

JOINT STATEMENT
Tripartite Council, Khanbogd soum

Khanbogd soum
Umnugobi aimag

Nov 23, 2016

Khanbogd soum Tripartite Council (TPC) regular meeting was held at the Community Interaction Center on 10th October, 2016. The meeting was attended by TPC members, facilitators from Compliance Advisory Office/Ombudsman (CAO), researchers from the MultiDisciplinary Team (MDT) and the Independent Expert Panel (IEP), local and overseas consultants of herders representatives and Community Relations Department staff of Oyu Tolgoi LLC.

During the meeting, researchers and experts from CAO and IEP presented preliminary findings and recommendations of the independent assessment on Oyu Tolgoi Project attribution to changes over the last decade to Khanbogd herders' livelihoods and socio-economic conditions and if compensation programs were adequate and Phase 2 study of Undai River diversion impact. TPC members asked their enquiries from the researchers concerning these study findings, conclusions and recommendations; shared their thoughts on missed issues or uncertainties and sent their comments to the researchers in writing after the meeting. The final study report will be finalized in January and presented to TPC, and TPC is planning to present these reports to soum herders and local communities within January of the next year.

During the meeting, in connection with the expiration of the 2011 Compensation Agreement (Agreement) in November 2016, herders and local administration representatives made a request to continue the employment of herder families undertaking road maintenance under the Agreement until TPC or Compensation Working Group finalize the issues regarding to the Agreement based on the paragraph that specifies that Agreement extension will be discussed after the review of implementation of the Agreement and Project impacts as set out in Clause 10.1 of the Compensation Agreement.

OT LLC management considered this request and Parties agreed to implement "Herders Livelihood Support Program" for supporting future sustainable livelihoods of the impacted herders covered by the Compensation Program until TPC finalize the issues of the Agreement. Through this program, members of impacted herder families covered by the Compensation Program in 2011 will be involved in 12-month scholarship training program to obtain required skills for self-employment and supporting future sustainable livelihoods. Preparatory works of the program is already launched and TPC is working with a training contractor Dornod Polytechnic College and impacted herders covered by the Compensation Program on how to organize this training effectively. Implementation process of the Program accompanied by the TPC updates will be informed to public in a timely manner.

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About Tripartite Council

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. TPC is

facilitated by the CAO, an independent recourse mechanism for the International Finance Corporation of the World Bank Group.