

Herders' Complaint Resolution Agreement #1

This Herders' Complaint Resolution Agreement (the **Agreement**) is entered into on the 9th day of May, 2017 between

1. Khanbogd Soum Government (referred to as **Khanbogd Soum**);
2. Elected Representatives of Khanbogd Soum Bagh herders (referred to as the **Herders Representatives**); and
3. Oyu Tolgoi LLC (**OT**) (collectively referred to as the **Parties**, separately referred to as a **Party**).

I. Purpose of the Agreement

- 1.1 The purpose of this Agreement is to jointly implement the actions stipulated in the Annex 1 by the Parties in order to resolve the herders complaint filed to Compliance Advisor Ombudsman (CAO) in October, 2012.

II. Complaint Background

- 2.1 Local nomadic herders, who claim to be indigenous people¹ and affected by Oyu Tolgoi project that is being implemented in Khanbogd Soum, Umnugobi Aimag, Mongolia with financial support from the International Finance Corporation (IFC) filed a complaint to the Compliance Advisor Ombudsman (CAO)-the independent accountability mechanism for IFC and the Multilateral Investment Guarantee Agency (MIGA), the private sector lending arms of the World Bank Group- with the support of OT Watch, a national NGO, and Gobi Soil, a local Khanbogd-based NGO in October 2012.
- 2.2 The complaint related to concerns about the project's use of land and water, which some herder's claimed disrupts their nomadic way of life, and puts in jeopardy their traditional culture and livelihood. The Complainants contend they have not been compensated or relocated appropriately, and they question the project's due diligence, particularly around the issue of sustainable use of water in an arid area.
- 2.3 The CAO determined that the complaint met the eligibility criteria and began an assessment of the complaint. During the assessment process in late 2012, the Complainants and OT agreed to engage in a voluntary dispute resolution process facilitated by CAO.

III. Dispute Resolution Process

- 3.1 The Parties participated in a dispute resolution process facilitated by the CAO mediation team from March 15, 2013 until May 9, 2017.
- 3.2 The Parties entered into a Memorandum of Understanding on June 8, 2015 with the aim of establishing a Tri-Partite Council (referred to as "TPC") between Khanbogd Soum, the Herders' Representatives and OT. The functions of the Tripartite Council are to consider, address, resolve, exchange information about, make proposals and recommendations in respect of, implement and relay to the appropriate levels, any issues relating to herders, pasture and water and any other relevant issues, complaints, proposals, initiatives or recommendations regarding the complaints submitted to CAO.²
- 3.3 As a part of dispute resolution process, the Parties engaged in a joint fact-finding process and jointly selected and engaged a multi-disciplinary team (MDT) to conduct

¹ Terms used in the original complaint filed in October, 2012 was used herein.

² Memorandum of Understanding can be found at http://www.cao-ombudsman.org/cases/document-links/documents/FinalSignedMoUwithAnnexures_ENG.pdf

an assessment of OT's impacts on livelihoods of Khanbogd soum herders.³ This assessment with three separate components aimed to generate independent information regarding the impacts of OT's operations on herders' livelihoods and the adequacy of OT's compensation processes. Specifically, the MDT assessed the changes in access to and quality of pasture and herd water, as these relate to herder livelihood issues (Component 1); assessed impacts on herders' household livelihoods more generally (Component 2) and based on this information evaluated the adequacy of OT's 2004 resettlement and 2011 economic displacement compensation processes (Component 3). In January 2017, the MDT submitted its final report and recommendations⁴ to the Parties. The Parties accepted the recommendations in a manner set out in this Agreement and have agreed to jointly develop a Detailed Implementation Plan.

IV. Resolution to Complaint

- 4.1 The Parties hereby agree to implement Detailed Implementation Plan of Agreed Actions listed in Annex 1 and bring a successful resolution to the issues in the Complaint to CAO.
- 4.2 OT will incur the funding and financing required for implementing the actions agreed in this Agreement for which OT is a solely or jointly responsible party.
- 4.3 The Parties agree that the terms of this Agreement are the final and entire agreement or understanding between the Parties on the subject matters stated herein. The Parties agree that neither Party will raise any concern, argument or complaint about or on the subject matters in this Agreement after the Parties conclude that this Agreement has been implemented completely, effectively and to the satisfaction of all Parties.
- 4.4 The Parties agree that any new matter or complaint that may arise during the implementation of actions or as a result of having undertaken the agreed actions set in Annex 1 of this Agreement is separate from this Agreement and will not merge to this Agreement.

V. Implementation of this Agreement

- 5.1 The Parties will support and respect each other in a manner that enables either party to undertake, in a safe (not harmful to others) and effective way, any of its agreed actions set out in Annex 1 of this Agreement.
- 5.2 The Parties will implement all terms of this Agreement as stated herein. If necessary, the Parties may change or amend this Agreement in writing upon mutual consensus. Such amendment will be an integral part of this Agreement.
- 5.3 Detailed Implementation Plan of Agreed Actions shown in Annex 1 hereto sets out all the agreed actions between the Parties with timelines and responsible party, and all annexes of this Agreement is an integral part of this Agreement.
- 5.4 The Parties acknowledge that this Agreement serves the best interests of all the Parties and agree to commit to successfully achieve the implementation of this Agreement. During the implementation of this Agreement, the Parties will act and cooperate in good faith.
- 5.5 This Agreement shall remain in effect until all agreed actions set out in Annex 1 of this Agreement are fully implemented.
- 5.6 The Parties will ensure the consultation and engagement of herders and other stakeholders in implementation of agreed actions set out in Annex 1 of this Agreement.

VI. Communication between Parties

³ The Terms of Reference for the study can be found at http://www.cao-ombudsman.org/cases/document-links/documents/MDTEOI_ENGandMON.pdf

⁴ The complete MDT report can be accessed at http://www.cao-ombudsman.org/cases/document-links/documents/MDTIEP_FINALREPORT_ENG_January292017_000.pdf

- 6.1 The TPC shall ensure open communication with relevant Parties as specified in its charter⁵ when implement this Agreement. The complainants may participate in TPC meetings as specified in its charter and raise any ongoing concerns they may have.
- 6.2 Parties agree to openly and transparently disclose this Agreement publicly.
- 6.3 The Parties will prepare a joint information or statement about the implementation of this Agreement, which has been mutually agreed by the Parties and use as specified in the TPC charter.
- 6.4 Parties ensure timely delivery of accurate information about this Agreement implementation, to herders and citizens of Khanbogd soum and prevent from arising any miscommunication and misunderstanding among the herders and the local community.

