

**Khanbogd Soum, TriPartite Council
JOINT STATEMENT**

**Umnugobi Aimag
Khanbogd Soum**

November 27, 2017

Tri-Partite Council of Khanbogd Soum mutually agreed and signed the Herders Complaint Resolution Agreement #1 and #2 on May 9th, 2017. TPC¹ is working to implement the agreed actions stipulated in these Agreements since the date of the agreement signing. The Council meeting was held in September and November and discussed the implementation of agreed actions stipulated in the Agreements and took necessary measures to ensure the work implementation. This joint statement provides the public an overview of agreed actions implemented in the past 6 months since the Agreements were signed.

On pasture water supply

Actions agreed to implement with regard to the Khanbogd Soum's pastureland water supply is pursuing as planned. One of these actions aimed at enhancing the pastureland management in Khanbogd Soum is "Pasture is Treasure" project, which is being implemented. Pasture studies have been completed under the project and pastureland use plan is being developed. Within the scope of this project, it is planned to establish herder groups in order to improve pasture use in 2018. Due to some realistic reasons and challenges, parties agreed to reschedule the implementation timeline for some actions.

One of the completed agreed actions with regard to water is the leaking boreholes in Gunii Khooloi area have been filled under the close supervision by professional organization. In addition, 2 fountaining boreholes located in Galbyn Gobi area, have been equipped, so that these boreholes can be used for pastoral and wildlife water supply purpose and have been handed-over to Khanbogd Soum government. Another 12 boreholes of OT water exploration boreholes located in Gunii Hooloi and Galbyn Gobi area, that can be used for local herders' pastureland water supply have been handed over to Khanbogd Soum government as well. Parties are working to implement the project aimed at enhancing pastureland water supply which includes components of building new wells and repairing old hand wells and deep wells based on the water geophysical study under the ground and point-drilling study results.

On compensation

The Compensation Claims Committee was established to discuss and resolve the claims of herder households that meet certain qualifying criteria. Operational procedure of the Committee was jointly developed and the Committee meeting is held on 25th of every month to discuss herders' claims. At the first meetings of the Committee, the parties mutually agreed on the impacted zones and compensation packages.

As of November 27, 2017, the Committee has received a total of 112 claims. The Committee is responsible for functioning in honest and ethical manner in resolving each herder household's claims. In order to fulfill this obligation, all claims with their relevant evidence materials, annexes are thoroughly reviewed, a Working Group that consists of representatives of three parties was established and the claims are discussed and resolved at the Committee meetings. As of November 27, 2017, the Committee made a decision to approve 5 herder household claims, that fully comply with all the compensation criteria and informed the herder households about the decision. Decision to reject 35 non-qualifying claims by herder households has been notified as well.

¹ The Tripartite Council (TPC), a council with equal representation from Khanbogd soum herders, local authorities and Oyu Tolgoi LLC was formally established on 8th June, 2015 by signing on the Memorandum of Understanding to solve complaints made by parties. Compliance Advisor Ombudsman (CAO) guides the operations of the TPC.

In addition to an individual household compensation, collective community compensation, which all herder households in Khanbogd soum can benefit has been reflected in the Agreements. One of such actions is the Herders' Student Children's Scholarship Program and OT has organized an event to grant scholarships to 20 students of the herder households, who are studying at accredited universities. "Khanbogd Khugjliin Khelkhee" local NGO shall administer and organize the activities related to these 20 scholarships over a period of 4 years. In total, 23 students of herder households in Khanbogd submitted an application for a scholarship. An application of one student, who is studying at the technical and vocational school, which is not higher educational institution, was rejected. Two other students were excluded from this year's scholarship due to studying for language course and taking a break from studies in this academic year. But they will be eligible for the next year's scholarship program. Scholarship Award Ceremony was held on November 3rd, 2017 in Ulaanbaatar.

Within the scope of the Herders' Complaint Resolution Agreements, it has been agreed to implement 10 projects as collective compensation to support the sustainable livelihoods of the herders. Some projects have been combined, and currently the parties agreed to implement 7 projects. Parties are currently working to design and develop the project proposals, carry out relevant calculations and estimations, identify implementing entities etc. Herder households located just outside of the 2004, 2011 impact zones, and indirectly impacted households are prioritized as "targeted group" in engaging in the project activities undertaken as collective compensation.

On Undai river diversion related matters

OT has re-designed and revised OT's waste rock dump design drawings in order to avoid touching the local sacred hill of Bor Ovoo that is located inside the mine lease area. Consulted with local herders regarding new location for Bor Ovoo Spring & jointly planned the vegetation of the area and pursuant to the vegetation plan, OT is carrying out vegetation in the fenced area.

"Gobi Grove" Tree Planting Project is being implemented with the purpose to contribute to protecting ecological conditions in the Gobi region, particularly ensuring environmental balance in Khanbogd Soum center, protecting soil, flora and water reserve in the area, and garden the area near Soum Center through working together and combining the best practice of leading mining company and enterprise, analysis of scientific research institutions and community knowledge of local citizens, herders, young generation living in the Gobi region.

Issues of Undai river flow was being obstructed near quarry area in the west side of the workers' camp; northern part of the road to heating plant inside the MLA have been resolved. In other words, TPC has taken agreed actions in these areas to allow Undai river flow to freely flow, as a result the flood water will be able to freely flow in these areas. During the floods in August, 2017 herders' representatives observed the flood flow and monitored the results.

It was agreed that the implementation status of all agreed actions shall be reported, reviewed and discussed at the TPC meeting to be held on 25th of the last month of each quarter. Accordingly, information on the implementation status will be shared and disseminated to the public. For more information on the agreed actions' implementation, please contact the Tri-Partite Council.

Mediator/facilitator of the Office of Compliance Advisor Ombudsman (CAO)² is attending the Council and Committee meetings to observe and monitor the agreement implementations.

Khanbogd Soum, TriPartite Council

² Compliance Advisor Ombudsman (CAO) is an independent recourse mechanism for the International Finance Corporation of the World Bank Group and Multilateral Investment Guarantee Agency (MIGA).