

JOINT STATEMENT
Tripartite Council of Khanbogd Soum

Umnugovi aimag
Khanbogd soum

28-29 November 2018

A meeting of Tripartite Council (TPC)¹ and the Compensation Claims Committee was held on 28-29 November 2018 in the Community Development center. The members of TPC and Mrs. B. Nandinchimeg, mediator for the Office of the Compliance Advisor Ombudsman (CAO)² have participated in the meeting. The following observers have attended the meeting: Ts. Bayasgalan, representative of Erdenes OyuTolgoi company, A. Orkhon, consultant to herders' representatives, and M. Nyamsuren, Ts. Erdenetuya, the herders on their own request. This statement briefly informs the main issues discussed at the meeting along with the negotiation outcomes.

At this meeting, the members of the Tripartite Council have made a major decision of a historical importance in the relationship between the Khanbogd soum government, the herders and Oyu Tolgoi company. The Council members have decided to close the dispute resolution process as they have concluded that the implementation of the measures to resolve herders' complaints filed to the Ombudsman Office in 2012 and 2013 respectively is progressing sufficiently; and have also agreed to submit their conclusion to the Ombudsman Office. Consequently, the phase of CAO monitoring on implementation of the two agreements on resolving the complaints shall be closed thus completing the mediation process provided by the Ombudsman Office. The TPC members conclude that this decision is a clear indication of strong mutual trust established among the parties and a new stage of cooperation the parties have reached. In the future the Council's activities will be continued without involvement of Ombudsman Office. The Council members have expressed their deepest gratitude and wished all the success to CAO team for successful completion of CAO mediation process on settling herders' complaints and strengthening the Council's capacity and skills to operate independently in the future, and for their sincere efforts and skillful mediation provided at the highest level of professionalism during the dispute resolution process that could be recognized as an international best practice.

The Compensation Claims Committee have discussed and made decisions on all the claims submitted by herders for retrospective consideration. Since June 2017, the Compensation Claims Committee retrospectively discussed and made decisions on 174 claims altogether. Out of which 114 claims were supported for compensation and 60 were refused for being not eligible. The decision of the Committee shall be informed to the claimants in accordance with the Compensation Claims Committee's procedure.

The Compensation Claims Committee has concluded that during the past period of a year and a half information on activities related to retrospective discussion was sufficiently disseminated to the herders and community members, and therefore it has decided to cut-off the

¹ *The Tripartite Council (TPC) consisting of representatives from Khanbogd soum local government, Herders and Oyu Tolgoi Company was officially established on 8 June 2015 in accordance with the Memorandum of Understanding signed in order to resolve the disputes among the parties. Two Agreements on resolving herders complaints along with agreed action plans were concluded On 9 May 2017. The Office of the Compliance, Advisor and Ombudsman (CAO) is conducting a monitoring on the implementation of these agreements.*

² *The Office of the Compliance Advisor Ombudsman (CAO) is an independent recourse body that acts as an independent accountability mechanism for projects supported by the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group.*

final deadline for accepting claims as by 15 January 2019. Therefore, the herders households are informed herewith to submit their claims for retrospective discussion before the above-mentioned deadline. Furthermore, it is agreed that the Compensation Claims Committee will be dismissed after finalising the discussions of all reasonable claims i.e. on 30 March 2019. The Tripartite Council shall be overseeing the whole process of compensation provision to eligible households until its completion.

In connection with the closing of the mediation process provided by Ombudsman Office, the parties and the Council members have shared their views and conclusions. The Council members recognized the effectiveness of resolution process of Herders' complaints through negotiation approach, and come to a conclusion that TPC has been working as "one team" making mutual efforts and reaching mutual agreements thus could establish a mechanism to have open, equal and productive dialogues and negotiations in an environment of mutual trust. The Council members have also unanimously concluded that this dispute resolution process had happened as a result of active involvement of all the parties, particularly thanks to on-going assistance provided by Khanbogd soum government; the determined and tenacious activities of herders' representatives, and the continuous support and efforts made by OT company. It has emphasized the importance of active involvement of all the parties in the implementation of Agreements signed by TPC widely extending the cooperation established among the local stakeholders and focusing on strengthening the trust in the future.

**Tripartite Council of Khanbogd Soum
Compensation Claims Committee**