VII. Monitoring

- 7.1 The Parties agree and accept that CAO will monitor implementation of this Agreement for 12 months from the signing date of this Agreement, in accordance with CAO's Operational Guidelines, to verify the implementation of the terms of this Agreement, by phone or email or through other means of communication and personal visits if necessary.
- 7.2 At the end of the monitoring period set out in clause 7.1 above, CAO will make a conclusion whether this Agreement is being implemented effectively based on the TPC conclusion. Where CAO concludes that this Agreement is being implemented successfully, the Complaint will be closed. Where CAO concludes otherwise, period for CAO monitoring shall be extended to ensure the implementation of this Agreement.
- 7.3 In the event of any dispute or difference arising between the Parties to this Agreement during the CAO monitoring period, either may contact the CAO dispute resolution team for assistance. In such event, the CAO dispute resolution team will convene a meeting(s) with the Parties to facilitate resolution of such dispute or difference.
- 7.4 Upon closure of the complaints, the Tripartite Council shall consider, address, resolve, exchange information about, make proposals and recommendations in respect of, implement and relay to the appropriate levels, any issues relating to herders, pasture and water and any other relevant issues, complaints, proposals, initiatives or recommendations.⁶

VIII. Miscellaneous

- 8.1 The Parties execute four copies of this Agreement both in Mongolian and English – one for each Party and CAO.
- 8.2 If there is any conflict, inconsistencies between English version and Mongolian version of the Agreement, the Mongolian version of the Agreement shall prevail.
- 8.3 Headings of this Agreement are only for convenient reference for the Parties and do not affect interpretation of this Agreement.
- 8.4 In the event of dispute or misunderstanding in relation to this Agreement implementation, Parties shall attempt amicably to resolve such dispute. If the Parties cannot resolve the dispute amicably, it may seek for court or non-court dispute resolution procedures to settle the complaint.

Executed between the Parties on the 9th day of May, 2017.

⁵ Memorandum of Understanding can be found at http://www.cao-ombudsman.org/cases/document-links/documents/FinalSignedMoUwithAnnexures_ENG.pdf

Signed for and on behalf of
Khanbogd Soum:

Speaker of the Citizens' Representatives
Meeting

Governor of Khanbogd Soum

Deputy Governor of Khanbogd Soum

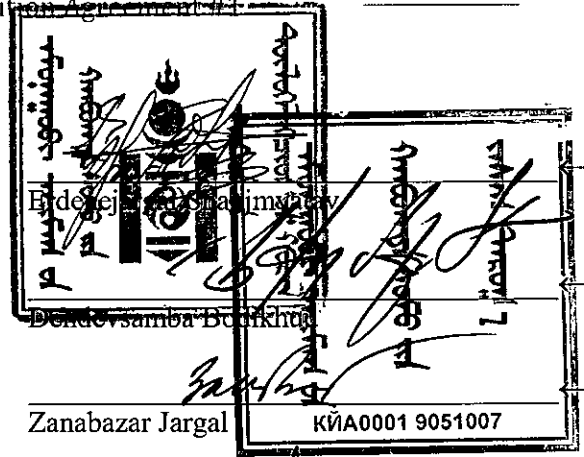
Head of the Veterinary & Animal Breeding
Unit

Environmental State Inspector

Governor of Bayan Bagh

Representative of Khanbogd Soum
Parliament

Signed for and on behalf of the Herders of Khanbogd Soum:



Zanabazar Jargal

КХА0001 9051007

Khurelbatar Dash

Altangerel Bat-Erdene

Myagmarjav Mijiddorj

Erdenebayar Bat

Battsengel Lkhamdoorov

Battogtokh Uulij

Namsrai Dolgorsuren

Namnansuren Chuluun

Narankhuu Danzanshadav

Myagmar Ganjuur

Nasanbuyan Tumurmunkh

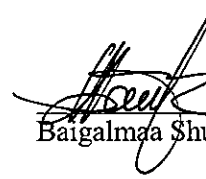
Gunsmaa Tsevegdelgeriin

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Signed for and on behalf of
Oyu Tolgoi LLC:


General Manager for Community Relations,
Oyu Tolgoi LLC


Baigalma Shurka ←

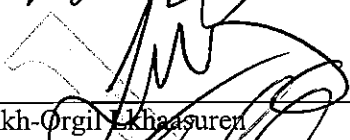
Manager for Community Relations &
Partnership, Oyu Tolgoi LLC


Tserennadmid Osorpurev ←

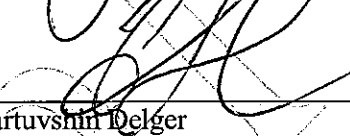
Manager for Environment, Oyu Tolgoi LLC


Erdenebayar Naran ←

Manager for Labour Relations,
Oyu Tolgoi LLC

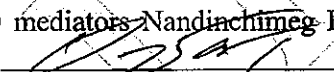

Munkh-Orgil Lkhasuren ←

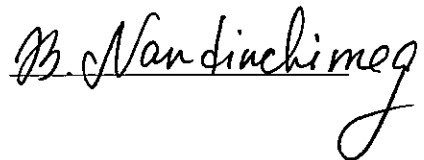
Manager for Procurement, Oyu Tolgoi LLC


Amartuvshin Delger ←

Community Relations Officer, Oyu Tolgoi
LLC


Dorjderem Sukhragchaа ←

In the presence of CAO mediators ~~Nandinchimeg Batsaikhan~~
and Ochirbat Boldbaatar 


