation in meetings of the NSC RK and responses to requests from MID to provide information data. In companies, potential restrictions may be exclusively of a legislative nature, which does not allow disclosure of confidential information. In civil society there are contradictory relations, as well as issues related to the financing of activities within the framework of the implementation of the EITI, especially at the regional level.

As for research on financing environmental programs and projects, it can be carried out on the basis of open data on official websites of state bodies, national companies and other sources. NSC RK decided to conduct research in the future, in finding sources of funding (Minutes of the NSC RK No. 67 of June 15, 2017).

### **Raising awareness and disseminating information.**

On an ongoing basis, the National EITI website is maintained in the PRESS - CENTER section <http://eiti.geology.gov.kz/ru/about-us/eiti-news-kazakhstan>, which covers all the events of the illuminating nature implemented in the framework of EITI: news, conferences, presentations, videos and photos, meetings in akimats, seminars, work meetings, publications in the media. In addition, the official websites of the Ministry of Energy and the Ministry of Finance contain a link to the National EITI website <http://eiti.geology.gov.kz/kz>, on which interested government agencies, public organizations, observers and anyone can get acquainted with the events implemented within the framework of the EITI implementation in real time.

**04/27/2017** on the official Kazakhstan mining portal Valentin Shipunov published an article “Transparent income”, which highlighted that every citizen of the country living in the region where the city-forming enterprises are located should support transparency of information on payments of mining companies to governments of countries rich in natural resources, and on revenues received by governments from these companies, quarterly reports and wise investment income policies, as required by law <http://www.mining.kz/kz/ipdo-v-kazakhstane/item/23641-prozracho-o-dokhodakh> international standards.

**08/18/2017**, on the official Kazakhstan mining portal, the Press Service of the Association of the AMME Association published information on the implementation of EITI standards, highlighted the mission of the EITI International Secretariat to collect information for a validation assessment in



Kazakhstan, under which DITEK Rogan, Regional Director of the EITI International Secretariat, held an office AMME meeting with representatives of mining companies <http://www.mining.kz/kz/virtualdy-k-rme/item/23816-vnedrenie-standartov-ipdo-otsenku-postavit-missiya>.

**07/07/2017** at the official Kazakhstan mining portal The press service of the Association of the AMME Association published information about a press conference on the implementation of the Extractive Industries Transparency Initiative (EITI) in Kazakhstan with the participation of the Head of the EITI National Secretariat Elvira Dzhantureyeva and the Deputy Executive Director of the AMME Maxim Kononov <http://www.mining.kz/kz/virtualdy-k-rme/item/23795-sleduya-printsipam-prozrachnosti-i-otkrytosti>.

**09.18.2017** on the official Kazakhstan mining portal The press service of the Association of AMME published information about the implementation of the EITI in Kazakhstan: progress and prospects. The fact that the KAZENERGY Forum hosted the IX National Conference on the Development of the Extractive Industries Transparency Initiative in Kazakhstan, which was attended by deputies of the Parliament of Kazakhstan, representatives of the Ministry of Investment and Development of the Republic of Kazakhstan, the Association of Mining and Metallurgical Enterprises, the Kazenerzhi Association, large companies working in the sphere of subsoil use, non-governmental sector, international organizations. The theme of the event was “Integration of the EITI into state systems for monitoring open data and beneficial ownership” <http://www.mining.kz/kz/ipdo-v-kazahstane/item/23849-realizatsiya-ipdo-v-kazahstane-progress-i-perspektivy>

In the monthly industry magazine “Mining and Metallurgy Industry” **No. 9 (111) September 2017 (pp. 10–13)**, Rysty Alibekova reported on the results of the implementation of the EITI in Kazakhstan at the IXth National EITI Conference. The issues of validation, the pilot study “Mainstreaming”, its goals and objectives, the norms of the Subsurface Code regarding the implementation of the EITI, the National Subsoil Data Bank are covered [http://eiti.geology.gov.kz/images/stories/ipdo2/publication/GMP\\_9.pdf](http://eiti.geology.gov.kz/images/stories/ipdo2/publication/GMP_9.pdf)

**08.09.2017.** The press service of the association AMME highlighted the implementation of the EITI in Kazakhstan: progress and prospects, as well as the IXth National Conference on the EITI <http://agmpportal.kz/realizatsiya-ipdo-v-kazahstane-progress-i-perspektivy/>

**15.02.2018** The Energy & media Information and Industry Resource made a publication Tag: Extractive Industries Transparency Initiative, which highlighted the validation results - Kazakhstan was awarded the country's status “with significant progress” in implementing the Extractive Industries Transparency Initiative (February 13, 2018) . The 39th meeting of the International Board of the

Extractive Industries Transparency Initiative (hereinafter - the EITI) was held in Oslo (Norway). The meeting discussed the results of Kazakhstan's validation to achieve the requirements of the EITI Standard <http://eenergy.media/tag/initsiativa-prozrachnosti-dobyvayushhih->

**15/02/2018** A similar publication was made by the Press Center of the Kazenergy Association on its official website <http://www.kazenergy.com/ru/press-center/news/1124>

**20.02.2018** on the official Kazakhstan Mining Portal a message was published about the validation of Kazakhstan and the decision taken regarding the status of the country with reference to more detailed information <http://www.mining.kz/kz/ipdo-v-kazakhstane/item/23982> -kazakhstan-proshel-ocherednuyu-validatsiyu-ipdo

**02.20.2018** The publishing house Liter made the publication Andrei Korolev "The mining sector has become more transparent for citizens", in which he highlighted the main stages of the implementation of the EITI in Kazakhstan, the achievements and priorities for further development [https://liter.kz/ru/articles/show/43055dobyvayushii\\_sektor\\_stal\\_prozrachnee\\_dlya\\_grazhdan](https://liter.kz/ru/articles/show/43055dobyvayushii_sektor_stal_prozrachnee_dlya_grazhdan).

**The Republican Association of Mining and Metallurgical Enterprises (AMME)**, as the coordinator of the EITI National Stakeholder Communication Group, conducts informational work to broadly explain the importance of implementing EITI standards, communicating the principles of transparency and transparency to the public and their impact on improving the well-being of residents of the republic.

In order to provide information support for the implementation of the Extractive Industries Transparency Initiative in the country, the Working Group on Communications developed an EITI Information Campaign Media Plan in Kazakhstan for September 2016 - August 2017 <http://eiti.geology.gov.kz/ru/about-us/mediaplan-po-ipdo>. The document provides for detailed and comprehensive coverage of areas such as transfer pricing, disclosure of beneficial ownership of mining companies, taxation of mining and metallurgy, etc.

During the reporting period, a series of meetings, meetings with companies of the mining and smelting complex were held, at which issues of disclosure of beneficial ownership, targeted use of environmental payments and other aspects of EITI implementation were discussed. The media published material on this topic.

The magazine Mining and Metallurgical Industry published an interview with the Head of the Specialized Administration of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan Kudabayev Sh. "The EITI is an initiative of transparency in the extractive industries that is in line with

the current Tax Code” (source: <http://metalmininginfo.kz/archives/4671>). This material is also published on the AMME media resource <http://agmpportal.kz/shafkat-kudabaev-ipdo-initsiativa-prozrachnosti-dobyvayushhih-otraslej-vpolne-soglasuetsya-s-nyne-dejstvuyushhim-nalogovmko>.

An interview with the executive director of KA-ZENERGY Ramazan Zampiisov on the implementation of the EITI in the industry was prepared. The material “Ramazan Zhampiisov:“ EITI logically complements changes in Kazakhstani legislation ”was published in the journal“ Mining and Metallurgical Industry ”, in the 4th issue of 2017 (<http://metalmininginfo.kz/archives/4708>). The interview is also presented on the websites <http://agmpportal.kz/ramazan-zhampiisov-ipdo-logichno-dopolnyaet-izmeneniya-v-kazahstanskom-zakonodatelstve/>; <http://www.gmprom.kz/>.

During the implementation of the Media Plan, the Association of Mining and Mining and Metallurgical Enterprises actively uses its own communication resources. This site [agmp.kz](http://agmp.kz), portal [agmpportal.kz](http://agmpportal.kz), a mobile application, the magazine "Mining and Metallurgical Industry". Thus, the following materials were published: “Following the principles of transparency and openness” (source: <http://agmpportal.kz/sleduya-printsipam-prozrachnosti-i-otkrytosti/>), “Implementing EITI standards: the assessment will be set by the mission” (source: <http://agmpportal.kz/vnedrenie-standartov-ipdo-otsenku-postavit-missiya/>), “The main principles are openness and transparency” (source: <http://agmpportal.kz/glavnye-printsipy-otkrytost-i-prozrachnost/>), “EITI implementation in Kazakhstan: progress and prospects” (source: <http://agmpportal.kz/realizatsiya-ipdo-v-kazahstane-progress-i-perspektivy/>).

Other media resources were also attracted, for example, the newspapers Express-K, Kursiv, the news agency [bnews.kz](http://bnews.kz).

In the future, the Working Group on Communications plans to work closely with the Association "KAZENERGY", attracting joint resources to build information and educational policies.