B. Nandinchimeg

Annex 1. Detailed Implementation Plan of Actions to settle the Complaint #1

UMNUGOBI AIMAG, KHANBOGD SOUM						
TRI-PARTITE COUNCIL – May 9, 2017						
#	Actions	Timeline	Responsible Party	Key Performance Indicators (KPI)	Remarks	Linkage with state policy & programs
Detailed implementation plan of agreed actions to resolve herder's complaints filed on October 2012						
I. Agreements to resolve issues related to pasture						
1.1	Re-establish a grazing system to adjust for the lost pasture areas in the Soum territory	2017 Q4	Khanbogd Soum government	Developed plan	Re-develop the pasture use plan based on pasture analysis	Update pasture use plan annually and approved by the Soum Khural
1.2	Encourage traditional herder mobility and open access to water and land and reduce actions by herders to restrict access to wells and land	2017 Q3	Khanbogd Soum government	Have 237 contracts signed	Have contracts signed with all users of state owned water access points, to make them accessible to the public	Regulate the use of winter pasture in relation to relevant legislation, renew the water access point users
1.3	Open new and additional pasture through the well building program based on hydrological study results (to understand as the study on water reserve under the pasture). Clarify & implement herder rights to possession	2018	Khanbogd Soum government	Irrigate all possible reserve pastures equipped with water points	Professional organizations build new deep wells, interested groups build new hand-wells.	Implement pasture irrigation policy & reflect it in the pasture use plan upon undertaking hydrological study
1.4	Local government should be supported by central government in these efforts by providing national experts and training; increase ownership of this efforts - herders, local organizations, and government on all levels (Bag, Soum, Aimag, central government, and relevant professional agencies) need to carry this effort.	2017 Q3	Khanbogd Soum government	Send 5 experts to the pasture related trainings	Engage experts in the training on processing and analysing the data on pasture.	Organize the capacity building training with professional agencies
1.5	TPC actively participate in bringing stakeholders together and play an active role outside the TPC in assisting herders as appropriate. The Parties agree on the importance of the existing institutions and structures of community and government as key actors in Soum development and progress (e.g. bagh meetings, bagh representative Khural, Soum Khural, Soum livestock unit, annual land use planning procedure). For example, the Soum government will help and promote herders to consider how they can address problems related to herding, but not to OT, such as strengthening traditional mechanisms for dealing with disputes about land and water	2017 Q3	Khanbogd Soum government	Carry-out measures for herders to enforce the Soum Governor's decree, raise awareness on the decree at the Bagh Public meetings, include accountability clauses for herders in the decree		
1.6	Work with the Agency for Land Affairs, Geodesy and Cartography (ALAGAC) to implement their process for identifying resource use, resource rights and land planning in order to document and secure customary herder use rights	2018	Khanbogd Soum government	Provide information & raise awareness of herders to get cadastre for their camp, organize cadastre entry campaign	Need to provide information & raise awareness of herders to get cadastre for their camp, organize cadaster entry campaign	

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1.7	Carry out more detailed analysis of increases in livestock numbers and absentee livestock ownership in Khanbogd Soum	2017 Q4	Khanbogd Soum government	Completed compilation of livestock owning citizens	It is clear whose absentee livestock is at whom.	
1.8	Work with the Soum's Citizen's Representative Khural to make a decision regarding building speed bumps on both sides of animal crossings on the OT road to slow down traffic. This will be done in consultation with the Soum Traffic Police Department within the relevant legislation	2018	OT/Khanbogd Soum government	Relevant decisions made		
1.9	OT to rehabilitate disturbed/abandoned sites (Annex A), including but not limited to those listed below, as soon as possible in order to make pasture available again, to shorten time of dust generation from disturbed sites and minimize risks of accidents in quarries.	2017-2027 in phases	OT	1) Certificate of biological rehabilitation acceptance by Aimag working group responsible for receiving rehabilitated land disturbed by mine, infrastructure and other activities; 2) take action to minimize risks of accidents in quarries (fence, signs etc)		Include in annual environmental management plan & share with TPC
1.10	Continue to implement the Grazing Protocol ⁷ agreed between the Parties on March 20, 2015, by arranging for livestock grazing in certain areas within the fenced production site of OT	Upon request when the weather situation is harsh	OT	Herders' Representatives' confirmation that the Protocol is being implemented.	Due to the mine operational expansion plan, the grazing area may not be available to use in the future	
II. Agreements to resolve issues related to water						
2.1	Submit a request to the national government to re-allocate 50% of OT's water use fee back to the Soum government budget	2017 Q3	Khanbogd Soum government	Request sent to the Aimag's Khural and response	Submit official letter to the Aimag Citizen's Representatives' Khural	
2.2	Provide collective compensation in the form of a program to construct new shallow hand wells; the wells should be dispersed across the 4 Baghs to encourage migration and use of alternate pastures and give herders the means to keep customary livelihood practices. The location of new wells should be based on hydrological studies (study on water reserve under pasture) to ensure productivity and ensure that new wells do not affect existing wells and should also integrate herder preferences including concerns about impacts on, or from, wildlife;	Start new well construction program from 2018, after completion of hydrological study	OT/TPC	...# of new wells constructed upon TPC consensus based on hydrology study results	TOR shall be discussed at the TPC	Hydrological study, Pasture management plan, Water reserve management plans of the River Basin Authority, Khanbogd soum governor's guidance
2.3	Collaborate with the Khanbogd soum to create a maintenance system through setting up a team of herders (ideally a mix of full time and part time workers) to build, repair and monitor the condition of new and old wells;	2017 Q4	OT/TPC	Results of restored pastoral water access points (other reports, information)		One project included in the Sustainable Livelihoods Program
2.4	Gradually stop the temporary measure to deliver the water in phases after resolving the new well creation needs based on the hydrological study results stipulated in 2.2 above.	After undertaking hydrological study or new well program can start in 2018	OT	Temporary measure has stopped		
2.5	Close all leaking boreholes in the area of Gunii Khooloi. Equip 2 fountaining boreholes to enable herders to use them for household water needs based on requests relayed through the Public Bagh Meetings	2016	OT/ Khanbogd Soum	Certificate of acceptance of 2 fountaining boreholes by local government working group		

⁷ Grazing Protocol can be found at <http://www.cao-ombudsman.org/cases/document-links/documents/FinalGrazingAccessProtocol-ENG-March20-2015.pdf>

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2.6	Handover 12 exploration boreholes to Khanbogd Soum. These boreholes shall be in a condition that can be used for local herders' pastoral water supply needs, located in the area of Gunii Khooloi and Galbyn Gobi,	2017 Q3	OT/ Khanbogd Soum	Certificate of acceptance of boreholes by local government working group	
2.7	Fund and commission a hydrogeological study (<i>water reserve study under pasture</i>) by professional organization.	2017 Q2-Q3	OT /Khanbogd Soum	Map (other reports, information) showing pastoral water reserves in the Soum territory	The study will also provide the basis for implementing the new well-building program. The TPC will define Terms of Reference of the study.
III. Agreements to resolve issues related to monitoring, reporting and community relations					
3.1	Adopt policy on replacing outsourced monitoring in phases with local monitoring; and build capacity of local specialized organizations and herders in professional monitoring. Genuine involvement by herders is essential to effective and realistic monitoring and herder responsibility in the process. As such, salary or incentives should be paid for monitoring works; Monitoring programs should be sensitive to herding practices to enable participation wherever possible, be verifiable by herders, and be designed and implemented using a joint fact finding methodology to ensure scientific rigor, accessibility and credibility	Start in January, 2018	OT S. Dorjderem, OT B. Altangerel, Local government, D. Namsrai, EHT	1. Contract with herders groups were concluded & monitoring works started 2. Redesigned environmental monitoring program by OT & endorsed by TPC, (implementation progress report)	Contract will be concluded only with one herders group & this group may have sub-groups specialized in different monitoring. 2.Target to train & prepare specialized people in this area, build capacity of people to analyse monitoring data & develop relevant recommendations in the long term
3.1.1	Determine the local monitoring purpose, scope and type (pasture, water, soil, vegetation, dust, wildlife, Undai river, Khaliv-Dugat river flow, TSF seepage, possible downstream impacts etc.)	2017 Q4			
3.1.2	Develop monitoring work plan (methodology) & present to TPC				
3.1.3	Build capacity of herders groups to collect, process and report the monitoring data	Start in 4 th quarter, 2017			
3.1.4	Conclude contract to carry out monitoring & start implementing the monitoring	Start in January, 2018			
3.1.5	Produce regular reports on the results of environmental monitoring and any actions taken or proposed as a result of monitoring and present these regularly to herders and others in the community. Information should be direct, understandable and relevant to herders; reports to the soum should be comprehensible to staff. Present the findings at all Baghs and Soum center.	Reflect in the monitoring work plan	OT/Herders groups	Public monitoring results and report	
3.2	Monitor implementation & progress of retrospective compensation arrangements, with information presented quarterly to TPC. This will include applications made to the Compensation Claims Committee; response on acceptance or rejection and the reason of rejection; retrospective compensation agreements reached and compensation delivered.	Quarterly	OT	Quarterly report and presentation to the TPC and herders	
3.3	Produce an annual report to Khanbogd Soum that presents information on the past year's performance and plans for the coming year, covering local economic impacts including employment, local taxes and fees paid, local procurement; environmental impacts, environmental monitoring and management programs and the related data, and social performance including compensation programs, support for vulnerable people, training and business development, projects funded by the Co-operation Agreement, donations etc. This should be published in the Mongolian language in a form which is accessible to herders & local community;	Annually	OT/Khanbogd Soum	Information in Mongolian language in a form which is accessible to herders & local community in Khanbogd soum (information to be prepared jointly)	

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3.4	Expand community relations work. The team should comprise trained people whose role includes ensuring effective two-way communication between OT and herders (as well as others in the community). This will include participating in formal meetings, for example, Bagh meetings, and maintaining close contact with the local administration and elected officials. It will also include regular contact with people in on-going compensation programs, including identified 'vulnerable' people, but also friendly contacts and rapports established by spending time travelling around across the Soum. The community relations team will maintain strong enough links within OT to be able to provide herders and other local residents with up to date information about OT activities (and especially during construction: the activities of contractors working outside the Mining Lease Area (MLA) such as who is working where, and for what period of time and how recruitment is being done), and to be able to communicate back to management.	Report Quarterly Visit herder households annually	OT	1. Participation of OT's community relations team members in the Bagh meetings to present realistic information, 2. Annual report of visiting not less than 50% of all herder households in each Bagh 3. Resolution of herder's complaints and suggestions	Consider engaging all Baghs when visiting to herder households
3.5	Improve the OT grievance mechanism. In collaboration with other TPC members, clarify the options for recourse to an external body. Communicate and consult on the current grievance mechanism with herders and others in the community and revise the mechanism as necessary based on feedback from consultations. Effectively publicize any changes, and encourage people with complaints about OT to use this mechanism.	2 nd quarter of 2017	OT	Improved grievance mechanism (compared to the previous mechanism)	OT improved the grievance guidelines and shall present to TPC for discussion.

IV. Agreements to resolve issues related to compensation

4.1	Acknowledge to herders that there were problems in the approach used for relocation by Ivanhoe Mines Mongolia International (IMMI) in 2004, particularly in communications, and jointly work with TPC on resolving the issues related to 2004 relocated households.	March 22, 2017	OT	The acknowledgement included in the TPC Joint Statement of March 22, 2017 shall satisfy this agreement.	
4.2	TPC should work as 'Compensation Claims Committee' supported by an independent secretary to decide if herders are eligible for compensation under the 2004 or 2011 programs.	2017 Q3	Claims Committee	1. CAO mediators to observe the Claims Committee meeting, 2. Claims Committee Guidelines	
4.3	Jointly formulate and adopt operational guidelines for the Compensation Claims Committee	2017 Q2	TPC	Claims Committee guidelines	
4.4	The herders' households that meet the following criteria shall be entitled to present their claims to the Committee to be included retrospectively in 2004 relocation impact agreement:			Settlement of claims submitted to the Claims Committee according to the criteria	
4.4.1	Households with winter & spring camp structures at that time within the area designated for 2004 relocation, and without any 2004 relocation agreement.	Start in Q3, 2017	Claims Committee		
4.4.2	Herder households that were sharing winter camp sites, without any relocation agreement, were registered separately as herder household at that time				
4.5	Undertake the following actions for 10 households relocated in 2004:			1. Have 2 persons enrolled in livelihood support training with stipends, 2. Sustainable Livelihoods Program started	
4.5.1	Include in the Livelihood Support Training Program with Stipends over a one year period, the 2 households without fulltime work under the agreement that were compensated in 2004	Start in Q2, 2017	OT		