**Progress.** In September 2016, the Committee of Geology and Subsoil Use of the Ministry of Investment and Development of the Republic of Kazakhstan launched the National EITI website (<http://eiti.geology.gov.kz>). This site stores information on the implementation of the EITI in Kazakhstan, including the regulatory framework, work plan, annual National reports in the full and popular version, minutes of meetings of the NSC RK, work on meeting the requirements of the EITI Standard 2016 on disclosing beneficial owners, as well as covering publications, seminars, trainings and meetings dedicated to the implementation of the EITI in the country. For questions and suggestions on the site open feedback in the "Contacts".

## **Strengthening the role of the Secretariat in the implementation of the EITI.**

The working body for coordinating work on the implementation of the EITI in Kazakhstan is the EITI National Secretariat, which operates on the basis of the RCGE “Kazgeoinform” of the Committee of Geology and Subsoil Use of the Ministry of Investment and Development of the Republic of Kazakhstan. As according to the Decree of the Government of the Republic of Kazakhstan dated September 19, 2014 No. 995 "Some issues of the Ministry of Investment and Development of the Republic of Kazakhstan" (hereinafter - MID RK)

*Paragraph 73) “the implementation and development of the initiative of transparency in the extractive industries, with the exception of common minerals and groundwater, in accordance with the requirements established by the Memorandum of Understanding regarding the implementation of the Initiative for Transparency in the Extractive Industries in the Republic of Kazakhstan of October 5, 2005” to the competence of MID RK.*

The Committee of Geology and Subsoil Use (hereinafter - CGT) is a structural subdivision of the Ministry of Investment and Development of the Republic of Kazakhstan;

**Functions:** *clause 3 “implementation and development of the transparency initiative of the extractive industries, with the exception of common minerals and groundwater, in accordance with the requirements established by the Memorandum of Understanding regarding the implementation of the Initiative of transparency of extractive industries activities in the Republic of Kazakhstan of October 5, 2005 ”.*

Currently, the EITI National Secretariat has been operating by 5 employees, taking into account the fact that the Director of the Subsoil Use Department of the Ministry of Investment and Development of the Republic of Kazakhstan, R.N. Baimishev, who is also the National Coordinator, joined the International EITI Board since April 2017 The functions of the Head of the National EITI Secretariat are assigned to the Head of the Department for Analysis of the Mineral Resources Complex and Transparency of the Extractive Industries of the Republican Center for Geological Research “Kazgeoinform” of the State Scientific Committee of the Republic of Kazakhstan Dzhantureyevu E. (Letter from Vice Minister of the Ministry of Development and Development of the Republic of Kazakhstan and Deputy Chairman of the NSC of the Republic of Kazakhstan Toktabaev T.S. to the Head of the International Board of the Transparency Initiative of Extractive Industries Activities Mr. Fredrik Reinfeldt). Details of the EITI National

Secretariat staff and their contact details are here  
<http://eiti.geology.gov.kz/ru/homepage/natsionalnyj-sekretariat-ipdo>

It should be noted that the composition of the EITI National Secretariat has been updated since the beginning of this year. Literate, young, successful specialists with knowledge of Kazakh and English are attracted. The tasks, functions, rights and duties of the employees of the Department are specified in the REGULATIONS on Management and job descriptions, as well as in Annex 2 to the updated **MoU** dated October 9, 2013  
[http://eiti.geology.gov.kz/images/stories/IPDO/norm\\_baza/memorandum2013.pdf](http://eiti.geology.gov.kz/images/stories/IPDO/norm_baza/memorandum2013.pdf)

***Progress. In terms of measures to "ensure transparency in the oil and gas and mining sectors."***

In order to fulfill one of the main, new international EITI requirements for the disclosure of the ultimate beneficiary by the mining companies of the oil and gas and mining sectors, a Road Map was developed, agreed with all government agencies and stakeholders and approved by the NSC of RK (Protocol No. 63 of December 22, 2016) . Further published on the national EITI website in the required time frame <http://eiti.geology.gov.kz/ru/homepage/bo-roadmap> (until January 1, 2017). All work on the implementation of this requirement of the EITI Standard was coordinated by instructions from the Government of the Republic of Kazakhstan.

Kazakhstan has already begun work according to the Roadmap for disclosing beneficiaries. Coordination of the implementation of activities included in the Road Map is carried out by the Interdepartmental Working Group in accordance with the instructions of the Government of the Republic of Kazakhstan dated February 7 No. 17-30 / 4087 and the Order of the Minister for Investment and Development of the Republic of Kazakhstan J. Kasimböek dated February 3, 2017 No. 69.

According to the Work Plan, it is planned to create a register of subsoil users (requirement 2.5 of the EITI Standard 2016): refusing to disclose beneficiaries who voluntarily disclose and have open information about the beneficiaries. The activities of the Interagency Working Group are published on the National EITI Website <http://eiti.geology.gov.kz/ru/homepage/bo-roadmap>

***Progress. In terms of improving legislation.***

**Standards stipulated by the Codes of Subsoil and Subsoil Use in terms of the EITI**

1. Article 76 of the Subsoil and Subsoil Use Code clause 3. Subsoil users engaged in exploration and mining operations, with the exception of mining and exploration of common minerals, are required to submit to the competent authority the reports provided for by the standard of the Extractive Industries Transparency Initiative (hereinafter the EITI), confirmed by a person who is an auditor in accordance with the Law of the Republic of Kazakhstan “On Auditing Activities”.
2. Article 132 of the Code of Subsoil Use and Subsoil Use, paragraph 7) under a contract for the use of mineral resources for a hydrocarbon, a subsoil user is required to submit a report on the composition of persons and (or) organizations directly or indirectly controlling the subsoil user.
3. Article 180 of the Subsoil and Subsoil Use Code clause 11) under a contract for the extraction of uranium, the subsoil user is required to submit a report on the composition of persons and (or) organizations directly or indirectly controlling the subsoil user.
4. Article 195 of the Subsoil and Subsoil Use Code of paragraph 3) under a license for the exploration of solid minerals, the subsoil user is required to submit a report on the composition of persons and (or) organizations directly or indirectly controlling the subsoil user.

**In accordance with the work plan, the following main activities were identified:**

- **Increase the contribution of the extractive sector to regional development** - Verify / improve the management of public spending in terms of social payments from extractive companies to local budgets: disclosure of social payments, subnational transfers, subnational transfers. Ensure transparency of corporate social responsibility programs in the regions.

**Progress:** According to the instruction dated February 26, 2016 No. 874-1 on taking comprehensive measures to ensure transparency and assess the effectiveness of the use of social contributions by subsoil users, the following work was carried out.

According to the Order of the Minister of Economy and Budget Planning of the Republic of Kazakhstan dated July 17, 2014. No. 1999 “On Amendments and Addenda to the Order of the Minister of Economy and Budget Planning of the Republic of Kazakhstan dated March 13, 2013 No. 71“ Some Issues of the Unified Budget Classification of the Republic of Kazakhstan ”was added additionally **BCC**

## 206114“ Deduction of Subsoil Users for Social and Economic Development of the Region and Development of its Infrastructure ”.

All subsoil users in the framework of the fulfillment of obligations under contracts in part of this article transfer funds to BCC 206114, however, the conditions on contracts concluded prior to the introduction of this standard continue to apply.

In order to ensure uniform accounting of subsoil users' deductions for the social needs of the regions and further use by local executive bodies (hereinafter - LIB), within the framework of the Extractive Industries Transparency Initiative (EITI), the Ministry of Investment and Development of the Republic of Kazakhstan has developed a unified data format indicating recipient and source of funding (approved by the Protocol of the NSC RK No. 56 dated January 21, 2016). The formats of the submitted data in the form of Annex 3 to the EITI Report were entered into the Unified State Subsoil Management System of the Republic of Kazakhstan (hereinafter- USMS) for subsoil users, where they indicate where funds were transferred as part of a specific social project, programs according to earlier concluded Memoranda with Akimats, agreements social partnership online. EITI reports in terms of allocations to the BCC 206114 (Appendix 1) by company and in terms of allocations of funds for social development of regions (Appendix 3) are available online at the USMS <http://egsu.energo.gov.kz> in the “Published reports ”, Which ensured the transparency of expenditures on the social development of regions.

Expenditures on social development and local infrastructure under contractual obligations (LCU) with the exception of funds transferred to BCC 206114									
№	Region / city / district	Title of the document (agreement, memorandum, contract, social partnership, etc.)	Name of the event (project, program, social object)	Amount by condition (agreements, memorandums, contracts, social partnership, etc.) (thous. Tenge)	Actually transferred amount (thous. tenge)	Sent Objects			Recipient (organization / address / details)
						Name	Amount	Book value (thous. tenge)	
1									
2									
3									
etc.									
				total amount	total amount	total	total amount		

For akimats, where data are presented in the same format (Annex 3-1) with indication of the source of funding - a specific subsoil user.

Akimats, according to the TS (Annex 3-1), also provided information on the expenditure of funds from companies - subsoil users in the framework of memorandums, agreements, contracts, and social partnership.

**Progress.** As part of the production of the 12th national EITI reports for 2016, along with tax and non-tax payments, the Independent Administrator reconciled data of subsoil users on financing social programs (projects) in the regions with their further development by the Local administrative authorities. The reconciliation results were published on the National EITI Kazakhstan website in the "National Reports" section (Annex 3-2).

Also explanations for each discrepancy were published (Annex 13) <http://eiti.geology.gov.kz/ru/national-reports>. In the process of reconciliation, subsoil users submitted copies of supporting documents in the form of memorandums, contracts, and a general register of payment orders for all paid expenses to the Independent Administrator.