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4.5.2	Include 10 households in the sustainable livelihoods program (paragraph 4.10.4 herein)				
4.6	Provide equivalent or no less compensation to that provided in 2004 for herders with winter camps & spring camps within the area designated for 2004 relocation, and who are newly qualified for retrospective compensation due to 2004 resettlement impacts.	Start in 3 rd quarter, 2017	OT	Settlement of claims submitted to the Claims Committee according to the criteria	Compensation packages shall be clearly defined in the Compensation Claims Committee Guidelines
4.7	Provide compensation as stipulated in the Compensation Claims Committee Guidelines to herder households that were sharing a winter camp in 2004 designated area & who are newly qualified for retrospective compensation due to 2004 resettlement impacts				Dispute related to compensation between herder households, that were sharing winter camps are not applicable to TPC and the Compensation Claims Committee.
4.8	Provide compensation to herder households who did not receive 2011 compensation and satisfy the following qualifications	3 rd quarter, 2017	Claims Committee	Settlement of claims submitted to the Claims Committee according to the criteria	Compensation packages shall be clearly defined in the Compensation Claims Committee Guidelines
4.8.1	Provide equivalent or no less compensation or package to that provided in 2011 to the herders with winter & spring camp structures at that time within the area designated for 2011 economic displacement impacts, and without any 2011 compensation agreement and who are newly qualified for retrospective compensation.				Compensation packages shall be clearly defined in the Compensation Claims Committee Guidelines
4.8.2	Provide equivalent or no less than the same impact compensation to that provided in 2011 for herders households that were sharing a winter camp, without any compensation agreement, were registered separately as herder household at that time, who are newly qualified for retrospective compensation.				Compensation packages shall be clearly defined in the Compensation Claims Committee Guidelines
4.9	Undertake the following actions for 89 households compensated in 2011:	Complete the Outcome evaluation in 2017	OT	Outcome evaluation report on compensation agreement and follow-up agreed actions/measures	Follow-up actions and timeline, scope of the Implementation Audit shall be discussed by TPC based on the Outcome Evaluation findings/conclusions.
4.9.1	Commission 1) Outcome evaluation, 2) Implementation audit of 2011 compensation agreement to be carried out by independent organizations;				
4.9.2	Compensation Working Group/TriPartite Council to review & decide whether to terminate 2011 compensation agreement or to take any additional actions/measures based on the findings of the Outcome Evaluation findings;				
4.9.3	Compensation Claims Committee to resolve any grievance and/or complaints on incomplete compensation filed by individual households				
4.9.4	Parties mutually agreed to cancel the confidentiality clauses in the 2004 and 2011 compensation agreements so that those who have been compensated are able to disclose information if they choose to do so	March 22, 2017	TPC	The acknowledgement included in the TPC meeting minutes of March 22, 2017 shall satisfy this agreement.	
4.10	Implement the following actions as for collective compensation for all Khanbogd Soum herder households		OT		Herder households located just outside of the 2004, 2011 impact zones, and indirectly impacted households are prioritized as "targeted group" in engaging in the activities undertaken as collective compensation;
4.10.1	As for collective compensation for all Khanbogd Soum herder households, implement the "KB Soum's Animal Husbandry Sector's Development Program until 2024, projects to be implemented in the long term with funding from OT's Gobi Oyu Fund under the cooperation agreement" (attached as Annex B)	2017-2024	OT / Khanbogd Soum Government	Implementation of larger projects reflected in KB Soum's Animal Husbandry Sector's Development Program until 2024 have started	Annex B

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4.10.2	Provide tuition fee for children of herders attending at accredited college or university – (Provide tuition fee for the current children as of the date of agreement until they graduate) – Criteria: must maintain a GPA of no less than 2.7 and majoring in areas will contribute to the Soum development;		OT		
4.10.2.1	Prepare Herders Children's Scholarship Program (including criteria, major, maximum amount of scholarship etc) & present to TPC for endorsement	June-July, 2017	O. Tserennadmid, OT	All student children of herders who qualify the scholarship criteria should start receiving scholarships	Soum Khural Representatives lead members shall discuss and decide majors that will contribute to the Soum development; and deliver to the Compensation Claims Committee.
4.10.2.2	Prepare a list of herders' children that need college/university scholarship including name of school, major, level of studies, GPA	June, 2017	Ch. Namnansuren, D. Namsrai, U. Battogtokh, L. Battengel, T. Nasanbuyan, EHT, B. Erdenebayar, Local Government Representative		
4.10.2.3	Receive scholarship applications and decide	Start from August, 2017	O. Tserennadmid, OT		
4.10.3	As specified in 3.1 herein, pay salaries or incentives to monitoring work (organize herders as a group, and conclude contract)	Start in January, 2018	S. Dorjderem, OT B. Altangerel, Khanbogd Soum government, D. Namsrai, EHT	Contract with herders groups were concluded & monitoring works started	1. Contract will be concluded only with one herders group & this group may have sub-groups specialized in different monitoring. 2. Target to train & prepare specialized people in this area, build capacity of people to analyse monitoring data & develop relevant recommendations in the long term
4.10.3.1	Determine the local monitoring scope (pasture, water, dust, wildlife, Undai river, Khaliv-Dugat river flow, TSF seepage, possible downstream impacts etc.)	Start in June, 2017			
4.10.3.2	Agree on monitoring methodology				
4.10.3.3	Build capacity of herders groups to carry out monitoring activities & reporting				
4.10.3.4	Conclude contract to carry out monitoring & start implementing the monitoring	Start in September, 2017			
4.10.4	Jointly design and implement the Sustainable Livelihood Program	2017-2024	OT/TPC		TPC shall discuss implementation, scope and results of this program annually and cooperate in revising, improving, adding the program as needed
4.10.4.1	Project 1: Life Skills Training Program				
4.10.4.1.1	Design & develop project proposal in cooperation with Soum Lifelong Learning Center & present to TPC	3rd quarter, 2017	Zanabazar, Deputy Governor, Tankhildulam, OT	Implementation of the Project #1 started (Project document, progress report)	
4.10.4.1.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017	Ch. Namnansuren, EHT		
4.10.4.1.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT		
4.10.4.2	Project 2: Well Maintenance Brigade Establishment Project				
4.10.4.2.1	Design & develop project proposal to set-up a team, that carry out well maintenance works, including hand wells and deep wells & present to TPC (Joint team of local herders & professional organizations)	3rd quarter, 2017	Suglegmaa, Veterinary & Animal Breeding Dept Bayarbaatar, OT	Implementation of the Project #2 started (Project document, progress report)	
4.10.4.2.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017	U. Battogtokh, EHT		
4.10.4.2.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT		
4.10.4.3	Project 3: Khoroo/Camp fence maintenance team establishment project			Implementation of the Project	

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4.10.4.3.1	Design & develop project proposal to set-up a team, that consists of local herders, which will carry out livestock shelter construction and maintenance works & present to TPC	3rd quarter, 2017	Khurelbaatar, Veterinary & Animal Breeding Dept Bayarbaatar, OT G. Myagmar, EHT	#3 started (Project document, progress report)	
4.10.4.3.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017			
4.10.4.3.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT		
4.10.4.4	Project 4: Project to establish Herders Market & Promoting the creation of supply chain for livestock raw material producers			Implementation of the Project #4 started (Project document, progress report)	Jointly Develop & implement in collaboration with Soum business entities, entrepreneurs
4.10.4.4.1	Design & develop project proposal to study, establish herders' market in Tsogt-Tsetsii & other soums, & promote the creation of supply chain for livestock raw material producers & present to TPC		Zanabazar, Bayarbaatar, OT L. Battengel, EHT		
4.10.4.4.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017			
4.10.4.4.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT		
4.10.4.5	Project 5: Improve Health Services for Herders			Implementation of the Project #5 started (Project document, progress report)	
4.10.4.5.1	Design & develop project proposal to expand Healthy Herders project activities currently implemented with Inter-soum hospital & present to TPC	October, 2017	Gerelmaa, Inter-Soum Hospital Tankhildulam, OT T. Nasanbuyan, EHT		
4.10.4.5.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017			
4.10.4.5.3	OT resolve the TPC endorsed project funding & start the implementation	3rd quarter, 2017	OT		
4.10.4.6	Project 6: Livestock Fodder Plantation Project			Implementation of the Project #6 started (Project document, progress report)	
4.10.4.6.1	Design & develop project proposal to plant livestock fodder soumwide & present to TPC (independently operate in the future)		Suglegmaa, Veterinary & Animal Breeding Dept Bayarbaatar, OT D. Namsrai, EHT		
4.10.4.6.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017			
4.10.4.6.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT		
4.10.4.7	Project 7: Create artificial lake, pond, water collection points;			Implementation of the Project #7 started (Project document, progress report)	
4.10.4.7.1	Identify areas in each Bagh that is possible to create water collection point & identify points that need to be restored based on herders suggestion	3rd quarter, 2017	Soum Governor's Office, Bagh Meetings, EHT		
4.10.4.7.2	Analyse the defined points, develop restoration plan & present to TPC		Khurelbaatar, Veterinary & Animal Breeding Dept Bayarbaatar, OT T. Nasanbuyan, EHT		
4.10.4.7.3	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017			
4.10.4.7.4	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT		
4.10.4.8	Project 8: Providing support in connecting herders' deep wells with renewable energy;			Implementation	

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4.10.4.8.1	Design & develop a project proposal to identify number, location of deep wells that need to be connected with renewable energy & connect with renewable energy & present to TPC (consider usage & user's situation)	2017 оны 3-р улирал	Khurelbaatar, Veterinary & Animal Breeding Dept Bayarbaatar, OT D. Narankhuu, EHT	of the Project #8 started (Project document, progress report)	
4.10.4.8.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017			
4.10.4.8.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT		
4.10.4.9	Project 9: Young Herders Promotion Program, Implement "Young Herder" Project (under 35 years old) (reflected in KB Livestock Breeding Sector Development Program to 2024)			Implementation of the Project #9 started (Project document, progress report)	
4.10.4.9.1	Design & develop training & information project for young herders in relation to Aimag herders' program & present to TPC	November, 2017	Khurelbaatar, Veterinary & Animal Breeding Dept Bayarbaatar, OT Namnansuren, EHT		(1) KB Livestock Breeding Sector Development Program to 2024 (2) Aimag herders program
4.10.4.9.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017			
4.10.4.9.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT		
4.10.4.10	Project 10: Build slaughter line with permanent operation			Implementation of the Project #10 started (Project document, progress report)	
4.10.4.10.1	Design & develop project proposal & present to TPC	2018	OT/Khanbogd Soum		Project stated in 18 of Annex B
4.10.4.10.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement				
4.10.4.10.3	OT resolve the TPC endorsed project funding & start the implementation				
4.10.5	Conduct capacity building training on SME business for herders and local community and provide micro loans (through KHAAN BANK, up to 30 million MNT to be provided per loan request)	Start in 4 th quarter, 2017	OT / Khanbogd Soum	1.of herders attended the training 2....# of herders received loan	"Project Loan" implemented by KHAAN Bank – compare the criteria Link with new project to support local businesses by IFC
4.10.6	Refer herders's request for decision to upgrade gravel roads to paved roads in the KB Soum center; and build infrastructure in KB Soum (including provision of clean water and sewage pipeline network installation) to Khanbogd Development Committee, unit in charge of ensuring the implementation of Umnugobi aimag's Khanbogd Soum center's development master plan;	4 th quarter, 2017	OT / Khanbogd Soum	How it is reflected in the Development Committee's work plan	
4.10.7	Khanbogd Soum agreed to install a Unitel telecommunication antenna in Gaviluud Bagh in order to increase the signal coverage	2 nd quarter, 2017	J. Zanabazar, KB Soum Government	Connection to the network	