**The ALE "The Kazakhstan Association of organizations of oil and gas and energy complex" KAZENERGY "**

Representatives of the Association are members of the NSC RK, which represent the position of companies in the oil and gas industry.

Within the Association, there is a Working Group, at meetings of which issues of developing recommendations for improving management and increasing transparency of oil and gas companies are being discussed, analyzing legislation and preparing proposals for making changes and amendments to legislative acts, developing recommendations for increasing the effectiveness of the NSC of RK, and popularizing public importance. The Association and its members in the process of implementing the Initiative, as well as other relevant issues on the agenda.

The members of the Working Group are the largest transnational corporations (Shell, Total, ExxonMobil, Chevron and others) supporting the Initiative at the international level, as well as the largest national and private companies operating in the Republic of Kazakhstan.

During the reporting period, 3 meetings were held. During these meetings, the issue of beneficial ownership in the Republic of Kazakhstan was widely discussed. Representatives of the companies expressed universal support for the disclosure of BP, noted the high importance of a comprehensive discussion of this issue.



The meetings were attended by representatives of the EITI Secretariat in order to widely inform companies about their work.

Activities to promote the Initiative are also carried out within the framework of other multilateral groups, including the Coordination Council on Ecology, Social Responsibility and Transparency of the KAZENERGY Association.

In 2017, the 9th National EITI Conference was held as part of the XI Eurasian KAZENERGY Forum.

Representatives of the Association attend seminars and trainings, national and international conferences.

KAZENERGY Association pays special attention to informing members about the work being done. Information is regularly updated in the bulletin of the Association, electronic distribution among members is carried out, and the most important news is published on the website of the Association.

### **On the activities of the NGO Dialogue Platform for EITI Implementation in Kazakhstan**

The Dialogue Platform of NGO associations on the EITI (DP ONGO on the EITI) on April 13, 2017 conducted the election of the NSC members of the Republic of Kazakhstan from DP ONGO on the EITI.

As a result of the elections, the following representatives were chosen by members of the PDO EITI:

#### **The main composition of the NSC RK:**

Maria Lobacheva;

Sholpan Aytenova;

Bolat Turgunbaev

#### **Substitute composition (deputies):**

Zhibek Akhmetova;

Danila Bekturganov;

Aigul Dyusenova.

Pavel Lobachev was elected Moderator of DP ONPO under the EITI.

On May 20, 2018, regular elections of members of the NSC of the RK from DP ONGO on the EITI were held.

#### **The main composition of the NSCS RK:**

Sholpan Aytenova;

Danila Bekturganov;

Nadezhda Safonova

**Substitute composition (deputies):**

Zhibek Akhmetova;

Diana Medvednikova (Okremova);

Nina Erkaeva.

Maria Lobacheva was elected moderator of DP ONPO under the EITI.

**Participation in the preparation of the National Report for 2016 and the development of the Terms of Reference for the next report:**

After selecting a company that reconciles payments from extractive companies (independent administrator), civil society and other EITI parties have the opportunity to participate in the preparation of the National Report. A preliminary report collected by the company is sent to the reconciliation team, it analyzes it and sends suggestions and comments. The report for 2016 was adjusted several times, accepting comments and suggestions from the Working Group.

**In the work of the Working group on reconciliation in 2017 from the GO participated:**

NDPCO Coalition: N. Yantsen, M. Lobacheva, D. Bekturganov, N. Bikineeva, S. Ushakova

GAK: J. Akhmetova.

Independent expert: Sh. Aytenova

**The working group on reconciliation for the reporting year conducted the following work:**

Participation in the preparation of the 2016 National EITI Report. The group compared the draft report with the Terms of Reference, the EITI Standard. All comments and recommendations on the draft report were handled by the Independent Administrator. The working group on reconciliation recommended adopting the latest version of the report, and also formed a list of recommendations for inclusion in the additional comments to the Report and to the Terms of Reference.

Representatives of the working group participated in the EITI International Secretariat training on beneficial ownership, as well as in preparation for validation. During the training, together with representatives of the Working Group on preparation for validation, studied the comments of the International Secretariat, developed an Action Plan for the preparation of validation, namely, what needs to be improved so that Kazakhstan complies with the 2016 EITI Standard.

The working group developed recommendations for improving the National Report for 2016, some of which were included in the Terms of Reference for the Independent Administrator for the production of the National Report. Part of the recommendations was presented at the NSC RK meeting in February, the recommendations are reflected in the Action Plan on preparing for validation.

The work of the group was held in the format of individual work of the group members. Representatives of the group living in Almaty held several joint meetings. The results of both individual and teamwork were discussed by e-mail and Skype conferences. The group worked on a volunteer basis, the work of the group was not paid.

Representatives of two working groups: on reconciliation and on preparation for validation prepared comments on the draft national EITI report for 2015, so that the report is as close as possible to the EITI Standard.

The work in the working groups on validation, reconciliation, development of a roadmap on beneficial ownership, the development of the Technical Specification is carried out on a volunteer basis.

In April 2018, a working meeting of the NSC work groups on validation and reconciliation within the framework of the EITI implementation in Kazakhstan was held. During the meeting, issues on the implementation of corrective measures for the next 18 months (until August 13, 2019), given by the International EITI Board following validation on February 13, 2018, were discussed. They addressed international requirements of 1.4 EITI Standard 2016 on ensuring diverse and representative participation of civil society at the National Stakeholder Council (NSC) coordinating the implementation of the EITI in Kazakhstan; 2.3 requirements for the publication of license registries, as well as the date of award and the dates for their validity; Requirements 2.6 regarding the participation of the state and its subsidiaries involved in the exploration, extraction and transportation of mineral resources, disclosure of property rights, financial relations; 3.2 requirements for the cost of extracted mineral resources; 4.3 requirements for barter deals (swap agreements with Russia), quasi-fiscal expenditures of state enterprises, and others. The results of the meeting can be found on the National EITI website <http://eiti.geology.gov.kz/ru/about-us/conference>

## **EITI Events**

**On September 7, 2017**, the 9th National EITI Conference was held in Astana. At the conference, presentations were made by members of the NSC from the NGOs Sh. Aytenov and M. Lobachev. Reports published on the EITI website <http://eiti.geology.gov.kz/ru/about-us/conference/229-20170907-conf>

**September 25 - 28, 2017** in the city of Aktau, a meeting of the Publish What You Pay global movement took place with representatives of civil society from Kazakhstan, Kyrgyzstan, Azerbaijan, Tajikistan, Ukraine, Armenia and Kosovo. Among the topics discussed at the meeting were problems of transparency of payments by subsoil users in Eurasia, Ukraine's experience in implementing Beneficiary Law, a strategy to protect activists, a Publish What You Pay chain of changes, and a link to the EITI. <http://www.publishwhatyoupay.org/en/pwyp-news/%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D0%BA%D1%83%D0%B9-%D1%87%D1%82%D0%BE-%D0%BF%D0%BB%D0%B0%D1%82%D0%B8%D1%88%D1%8C-%D0%B5%D0%B2%D1%80%D0%B0%D0%B7%D0%B8%D1%8F-%D0%BA%D0%BE%D0%BC%D0%BC%D1%8E%D0%BD/>

**On October 25, 2017**, consultations on EBRD Strategy in the mining sector took place in Almaty, where NGO representatives voiced their recommendations: <http://www.echo.kz/109-konsultatsii-po-gornorudnoj-strategii-ebrr.html>

**November 29 - December 1, 2017** in Almaty, the first training on beneficial ownership was held, organized by the EITI International Secretariat, link to the training:

<https://www.facebook.com/photo.php?fbid=1724953560882707&set=a.1306084409436293.1073741827.1000042407522&type=3&theater>

**From February 20 to February 22, 2018**, the second beneficial ownership training was organized in the city of Aktau, organized by the EITI International Secretariat, with the participation of 19 NGO representatives from different regions of the country.

### ***NGO activities under the EITI***

As part of the work of the reconciliation working group in 2017, more than 10 working meetings were held, at which the results of the work of the group were discussed and recommendations for an independent operator were developed. <http://www.echo.kz/108-aktivisty-obsudili-proekt-otcheta-ipdo.html>

In 2017-18 INMIR PF implemented the project "Through accessible information about the EITI to public discussions". In the project, the following experts acted as experts: Maria Lobacheva, NGO Echo, Almaty, member of the NSCS; Tatyana Sedova, EITI Expert, Almaty; Natalia Yantsen, Center for the Formation of Tax Culture, Almaty; Sergey Gulyaev, PF "Desenta", Pavlodar. In the regions, the project was supported by PF "TsRMS" Oleg Chernyshov and Nadezhda Safonova, Ust-Kamenogorsk; AYAL "GAMO" Zhibek Akhmetova, Aktau, member of the NSC; International Media Journalism Center Igor Bratsev, Almaty; Legal Media Center Diana Medvednikova ( Okremova), Astana. Within

the framework of the project, Public discussions were held in three areas: February 16, 2018, East Kazakhstan, Ust-Kamenogorsk; February 22, 2018, Mangistau Oblast, Aktau; March 1, 2018, Astana. [Http: //socialinvestmentskz.tilda.ws](http://socialinvestmentskz.tilda.ws)

From July to December 2017, NSC Member Maria Lobacheva carried out an individual project “Consulting services on the transfer of knowledge to Kazakhstan EITI participants from civil society on topical issues of transparency and accountability of state administration in the extractive sector”. Within the project, practical exercises were conducted on the analysis of the draft National EITI Report, including the analysis of the contextual part and the analysis of payment reconciliation. The result of the practical exercises were jointly developed recommendations to an independent auditor, the EITI national secretariat, the Ministry of Finance. All recommendations are included in the text of the National Report. In total, 6 practical classes on the preparation of the National Report and 2 classes on the development of the Terms of Reference were held.

In March-May 2018, Maria Lobacheva, NGO Echo, held a series of meetings with NGOs from various regions of Kazakhstan on EITI issues, including individual consultations on reading EITI Report data and using data in professional activities. In March-May 2018, Maria Lobacheva, Echo NGO, held a series of meetings with NGOs from various regions of Kazakhstan on EITI issues, including one-on-one consultations on reading EITI Report data and using data in professional activities.

March 29 - April 5, 2018, a training course “Natural Resource Governance Decision Chain” was held in Baku, organized by Eurasia Hub, in which member of the NSCS Bekturganov Danila took part. During the training, a number of presentations were made on the implementation of the EITI in Kazakhstan, on the achievements and problems of the implementation of the EITI, for 30 students from Kyrgyzstan, Azerbaijan, Ukraine, Tajikistan, Mongolia and Kazakhstan [http://eurasiahub.khazar.org/?option=view\\_statti&id\\_statti = 54 & id\\_cat = 1](http://eurasiahub.khazar.org/?option=view_statti&id_statti = 54 & id_cat = 1)

### **NGO projects to promote the EITI in Kazakhstan**

#### **3. Performance appraisal versus EITI requirements**

Evaluation of the requirements fulfilled is of a general holistic nature. During validation by the International EITI Board, recommendations were made to improve the quality of reports and data coverage.

It should be noted that this Report on the progress of the implementation of the EITI in Kazakhstan is more perfect compared to the Reports of previous years, as compiled in accordance with Guideline 5 - Requirements 7.4 and 8.4 on the preparation and content of the Annual Progress Reports submitted by the

International EITI Secretariat and taking into account EITI Secretariat, members of the NSC of the RK and the NSC Working Groups of the RK. Prior to publication, EITI reports are discussed by the NSC of the RK and further approved, taking into account adjustments according to the comments of the NSC of the RK, the NSC working groups of the RK and other stakeholders.

<b>Requirements</b>	<b>Progress:</b>
<p>Requirement 1: Control by a multi-stakeholder group (hereinafter - the NSC RK)</p>	<p>The work of the NSC RK is highlighted on the National EITI website <a href="http://eiti.geology.gov.kz/ru/the-national-council">http://eiti.geology.gov.kz/ru/the-national-council</a></p> <p>For the period 2017–2018 (until July), 11 meetings of the NSC of RK were held, of which 6 were held in the form of electronic voting. The regulations of the NSC RK are set forth in Annex 1 to the updated MU dated October 9, 2013, which has been amended in terms of the work review of the NSC RK, its composition, responsibilities, powers, meetings, review and decision procedures (approved by the NSC RK Protocol No. 67 dated June 15, 2017).</p>
<p>Requirement 2: Legal and regulatory frameworks, including the allocation of contracts and licenses</p>	<p>Information on the register of subsurface use contracts of all companies, and not only those participating in the EITI, indicating the type and number of contracts, validity, licensor, status is available on the website of the Committee of Geology and Subsoil Use of the MID of the RK:</p> <p>The list of hydrocarbons as of 01.01.2018 <a href="http://geology.gov.kz/ru/presstsentr/informatsiya/nedropolzovatel-i-respubliki-kazakhstan/category/uglevodorodnoe-syre-2">http://geology.gov.kz/ru/presstsentr/informatsiya/nedropolzovatel-i-respubliki-kazakhstan/category/uglevodorodnoe-syre-2</a></p> <p>The list of solid minerals on 01.01.2018 year. <a href="http://geology.gov.kz/ru/presstsentr/informatsiya/nedropolzovatel-i-respubliki-kazakhstan/category/tverdye-poleznye-iskopaemye-2">http://geology.gov.kz/ru/presstsentr/informatsiya/nedropolzovatel-i-respubliki-kazakhstan/category/tverdye-poleznye-iskopaemye-2</a></p> <p>It should be noted that one company may enter into several contracts, and one contract may also have the right to use subsoil for several objects.</p> <p>After selecting the appropriate list, information is available about the name of the company - the subsoil user, the address, the manager, the year of creation, the main type of activity and the subsoil use object by clicking on a specific object. The window below will be displayed. Thus, you can choose any company of interest - the subsoil user and get acquainted with the information.</p> <p>An interactive map is available on the website of the Committee for Geology and Subsoil Use of MID RK <a href="https://gis.geology.gov.kz/geo/">https://gis.geology.gov.kz/geo/</a>.</p> <p>The map contains information about the occupied / free contract territories, it is possible to search for contracts by types of minerals, by the subsoil user. For each site there is data that includes the contract number, type of activity, type of mineral, data on the subsoil user, as well as its details.</p>

According to the Decree of the Government of the Republic of Kazakhstan of September 19, 2014 No. 994 "Questions of the Ministry of Energy of the Republic of Kazakhstan", the Ministry of Energy of the Republic of Kazakhstan is the competent authority for contracts for exploration, production and combined exploration and production of hydrocarbon minerals, uranium and coal;

According to the Decree of the Government of the Republic of Kazakhstan dated September 23, 2014 No. 995 "Some issues of the Ministry of Investment and Development of the Republic of Kazakhstan" by the competent authority on contracts for exploration, production and combined exploration and production of groundwater and therapeutic mud and solid minerals, except for uranium and coal is the MID of RK.

Legislative regulation of issues of subsoil use for all types of minerals is carried out in accordance with the "Code on Subsoil and Subsoil Use" and other regulatory acts  
[http://egsu.energo.gov.kz/webapp/pages/administration/regulatory\\_docs.jsf](http://egsu.energo.gov.kz/webapp/pages/administration/regulatory_docs.jsf)

The list of objects to be granted the right to use subsoil for auction is published on the MID RK website <http://dep-nedra.mid.gov.kz/ru/pages/izveshchenie-ministerstvo-po-investiciyam-i-razvitiyu-respubliki-kazahstan-kak-kompetentnyy-1>, which indicates the time, place, deadline for submission of the application, the conditions of the auction, the object being displayed.

The list of objects for obtaining the right to use subsoil in a simplified manner is published on the MIR RK website <http://dep-nedra.mid.gov.kz/ru/kategorii/perechen-slaboizuchennyh-uchastkov-nedr-po-kotorym-pravonepropolzovaniya>

Results of the competition for the Ministry of Investment and Development of the Republic of Kazakhstan on the website of the Ministry of Investment and Development of the Republic of Kazakhstan <http://dep-nedra.mid.gov.kz/ru/pages/itogi-konkursa-v-vide-aukciona-na-poluchenie-pravonepropolzovaniya>

The announcement of the competition and the results of the competition for the Ministry of Energy of Kazakhstan on the website of the Ministry of Energy of Kazakhstan <http://energo.gov.kz/index.php?id=2952>

The work is being carried out according to the Road Map (hereinafter- "RM") on disclosing the beneficiaries. Coordination of the implementation of activities included in the Road Map is carried out by the Interdepartmental Working Group pursuant to the instructions of the Government of the Republic of Kazakhstan

	<p>dated February 7 No. 17-30 / 4087 and the Order of the Minister for Investment and Development of the Republic of Kazakhstan J. KasimbeK dated February 3, 2017 No. 69. Regarding the Requirements for Disclosing Contracts discussed at the meeting of the NSCS RK (Minutes No. 67 dated June 15, 2017)</p> <p>At a meeting on May 31 at the Kazenergy Association site, representatives of oil and gas and mining companies with the Head of the International Secretariat Jonos Moberg and Regional Manager for Eastern Europe, the Caucasus and Central Asia Olia Va-Ligury discussed the key international requirements of the EITI Standard. disclosure of final beneficiaries and contracts. In general, companies support these requirements, taking into account non-violation of the country's legislation on confidentiality of information. In addition, under the SPA, competition among partners may be raised. The EITI International Secretariat has announced that research has been conducted on this issue, which they will provide for review.</p> <p>On contract transparency, it was proposed to develop a single format for the data to be disclosed under the EITI, as well as in other countries. To improve the management of revenues and the use of revenues from the extractive sector (requirements of 3.7 (c)) - publish information on the investments of the National Fund, including in support of business within the country.</p>
<p>Requirement 3: Exploration and Production</p>	<p>This information is published in the 12th National EITI Report for 2016 (pp.77-82) <a href="http://eiti.geology.gov.kz/ru/national-reports">http://eiti.geology.gov.kz/ru/national-reports</a></p> <p>The level of geological exploration by countries (Fig. 11), the forecast of costs for geological exploration for the period up to 2020 (Fig. 12), the results of geological exploration of oil and gas fields KMG "Kazmunaigaz" and the increase in reserves by fields, including the newly discovered and Program their development with investors. In the mining sector of JSC NGK Tau-Ken Samruk, the main objects of the Company's geological exploration are gold and copper deposits.</p>
<p>Requirement 4: Revenue Collection</p>	<p>Infrastructure and barter (requirement 4.3).</p> <p>For barter deals, the government and the NSC should establish the significance and applicability of barter deals, i.e., establish whether a full or partial exchange of oil, gas and mineral resources for any goods or services occurs. This should include an assessment of whether any bilateral swap agreements with Russia can be regarded as a barter deal.</p> <p>The EITI National Secretariat made requests to the Ministry of Energy and the Ministry of Investment and Development of the Republic of Kazakhstan to provide this information, and to use open sources of information.</p>