Annex A: A List of places to be rehabilitated and restored

1. Old airport
2. Improved road part to the south-west from OT - Khar Tolgoi River's upstream and downstream area (clarify on the field)
3. Quarry located in the north of Khanbogd Soum road
4. Areas of camps located outside MLA
 - In the east of Khuren deliin buuts, A camp area
 - Camps along Gunii Khooloi
5. Quarry used for the road from Tsagaan Khad to Gashuun Sukhait border point
6. Old road from front gate of OT's MLA to Javkhlant Bagh center and quarries located along this road
7. Dirt road previously used by OT from the west gate of OT's MLA to the coal road
8. Branch dirt roads located in parallel with improved gravel road from OT to Manlai

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Annex B: As a form of collective compensation within the scope of KB Soum's Animal Husbandry Sector's Development Program until 2024; projects to be implemented in the long term with funding from OT's Gobi Oyu Fund under the cooperation agreement

#	Activities to be implemented within the program	Timeline	Implementing Agency	Co-organised by	Budget Million MNT
I. Activities aimed at conducting a comprehensive study on pasture land and water reserve - the roots for traditional livestock husbandry, and developing and implementing Soum Pasture Management Plan based on the study findings					
1	Assess pasture carrying capacity and quality, determine fodder reserve, and update its potential	2016-2017	Umnugobi aimag, Food & Agricultural Dept.	Khanbogd, Manlai, Bayan-Ovoo, Tsogt-Ovoo Soum Governors' Office. Professional specialized organizations	500.0
2	Conduct a water point census and assessment, carry out hydrological study and exploration and determine water reserve with the assistance of specialized agency	2016-2017	Umnugobi aimag, Food & Agricultural Dept.	Khanbogd Soum Governor's Office, Professional specialized organizations	900.0
3	Establish centralized storage for livestock forage and maintain forage reserve, form an animal emergency risk fund and improve its management	2018-2020	Khanbogd Soum Governor's Office	Aimag Emergency Response Agency	300.0
4	Create and rehabilitate water points/wells based on the findings of water reserve study	2019-2022	Khanbogd Soum Governor's Office	Khanbogd, Manlai, Bayan-Ovoo, Tsogt-Ovoo Soum Governors' Office. Specialized company	500.0
II. Activities to establish animal health center, train qualified specialists and personnel, and provide required equipment, software and other supplies					
5	Develop feasibility study, construction drawing and budget for Animal health center (with a hygiene and environmental analysis laboratory)	2016	Khanbogd Soum Governor's Office	NCCS company. State central veterinary and hygiene laboratory	35.0
6	Build and commission Animal health center	2016-2017	Umnugobi aimag, Food & Agricultural Dept.	Khanbogd Soum Governor's Office. Construction company	1.350.0
7	Prepare qualified personnel in the field of hygiene, sanity and environment to be employed at the laboratory of Animal health center	2017-2019	Umnugobi aimag, Food & Agricultural Dept.	Khanbogd Soum Governor's Office. University of Agriculture	100.0
III. Activities to enhance herders' knowledge and skill, prepare succession of herders, resume traditional way of livestock herding, introduce modern advanced technology, and prepare qualified professionals					
8	Develop and implement a micro project on "Healthy herder" in cooperation with soum hospital	2016	Inter-Soum Hospital, Khanbogd Soum	Khanbogd Soum Governor's Office Aimag Health Department	100.0
9	Train sectorial specialists in application of advanced software and encourage them to possess livestock production management and technological skills	2017-2018	Umnugobi aimag, Food & Agricultural Dept.	Khanbogd Soum Governor's Office. University of Agriculture Agricultural Science Extension Center	150.0

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10	In cooperation with senior herders, prepare young generation of herders, implement "Young herder" project to prepare future leaders and managers of herder cooperatives and groups	2019-2022	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept. Cooperatives' Training & Information Center	250.0
11	Organize training, meetings and trip for herders to exchange experience and gain knowledge and skills to prevent natural risks, improve animal health and productivity, pasture management practice and traditional and modern ways of livestock herding	2023-2025	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept. Agricultural Science Extension Center	275.0
Activities to improve animal health and breeding and enhance livestock productivity					
12	Strengthen capacity of soum veterinary and breeding service unit with establishment of livestock sector database and provision of equipment and software required to implement the development program	2017-2020	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	140.0
13	Place all breeding processes using ram and male goats under the control of a specialized organization, and implement "Core Livestock" project and grow high quality male animals to be used for breeding	2018-2022	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept. Малын удмын сангийн үндэсний төв	450.0
14	Implement "Intensified Livestock" project and breed highly productive animals suitable for the climate and weather conditions of the soum	2020-2022	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept. Agricultural Science Extension Center	300.0
Initiatives to be implemented to develop small and medium sized enterprises to process livestock raw materials at local level and produce value added products					
15	Add market value and competitiveness of torom or 2 year old baby camel wool by using advanced wool combing technology and introduce camel and sheep wool shearing technology	2018-2019	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	300.0
16	Produce food products that meet health and hygiene requirement using processed camel's milk	2019-2020	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	300.0
17	Support other types of production for processing livestock raw material based on a feasibility study	2020-2021	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	400.0
18	Establish livestock product processing plant furnished with state-of-the-art technology	2021-2022	Umnugobi aimag, Food & Agricultural Dept	Khanbogd Soum Governor's Office.	500.0
19	Establish camel and sheep wool processing plant at regional level and produce several kinds of end products	2022-2024	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	400.0
Total					5900.00

Herders' Complaint Resolution Agreement #2

This Herders' Complaint Resolution Agreement (the **Agreement**) is entered into on the 9th day of May, 2017 between

1. Khanbogd Soum Government (referred to as **Khanbogd Soum**);
2. Elected Representatives of Khanbogd Soum Bagh herders (referred to as the **Herders Representatives**); and
3. Oyu Tolgoi LLC (**OT**) (collectively referred to as the **Parties**, separately referred to as a **Party**).

I. Purpose of the Agreement

- 1.1 The purpose of this Agreement is to jointly implement the actions stipulated in the Annex 1 by the Parties in order to resolve the herders complaint filed to Compliance Advisor Ombudsman (CAO) in February, 2013.