	<p>The National Secretariat took part in a webinar on contract disclosure organized by the EITI International Secretariat on May 19, 2017, which was attended by representatives of several EITI implementing countries with a different spectrum of experience in meeting the requirement 2.4 of the EITI Standard “Contracts”. Issues related to the disclosure of documents containing the interests of society, some of which have already been disclosed in Kazakhstan, were discussed, for example: fiscal conditions, including taxes and royalties; employee health and safety; social obligations, including infrastructure, local content. It was announced what should be disclosed: the main contract (license, permit); other documents containing the rights and obligations of companies of interest to the company; applications, supplements, documents; laws and regulations.</p> <p>On the disclosure of contracts, the NSC of RK was discussed (Protocol No. 67 dated June 15, 2017) <a href="http://eiti.geology.gov.kz/ru/the-national-council">http://eiti.geology.gov.kz/ru/the-national-council</a>.</p> <p>4.4 Transportation revenue. This information is published in the 12th National EITI Report for 2016 (pp.85-92). Transportation of oil by the sea fleet (table 8), main gas pipelines of Kazakhstan (table 9), rail freight traffic of general use (table 10), transportation of goods by regions (table 11), rolling stock of railway transport (table 11), taxes of KazTransOil JSC »In 2016 (table 12). The volumes of gas transportation, the scheme of gas pipelines, as well as projects for the development of gas pipelines.</p>
<p>Requirement 5: Income Distribution</p>	<p>This information is published in the 12th National EITI Report for 2016 (pp. 148 - 156)</p> <p>Expenditures of the republican budget are intended for the implementation of nationwide directions of state policy, as well as financial support for the tasks and functions of the central state bodies, state institutions subordinated to them (for example, the Government of the Republic of Kazakhstan and the Ministry, Parliament, the Supreme Court .). The adoption of the republican budget is accompanied by the approval of the Law. The budget process can be found on the website of the Ministry of Finance of the Republic of Kazakhstan –</p> <p><a href="http://www.minfin.gov.kz/irj/portal/anonymous?NavigationTarget=ROLES://portal_content/mf/kz.ecc.roles/kz.ecc_anonymous/kz.ecc.anonymous/kz.ecc.anonym_budgeting/budgeting/process_fldr">http://www.minfin.gov.kz/irj/portal/anonymous?NavigationTarget=ROLES://portal_content/mf/kz.ecc.roles/kz.ecc_anonymous/kz.ecc.anonymous/kz.ecc.anonym_budgeting/budgeting/process_fldr</a></p>
<p>Requirement 6: Social and Economic Costs</p>	<p>Social investment (requirement 6.1) In accordance with requirement 6.1, the NSC should clarify the different types of existing mandatory social expenditures and ensure that all significant social expenditures are considered in the next EITI</p>

	<p>Report.</p> <p>In 2017, as part of the production of the 12th National EITI Report for 2016, along with tax and non-tax payments, the Independent Consultant conducted a reconciliation of data of subsoil users to finance social activities (projects, programs, social facilities, to the balance of local executive bodies (hereinafter- LEB)) in the regions with their further development of LEB within the framework of agreements, memorandums, contracts, social partnership, etc. (<a href="http://eiti.geology.gov.kz/ru/national-reports">http://eiti.geology.gov.kz/ru/national-reports</a>).</p> <p>The 13th National Report will include information on all types of existing social expenditures, as per contractual obligations (based on LCT and EITI reports), as well as significant expenses of the Samruk-Kazyna-Trust Social Projects Development Fund. It should be noted that national companies do not make social investments, all projects are carried out through the above-mentioned Fund</p> <p><a href="http://sk-trust.kz/storage/50/508d790fefad73fe859dc9c9489d49b4.pdf">http://sk-trust.kz/storage/50/508d790fefad73fe859dc9c9489d49b4.pdf</a>.</p> <p>On the contribution of the extractive sector (requirement 6.3). The 12th National EITI Report for 2016 (pp. 19-22) contains information from the Committee on Statistics. According to their data, the volume of mining and quarrying in 2016 amounted to 49.4% of the total industrial output (of which 77.6% is crude oil and 10.5% is metal ore). For comparison, in 2015 the volume was 50.4%, in 2014 - 59.7%, and in 2013 - 59.9% (for more information in absolute values, see <a href="http://www.stat.gov.kz">www.stat.gov.kz</a>. The dynamics of the main socio-economic indicators.</p> <p>About quasi-fiscal expenditures (requirement 6.2) - pp. 123-139. Information on quasi-fiscal expenditures is described in the 12th National EITI Report for 2016.</p> <p>The group of companies of Samruk-Kazyna NWF includes enterprises of the oil and gas and transport and logistics sectors, the chemical and nuclear industry, the mining and metallurgical complex, energy, engineering and real estate - a total of 545 companies (332 subsidiaries).</p> <p>The rating of transparency of large national companies (Fig. 22), ownership structure of subsidiaries of national companies, statistics on the privatization of assets of national holdings and national companies in the framework of the Comprehensive Privatization Plan as of 20.06.2017 is given, a list of major subsidiaries and dependent organizations of NC KMG JSC is given proposed to be transferred to the competitive environment as a priority.</p>
Requirement 7: Results and	A new popular version of the EITI report was made, which is of a graphical and analytical nature, which reflects the history of EITI

Implications	<p>implementation in the country, the dynamics of payments over the past 5 years, the share of the mining and oil and gas sectors, income distribution by region, social investments, basic macroeconomic indicators <a href="http://eiti.geology.gov.kz/ru/national-reports">http://eiti.geology.gov.kz/ru/national-reports</a>.</p> <p>The Administration of the President of the Republic of Kazakhstan instructed Akimats to conduct annual hearings of reports on the expenditure of funds for social projects with the involvement of government agencies, non-governmental organizations (hereinafter- NPO), mining companies, interested parties and the media (hereinafter –MED). The result of these activities was the hearing of reports by regional akimats on the expenditure of funds for social programs from all sources of funding, including from the local budget, where companies transfer funds as part of contractual obligations. This information is published on the National EITI website in the “Press Center” section <a href="http://eiti.geology.gov.kz/ru/about-us/meetings-in-akimats">http://eiti.geology.gov.kz/ru/about-us/meetings-in-akimats</a></p>
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**4. Brief description of the multi-stakeholder response to the recommendations of the validation process (if applicable):**

<b>Recommendations of the EITI International Board on the results of validation 2017</b>	<b>Responsiveness</b>
<p>In accordance with requirement 1.4 for the management of the NSC, civil society must agree on a process for ensuring the diverse and representative participation of civil society in the National Council of Stakeholders. The invitation to participate in the work of the NSC should be open, transparent and independent. Civil society members of the NSC should also ensure that their sources of funding and affiliation are transparent.</p>	<p>The NGO Party will prepare a document with the mechanism for submitting candidates from the non-governmental sector to the NSC, in accordance with requirement 1.4. It was also decided to place an announcement on the EITI National website with an invitation to participate in the re-election of members and their deputies to the NSC from civil society, indicating the dates of commencement and completion of this process. Prepare and send a letter to the Ministry of Religious Affairs and Civil Society of the Republic of Kazakhstan with a view to possible consideration of the issue of funding to ensure participation and work in the NSC in the framework of government social orders, grants and other sources that form the fund.</p>
<p>In accordance with requirement 2.3 of license registries, the government should publish the filing date of applications for licenses and contracts, as well as</p>	<p>Article 77 of the Subsoil Code provides access to information on licenses and contracts for subsoil use:</p> <ol style="list-style-type: none"> <li>1. The state body granting the right to use subsoil provides open access to information on the</li> </ol>

<p>the date of award and the duration of licenses and contracts, ideally in the online license register.</p>	<p>granted rights to use subsoil.  2. Information on the right of subsoil use, taking into account the type of subsoil use operations, must contain the following information:  1) on the content of the issued license and the concluded subsurface use contract;  2) persons and organizations controlling the subsoil user, etc.</p>
<p>In accordance with requirement 2.6 on state participation, the government should involve the PI in the EITI process and ensure that future EITI Reports fully:  Contained lists of all <b>SOEs</b> and all subsidiaries involved in the exploration, pre-bycha or transportation of oil, gas and mineral resources. For each of these <b>SOEs</b> and subsidiaries, all property rights in oil and gas and mining assets, and any changes in property rights held during the fiscal year, and the conditions and estimates relating to such changes in property rights should be disclosed. The terms of the package of shares of the respective <b>GP</b> and / or subsidiary in each of their projects should also be transparent.  Described the rules and practices regarding the financial relationship between each <b>SOEs</b> and / or subsidiary and the government, for example, the rules and practices for transferring funds between <b>SOEs</b> / <b>GPs</b> subsidiary and the state, retaining earned funds, reinvestment and third-party funding . This description may also include other benefits, such as, for example, preemptive rights for licenses and contracts, etc.  Contained detailed data on</p>	<p>When producing the 13th National Report for 2017, use the recommendation stated in the 12th National Report for 2016.  3) The NSC for inclusion in the TS on the production of a report to determine 1-3 key topics for study in the contextual part, in order to subsequently initiate public debate.  Consider the above requirement as the key one and describe it to the maximum extent possible in the contextual part of the National Report. Use references, conduct analysis taking into account criticism, existing legislation, problematic issues, obstacles, focus on the rules and practices of financial transfers, describe the procedure for exercising state priority right in accordance with the norms of the Code on Subsoil and Subsoil Use, etc.</p>

<p>all loans and credit guarantees provided by the government and SOEs to any private companies or subsidiaries or affiliates engaged in the extraction of oil, gas and mining.</p>	
<p>In accordance with requirement 3.2, with respect to data on mining volumes, the government should disclose the value of the extracted mineral resources and metals.</p>	<p>On this issue, use the information resources of departmental reporting on the extraction of mineral resources and their value according to LME and other open sources.</p>
<p>In accordance with requirement 4.3 for barter transactions, the government and the NSC should establish the significance and applicability of barter transactions, i.e., determine whether there is a full or partial exchange of oil, gas and mineral resources for any goods or services. This should include an assessment of whether any bilateral agreements on spies with Russia can be regarded as a barter deal.</p>	<p>The EITI National Secretariat made requests to the Ministry of Energy and the Ministry of Investment and Development of the Republic of Kazakhstan to provide this information, open sources will also be used for inclusion in the 13th National Report for 2017.</p>
<p>In accordance with requirement 4.4 for transportation, the government and the NSC must strengthen their plans to overcome obstacles to full transparency of revenues from the transportation of oil, gas and mineral resources in the country, including through more direct interaction with transport companies</p>	<p>The relevant national companies (KazTransoil, KazTransgaz and KTZh) have already provided the required information for inclusion in the 13th National Report for 2017.</p>
<p>In accordance with requirement 4.9 and the standard Terms of Reference for Independent Administrators, the NSC should ensure that the preparation of future EITI Reports includes the development of an initial report. The NSC should also ensure that the Independent Administrator</p>	<p>After the selection of an Independent Administrator for the production of the Report, the task for the preliminary analysis and approach to validating the data, the plan for preparing the Report, according to the TS and other possible additional measures will be submitted. In doing so, use the guide for the initial report of the EITI International Secretariat, posted on the official EITI international website</p>

<p>analyzes the prevailing practice of auditing and accounting in government bodies and that the approach to validating data for government bodies is reflected in the initial report. Alternatively, the NSC is encouraged to explore opportunities for a full transition to an integrated implementation.</p>	<p><a href="https://eiti.org/ru/guidance-notes-standard-terms-of-reference">https://eiti.org/ru/guidance-notes-standard-terms-of-reference</a>. Tangent integration will be discussed at the NSC.</p>
<p>In accordance with requirement 6.1, the NSC should clarify the different types of existing mandatory social expenditures and ensure that all significant social expenditures are considered in the next EITI Report.</p>	<p>The 13th National Report will include information on all types of existing social expenditures, as per contractual obligations (based on LCT and EITI reports), as well as significant expenses of the Samruk-Kazyna-Trust Social Projects Development Fund. It should be noted that national companies do not make social investments, all projects are carried out through the above-mentioned Fund.</p>
<p>In accordance with requirement 6.2, the government and the NSC should ensure that <b>SOEs</b> disclose all significant quasi-fiscal costs. Quasi-fiscal expenditures include agreements through which the <b>GP</b> undertakes to carry out government social expenditures, such as payments for social services, public infrastructure, fuel subsidies, public debt service, etc., in addition to the national budget process. The multi-stakeholder group should develop a reporting process to achieve a level of transparency commensurate with the transparency of other payments and revenue streams, and should include subsidiaries and joint ventures of <b>SOEs</b></p>	<p>A working group on reconciliation, together with the EITI National Secretariat, developed a form of a report on quasi-fiscal expenditures for national companies, including subsidiaries with a 100% state share and having a state share in ownership, and entered into the USMS system.</p>
<p>In accordance with requirement 7.4, the NSC should ensure that the next annual progress report includes an assessment of the impact of the implementation of the work plan and other EITI</p>	<p>1) Include in the Work Plan (hereinafter WP) a webinar (seminar) for the Civil Society (hereinafter -“Civil Defense”) regarding changes in the legislation on subsoil use, taking into account the conceptual norms of the Code on Subsoil and Subsoil Use, including transitional</p>

<p>activities. In addition, the NSC should ensure that the preparation of the annual progress report provides an opportunity for wider stakeholders to provide feedback and background information for the EITI process in Kazakhstan</p>	<p>period - fiscal regime, as well as EITI standards.  2) to include in the WP an initiative to initiate an interdepartmental platform for sharing experience of state interaction with civil society in terms of increasing transparency and accountability in the framework of the EITI implementation, as well as work and participation in the NSC from civil society.  3) to initiate public discussions on the discussion of national reports and the implementation of the EITI in general in Kazakhstan - the current state, prospects, obstacles live, through the involvement of TV channels, for example, in the “Boldgerd - industry” program, on the site of NPP Atameken and others.</p>
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**The main recommendations of the Independent Administrator and the WG NSC on the reconciliation of the production of the 12th National EITI Report for 2016.**

<p>Use reports from previous years (if the situation has not changed, it is enough to give a link to the report of the previous year and not to duplicate the existing analytics, charts, etc., in the new report until the information contained in them is out of date).</p>	<p>When producing the 13th National Report for 2017, this recommendation will be taken into account.</p>
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<p>The NSC for inclusion in the report on the production of a report to determine 1-3 key topics for study in the contextual part, in order to subsequently initiate public discussions.</p>	<p>In preparing the contextual part of the 13th National EITI Report for 2017, an analyst will be made in terms of the information provided in accordance with the new form on quasi-fiscal expenditures, which will be one of the key topics. In addition, attention will be focused on the subject of open data and their synchronization with the required data in the EITI Report in accordance with the international requirements of the EITI Standard</p>
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<p>NSC to include in the TS for the preparation of the Report a separate appendix on the data of reconciliation of quasi-public sector enterprises</p>	<p>A new form has been developed - an appendix to the EITI Report on quasi-fiscal expenditures for national companies with a 100% state share, as well as subsidiaries with a state share</p>
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<p>The NSC should include in the TS and instructions for filling in the reports that Payers with trust management of subsoil use should include taxes and</p>	<p>The USMS portal <a href="http://egsu.energo.gov.kz/webapp/pages/home.jsf">http://egsu.energo.gov.kz/webapp/pages/home.jsf</a> has a Methodological Guide for the EITI Report, which companies submit online for the Independent Administrator to reconcile data on</p>
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<p>payments in the EITI report as part of the trust management</p>	<p>revenues (according to the Ministry of Finance ). Section 1 of the General Provisions is specified in clause 8. Payers who have trust management of subsoil use should include in the Report 1. payments on taxes and payments in the framework of the activities of trust management.</p>
<p>When preparing the list of companies for reconciliation, the MID of the Republic of Kazakhstan (the Secretariat) should take into account changes in legal status when transferring subsoil use rights to another legal entity, reorganization, liquidation, terminated contracts, etc. at the time of the compilation of the list with its subsequent adjustment with such changes during the year.</p>	<p>The synchronization of databases of the Committee of Geology and Subsoil Use of the MID of the RK and the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan on the BIC of existing companies as of 01.01.2018</p>
<p>Competent and authorized state bodies to take measures to improve the quality of submission of reports in terms of reflecting indicators on social expenditures, taking into account data synchronization in the annual reports of LCT and EITI, both in terms of total expenditures and those listed in BCC 206114. Secretariat The EITI RK in order to reduce the difference in Annex 3-2 "Summary Report on Social Development and Local Infrastructure Expenditures, with the exception of funds transferred to BCC 206114" to Form 3-1 for akimats, it is necessary to clarify that yoke do not include data on the BCC 206114.</p>	<p>When producing the 13th National Report for 2017, this recommendation will be taken into account. Akimats were given an explanation that the requested form for expenditures for social events is NOT including data on BCC 206114.</p>
<p>In preparing the TS for the next EITI Report for 2017, determine the list of information data that most fully disclose the contract (including PSA and barter</p>	<p>When producing the 13th National Report for 2017, this recommendation will be taken into account taking into account the norms of the Subsoil and Subsoil Use Code.</p>



transactions) conditions and their implementation according to the current legislation on companies subject to reconciliation.	
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*The government and the National Stakeholder Council are encouraged to consider other recommendations contained in the Validator’s Report and the initial assessment of the International Secretariat, and to document the NSC’s response to these recommendations in the next annual progress report. For example, when considering additional changes to laws affecting civil society, and in their practice of implementing these laws, the government should take care to ensure that such measures do not affect the ability of civilians to effectively participate in the EITI. The NSC is also encouraged to continue its work on management issues related to environmental payments. In particular, there is concern that payments for environmental restoration and environmental fines are not spent on improving the quality of the environment, as it is supposed to, but on other budgetary needs. A higher level of transparency in these transactions is desirable, especially in terms of tracking payment and receiving environmental fees and fines, as well as transparency in the expenditure of funds intended to restore the environment through the EITI.*

## **5. Strengths and weaknesses identified during the EITI implementation process**

A description of the weaknesses identified in the EITI process and actions to address them.

### **Strengths:**

- Inclusion in the New Subsoil Code and the use of norms for the further successful implementation of the EITI in the country [https://online.zakon.kz/document/?doc\\_id=31764592](https://online.zakon.kz/document/?doc_id=31764592). The key standards in implementing the EITI requirements were the submission of EITI reporting by companies in the oil and gas and mining sectors, stipulated by the EITI Standard confirmed by a person who is an auditor in accordance with the Law of the Republic of Kazakhstan “On Auditing” (article 76, paragraph 3), as well as reporting on the composition of persons directly or indirectly controlling the subsoil user (articles 132, 180 and 192, paragraphs 7.11 and 3, respectively, for hydrocarbons, uranium and solid minerals).
- Development of a reporting form on the composition of persons directly or indirectly controlling the subsoil user based on the international standard form template used in other countries. Strengthening it with a regulatory

legal act in order to implement the norms of the Code on Subsoil and Subsoil Use of the Republic of Kazakhstan.

- Providing subsoil users with EITI reporting through the EGSU Internet portal on the Internet and its availability to all interested parties and to anyone who wishes <http://egsu.energo.gov.kz/webapp/pages/home.jsf>. When you click on the EITI window, the main page opens final reports on taxes and other obligatory payments (for any payer with the distribution of revenues to the National Fund, republican and local budgets); dividends from the state share in the ownership of companies; on social expenditures with specific projects, programs, except for funds transferred to the local budget and goods, works and services directed to the sphere of education, on quasi-fiscal expenditures of state enterprises and with their participation (new form).
- Timeliness of issuing annual national EITI reports, including in the reports links to official websites of open data of companies and government agencies, where you can get acquainted with the necessary information in real time.
- The contextual part of the 12th National EITI Report for 2016 has been significantly improved compared to previous reports in a structural, qualitative and substantive way. A large amount of analytical information was included, taking into account the dynamics of past years in accordance with the required information for disclosing in accordance with the international requirements of the EITI Standard, the graphic material was improved, comments and recommendations of the Working Group on Verification and the EITI International Secretariat were taken into account.
- A new, popular version of the 2016 EITI Report was produced.
- Financing of the activities of the National EITI Secretariat from the republican budget in the structure of the state body of the RCGE “Kazgeoinform” of the Committee of Geology and Subsoil Use of the Ministry of Investment and Development of the Republic of Kazakhstan.
- Holding annual National Conferences on the EITI within the framework of the annual forums of the KazEnergy Association and with the financial support of international organizations (FGC, OSCE, GIZ, World Bank) in

terms of logistics for NGO participation, circulation of popular versions of national EITI reports, promotional materials, translation services and etc.

- The presence of the official National EITI website and its maintenance on an ongoing basis, the location of all activities carried out within the framework of the EITI implementation, there is feedback.

**Weak sides:**

- At the Global Conference in 2016 in Peru (Lima), the International EITI Board decided that, starting in 2017, each country implementing the EITI Standard should contribute an annual amount of at least \$ 10,000 to the activities of the International EITI Board. This issue was previously worked out, namely: it was submitted for consideration to the Prime Minister of the Republic of Kazakhstan, Masimov K.K. and an order was given to state bodies to fully consider and make proposals. As a result, the opinion of the Ministry of Finance of the Republic of Kazakhstan on the absence of a regulatory act regulating relations between the Government of the Republic of Kazakhstan and the EITI, as an international organization, was received. In this regard, the issue of payment of contributions from the state budget before the relevant decision is not possible.

The National Stakeholder Council (Protocol No. 65 of February 28, 2017) decided to contact the donor organizations with this issue. With this question, a letter was sent to Soros Foundation of Kazakhstan (hereinafter referred to as FGC) with a corresponding appeal from the Head of the International Secretariat Jonas Moberg about the need to make contributions. However, unfortunately, a response was received that FGC has always supported and continues to promote research and training activities for the effective participation of civil society in the implementation of the EITI. At the same time, co-financing of membership fees goes beyond their mission and capabilities. This issue was discussed at the NSCS (Protocol No. 73 dated May 31, 2018). The NSC supported the appeal of the issue with official appeals to the Association of Energy and AMME.

## **6. Total implementation costs**

Funding for the production of national reports is carried out from the Republican budget for sub-program 100 in the amount of 11,760 thousand tenge annually (budget request until 2019 inclusive). On a competitive basis, in accordance with public procurement legislation, an Independent Administrator is engaged to provide services for the preparation of national EITI reports.

**Information on donors** is posted on the National EITI RK website. <http://eiti.geology.gov.kz/ru/homepage/donor-support>.

## **7. Other additional comments**

*Additional actions that were not foreseen in the work plan, but contributed to the achievement of broader goals.*

The National Council <http://eiti.geology.gov.kz/ru/the-national-council> (Protocol of the NSCC of the Republic of Kazakhstan No. 65 of February 28, 2017) discussed the priority areas related to the state policy on open data. Open EITI data can increase the transparency of government and business actions, as well as raise awareness of how a country's natural resources are used, and how taxes and revenues from extractive industries are spent. That provides a serious incentive for the efficient use of these funds. Open data helps to ensure accountability and good governance, increases public debate and helps fight corruption.

The objectives of open data: promoting transparency, data availability, public debate, eliminating corruption.

### Implementing open data policy

- Publication of reports on the official EITI Kazakhstan website, as well as on the international EITI website.
- Wide distribution of the popular version in print form in 3 languages (state, Russian and English).
- Compliance with current EITI standards
- Striving for increased transparency

The country has an official portal of the Republic of Kazakhstan open data: <http://egov.kz/cms/ru>

The portal contains open data on central government agencies, local executive bodies and other organizations, you can also select information by category, open budgets, normative and legal acts are published, you can work in the “open dialogue” mode (participate in discussions, submit a request, take a survey).

The open data portal provides the opportunity to work with a wide range of open data. For example, for the Ministry of Energy - local content by company, production volumes, reports on environmental protection, etc. On the NGS website - information on subsoil users, lists of minerals for which reserves are taken into

account, the Committee on Statistics - on macroeconomic indicators (export, number, GDP and others), MF- budget reports (republican (state and local), etc.

The EITI National Secretariat noted that the national reports contain links to sites where the standard required information is publicly posted.

The priority should be the timely filling of information on open data, as well as expanding the range of their content. As a result, the production of EITI reports in the near future will not be required. In addition, the EITI disaggregated EITI reports for each company can be found in the EUSMS system as soon as they submit them.

The priority will be to conduct a study on the content of information on the open data site in order to develop recommendations for their use, including in the framework of the EITI (mainstreaming)

Also, the prospects for the development of the EITI in the light of the strategic objectives of our country are associated with the following priority areas, primarily aimed at attracting investment, both foreign and domestic:

- remote work with stock materials of geological information, maximum declassification of previously inaccessible reports;
- implementation of international standards for public reporting of the results of geological exploration (PGR), mineral resources and reserves;
- working with information on mineral deposits online (interactive map);
- a simplified procedure for granting subsoil use rights for exploration contracts;
- open, online monitoring available to reconcile company and government data on revenues to the budget of the Republic of Kazakhstan and social investments;
- open, accessible on the official websites of the Ministry of National Economy and the Ministry of Finance informational information necessary for analyzing and forecasting the management of state revenues and expenditures.

## **8. Has this report been discussed outside the NSCS RK?**

This report was approved by NSC RK (Protocol No. 69 dated September 28, 2017) and published on the National EITI website <http://eiti.geology.gov.kz/ru/> for discussion outside the NSC RK (in Russian, Kazakh and English languages).

On the National EITI website in the “Contacts” section there is **a feedback form** and those who wish can write any comments on the content of the

information, including the Progress Report, and ask questions <http://eiti.geology.gov.kz/ru/> contact. After the publication of the Progress Report on the implementation of the EITI in due time (before July 1 of the current year), an announcement will be made both on the website and in distribution to the NSC members, observers and interested parties with a proposal for comments and suggestions.

**9. Data on membership of the NSCS of the RK during the period:**  
(including data on the number of meetings held and attendance records).

The NSCS RK is headed by the Minister for Investment and Development Kasymbek Zh.M. It includes deputies of the Mazhilis, representatives of the Ministry of Economic Development, the Ministry of Economy, the Ministry of Finance, companies of the oil and gas and mining sectors, as well as civil society (three main members and 3 substitutes). The working body is the Secretariat in the RCGE “Kazgeoinform” of the State Scientific Committee of the Republic of Kazakhstan.

**The updated composition of the NSCS RK** on the National EITI website, in the section “NSC” <http://eiti.geology.gov.kz/ru/the-national-council>, where you can also get acquainted with the activities of the NSC RK, its results, lists of participants and ballots voted members of the NSCS RK in cases of absentee meetings by electronic voting.

For the period 2017–2018 (until July), 11 meetings of the NSCC of RK were held, of which 6 were held in the form of electronic voting. The regulations of the NSCS RK are set forth in Annex 1 to the updated MoU dated October 9, 2013, which has been amended in terms of the work review of the NSC RK, its composition, responsibilities, powers, meetings, review and decision procedures (approved by the NSC RK Protocol No. 67 dated June 15, 2017).

The new Annex to the MoU is published on the National EITI website [http://eiti.geology.gov.kz/images/stories/IPDO/norm\\_baza/memorandum2013.pdf](http://eiti.geology.gov.kz/images/stories/IPDO/norm_baza/memorandum2013.pdf)

For the period 2017 - 2018 (until June), the following rotations occurred in the composition of the NSCS RK:

1) The Mazhilis of the Parliament of the Republic of Kazakhstan, having considered the letter of the Minister for Investment and Development (ref. No. 01-27 / 3091 of April 11, 2016) regarding the definition of candidates for deputies to the National Council of interested parties of the Extractive Industries Transparency Initiative stakeholders of the following deputies of the Mazhilis of the Parliament of the Republic of Kazakhstan:

1. Shchegelsky Gleb Anatolyevich - Chairman of the Committee on the Issues of Ecology and Environmental Management;

2. Muradov Ahmet Seydarakhmanovich - member of the Committee on the Issues of Ecology and Environmental Management;

3. Nikitinskaya Ekaterina Sergeevna - member of the Committee for Finance and Budget;

4. Khitov Taras Kikbayevich - member of the Committee on Economic Reform and Regional Development. The proposed candidates were agreed by the NSCS RK (Minutes of the NSCS RK No. 59 dated May 17, 2017). Candidates from Kazenerdzhi were also agreed: as the main members — Z.Usenov and R.Zhampiisov; as alternative members — G. Utegenov and Z. Bakenov; from the Ministry of Finance of the Republic of Kazakhstan as an alternative member - Sh. Kudabaev and from NGOs in the main members - N. Yantsen, M. Lobachev and Z. Mahambetova, as alternative - O. Chernysheva, M. Espenov and S. Kasabulatova.

2) In connection with personnel changes and new appointments in the Government, the composition of the NSC of RK was formed. Members of the NSCS of the RK got acquainted with the new list of the NSCS of the RK in the handout, which was also sent to them earlier. Voting was held unanimously for the replaced members of the NSCC of the Republic of Kazakhstan, namely: Minister of the Ministry of Development and Development of the Republic of Kazakhstan Z.Kasymbek - Chairman of the NSCS of the Republic of Kazakhstan, Vice-Minister of the Ministry of Development and Development of the Republic of Kazakhstan T. Toktabaev - Deputy Chairman of the NSCS of the Republic of Kazakhstan (Minutes of the NSCR of the Republic of Kazakhstan No. 61 of September 30, 2016 ).

3) The unanimous decision of the members of the NSCS RK (Minutes of the NSCS RK No. 65 dated February 28, 2017) to approve the candidates proposed for replacement by the NSCS RK:  
- based on a letter from the Ministry of Finance of the Republic of Kazakhstan (No. ref: KGD-09-1980-1413 of 02.02.2017) - instead of Tengebaev Ardak Myrzabayevich (former Vice-Minister of the Ministry of Finance of the Republic of Kazakhstan) include Dalenov Ruslan Erbolatovich (Vice-Minister of the Ministry of Finance of the Republic of Kazakhstan);  
- on the basis of the decision of the working meeting on the EITI of the Association “Kazenergy” dated February 10, 2017 - instead of Utegenova Gulmira (Director for JV and Business Development, the branch of Total E & P Kazakhstan) include Kemelova Olzhas, the NSO Company.

4) The unanimous decision of the members of the NSCS RK (Minutes of the NSCS RK No. 67 dated June 15, 2017) to approve the candidates proposed for replacement by the NSCS RK:  
- Deputy Chairman of the NSCS of the RK - Nadyrbaev Akbatyr Aluadinovich, Chairman of the Committee of Geology and Subsoil Use of the MID of the Republic of Kazakhstan - instead of Nurabayev B.K.  
- from the Ministry of Finance of the Republic of Kazakhstan (No. of Ref. KGD-09-13730-6714 of May 13, 2017) in connection with personnel changes and new appointments in the Government instead of Dalenov R.E. - Baedilov K.E.  
- from NGOs: The Dialogue Platform of NGO associations on the EITI (PD ONPO on the EITI) conducted elections of NSC members of the Republic of Kazakhstan from PD ONPO on the EITI.

As a result of the elections, the following representatives were elected by the members of the PDO EITI

**The main structure of the NSC RK:** Maria Lobacheva, Sholpan Aytenova, Bolat Turgunbayev. Substitute composition (alternates): Zhibek Akhmetova, Danila Bekturganov, Aigul Dyusenova.

**In 2018.** From Kazenergy instead of Zhampiisov Ramazan - Karashev Talgat, Executive Director of the Association "Kazenerdzhi";

As a result of re-election to the NSC of the RK (Protocol of the DP dated 05.16.2018) for the next period (3 years). **The main structure:** Aytenova Sholpan, Bekturganov Danil, Safonova Nadezhda. **Substitute composition:** Akhmetova Zhibek, Okremova Diana, Yerkayeva Nina.

*The progress report on the implementation of the EITI in Kazakhstan for 2017 (hereinafter referred to as the Report) was prepared by the EITI National Secretariat in accordance with the International EITI Requirements and information provided by the NSC RK parties on their work in the framework of the EITI implementation in the country, taking into account the comments of the International Secretariat and Working groups of the NSCS RK.*

*The report is available on the National EITI website for comments and questions, which can be produced in the form of feedback <http://eiti.geology.gov.kz/ru/contact> or by sending an e-mail: [eiti\\_secretariat@geology.kz](mailto:eiti_secretariat@geology.kz)*



**Approved by NSC RK**  
**Protocol No. 73 dated May 31, 2018.**

### **LIST OF ABBREVIATIONS**

AMME- Association of Mining and Metallurgical Enterprises  
DP- Dialogue platform  
IIS USMSS SU RK - Integrated Information System "Unified State Management System for Subsoil Use of the Republic of Kazakhstan"  
ICT- Information and communication technology  
EITI- Extractive Industry Transparency Initiative  
KGN - Committee of Geology and Subsoil Use  
SGSS - State geological study of the subsoil  
MID - Ministry of Investment and Development  
MF- Ministry of Finance  
MF - Ministry of Energy  
MU - Memorandum of Understanding  
NGO - Non-Governmental Organization  
CSO - Civil Society Organizations  
JERP - Joint Economic Research Program  
WG - Working Group

RK - Republic of Kazakhstan  
Secretariat - National EITI Secretariat in Kazakhstan  
SIP - Social Investment Projects  
CIS - Commonwealth of Independent States  
TS - Terms of Specification  
MM - Mass Media

## **EITI publications in the media**

04/27/2017 on the official Kazakhstan mining portal Valentin Shipunov published an article “Transparent income”, <http://www.mining.kz/kz/ipdo-v-kazahstane/item/23641-prozracho-o-dokhodakh>

08.18.2017 on the official Kazakhstan mining portal The press service of the Association of the AHMP Association published information on the implementation of EITI standards <http://www.mining.kz/kz/virtualdy-k-rme/item/23816-vnedrenie-standartov-ipdo-otsenku-postavit-missiya>

07.07.2017 on the official Kazakhstan Mining Portal The press service of the Association of the AHMP Association published information about a press conference on the implementation of the Extractive Industries Transparency Initiative (EITI) [http://www.mining.kz/kz/virtualdy-k-rme/item / 23795-sleduya-printsipam-prozrachnosti-i-otkrytosti](http://www.mining.kz/kz/virtualdy-k-rme/item/23795-sleduya-printsipam-prozrachnosti-i-otkrytosti)

09.18.2017 on the official Kazakhstan mining portal The press service of the Association of the AHMP Association published information on the implementation of the EITI in Kazakhstan: progress and prospects <http://www.mining.kz/kz/ipdo-v-kazahstane/item/23849-realizatsiya-ipdo-v-kazahstane-progress-i-perspektivy>

In the monthly industry magazine “Mining and Metallurgy Industry” No. 9 (111) September 2017 (pp. 10–13), Rysty Alibekova reported on the results of the implementation of the EITI in Kazakhstan at the IXth National EITI Conference. [http://eiti.geology.gov.kz/images/stories/ipdo2/publication/GMP\\_9.pdf](http://eiti.geology.gov.kz/images/stories/ipdo2/publication/GMP_9.pdf)

08.09.2017. The press service of the association AGMP highlighted the implementation of the EITI in Kazakhstan: progress and prospects, as well as the IXth National Conference on the EITI [http://agmpportal.kz/realizatsiya-ipdo-v-kazahstane-progress-i-perspektivy /](http://agmpportal.kz/realizatsiya-ipdo-v-kazahstane-progress-i-perspektivy/)

02.15. 2017. The information and industry resource “Energy & media” made a publication: Kazakhstan was awarded the status of a country “with significant progress” in the implementation of the Extractive Industries Transparency Initiative (EITI) on February 13, 2018. in Oslo (Norway) <http://eenergy.media/tag/initsiativa-prozrachnosti-dobyvayushhih-otraslej/>

02/15/2018 A similar publication was made by the Press Center of the Kazenergy Association on its official website <http://www.kazenergy.com/ru/press-center/news/1124/>

02.20.2018 on the official Kazakhstan Mining Portal a message was published about the validation of Kazakhstan and the decision taken regarding the status of the country with reference to more detailed information <http://www.mining.kz/kz/ipdo-v-kazakhstane/item/23982> -kazakhstan-proshel-ocherednuyu-validatsiyu-ipdo

02.20.2018 The publishing house Liter made the publication Andrei Korolev "The mining sector has become more transparent for citizens", in which he highlighted the main stages of the implementation of the EITI in Kazakhstan, the achievements and priorities for further development <https://liter.kz/ru/articles/show/43055> - dobyvayushii\_sektor\_stal\_prozrachnee\_dlya\_grazhdan

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