II. Complaint Background

- 2.1 Local nomadic herders, who claim to be indigenous people¹ and affected by Oyu Tolgoi project that is being implemented in Khanbogd Soum, Umnugobi Aimag, Mongolia with financial support from the International Finance Corporation (IFC) filed a complaint to the Compliance Advisor Ombudsman (CAO)-the independent accountability mechanism for IFC and the Multilateral Investment Guarantee Agency (MIGA), the private sector lending arms of the World Bank Group- with the support of OT Watch, a national NGO, and Gobi Soil, a local Khanbogd-based NGO regarding impacts of the Undai River diversion in February, 2013.
- 2.2 The complainants included an elected representative of the local Khanbogd Soum Khural (local parliament) and Chair of the Javkhant-Bagh Khural at that time. The complainants contended that the river diversion jeopardizes their traditional nomadic lifestyle and livelihood, and they requested that OT stop the diversion work. They were specifically worried that the diversion would lead to several water systems drying up, deteriorated pastureland yields, diminished water supply to forests and cultural impacts on what they view as a sacred river.
- 2.3 The CAO determined that the complaint met the eligibility criteria and began an assessment of the complaint. During the assessment process in early 2013, the Complainants and OT agreed to engage in a voluntary dispute resolution process facilitated by CAO.

III. Dispute Resolution Process

- 3.1 The Parties participated in a dispute resolution process facilitated by the CAO mediation team from March 15, 2013 until May 9, 2017.
- 3.2 The Parties entered into a Memorandum of Understanding on June 8, 2015 with the aim of establishing a Tri-Partite Council (referred to as "TPC") between Khanbogd Soum, the Herders' Representatives and OT. The functions of the Tripartite Council are to consider, address, resolve, exchange information about, make proposals and recommendations in respect of, implement and relay to the appropriate levels, any issues relating to herders, pasture and water and any other relevant issues, complaints, proposals, initiatives or recommendations regarding the complaints submitted to CAO.²

¹ Terms used in the original complaint filed in February, 2013 was used herein.

² Memorandum of Understanding can be found at http://www.cao-ombudsman.org/cases/document-links/documents/FinalSignedMoUwithAnnexures_ENG.pdf

- 3.3 As a part of dispute resolution process, the Parties engaged in a joint fact-finding process and jointly selected and hired an Independent Expert Panel (IEP)³ to assess the OT Project's impacts on three important water sources—the Undai River, the Bor Ovoo Spring and the Haliv-Dugat River—and how those impacts will affect the herders' pasture, access to water and water quality. In particular, the herders wanted the IEP to assess whether the information and analysis provided by OT regarding the impacts of the Undai River diversion, the relocation of the Bor Ovoo Spring and the construction and operation of the tailings storage facility and waste rock piles was adequate and whether there were any alternatives, modifications or additional mitigation measures that could avoid or reduce impacts on the herders' pasture, access to water and water quality. IEP conducted its assessment in two phases, and in January 2017, submitted its final report and recommendations⁴ to the Parties, who have accepted the recommendations in a manner set out in this Agreement and have agreed to jointly develop a Detailed Implementation Plan.

IV. Resolution to Complaint

- 4.1 The Parties hereby agree to implement Detailed Implementation Plan of Agreed Actions listed in Annex 1 and bring a successful resolution to the issues in the Complaint to CAO.
- 4.2 OT will incur the funding and financing required for implementing the actions agreed in the Annex 1 of this Agreement for which OT is a solely or jointly responsible party.
- 4.3 The Parties agree that the terms of this Agreement are the final and entire agreement or understanding between the Parties on the subject matters stated herein. The Parties agree that neither Party will raise any concern, argument or complaint about or on the subject matters in this Agreement after the Parties conclude that this Agreement has been implemented completely, effectively and to the satisfaction of all Parties.
- 4.4 The Parties agree that any new matter or complaint that may arise during the implementation of actions or as a result of having undertaken the agreed actions set in Annex 1 of this Agreement is separate from this Agreement and will not merge to this Agreement.

V. Implementation of this Agreement

- 5.1 The Parties will support and respect each other in a manner that enables either party to undertake, in a safe (not harmful to others) and effective way, any of its agreed actions set out in Annex 1 of this Agreement.
- 5.2 The Parties will implement all terms of this Agreement as stated herein. If necessary, the Parties may change or amend this Agreement in writing upon mutual consensus. Such amendment will be an integral part of this Agreement.
- 5.3 Detailed Implementation Plan of Agreed Actions shown in Annex 1 hereto sets out all the agreed actions between the Parties with timelines and responsible party, and all annexes of this Agreement is an integral part of this Agreement.
- 5.4 The Parties acknowledge that this Agreement serves the best interests of all the Parties and agree to commit to successfully achieve the implementation of this Agreement. During the implementation of this Agreement, the Parties will act and cooperate in good faith.

³ The Terms of Reference for the studies can be found at http://www.cao-ombudsman.org/cases/document-links/documents/FINALENG_ToRfor_UndaiRiverDiversionComplaint_CAO_IEP.pdf

⁴ The Executive Summary and recommendations of the IEP Phase I work can be accessed at http://www.cao-ombudsman.org/cases/document-links/documents/RecommendationstoStakeholders_edit_Jan_11_2015-Eng.pdf and the complete IEP Phase II full report can be accessed at http://www.cao-ombudsman.org/cases/document-links/documents/MDTIEP_FINALREPORT_ENG_January292017_001.pdf

- 5.5 This Agreement shall remain in effect until all agreed actions set out in Annex 1 of this Agreement are fully implemented.
- 5.6 The Parties will ensure the consultation and engagement of herders and other stakeholders in implementation of agreed actions set out in Annex 1 of this Agreement.

VI. Communication between Parties

- 6.1 The TPC shall ensure open communication with relevant Parties as specified in its charter⁵ when implement this Agreement. The complainants may participate in TPC meetings as specified in its charter and raise any ongoing concerns they may have.
- 6.2 Parties agree to openly and transparently disclose this Agreement publicly.
- 6.3 The Parties will prepare a joint information or statement about the implementation of this Agreement, which has been mutually agreed by the Parties and use as specified in the TPC charter.
- 6.4 Parties ensure timely delivery of accurate information about this Agreement implementation, to herders and citizens of Khanbogd soum and prevent from arising any miscommunication and misunderstanding among the herders and the local community.

VII. Monitoring

- 7.1 The Parties agree and accept that CAO will monitor implementation of this Agreement for 12 months from the signing date of this Agreement, in accordance with CAO's Operational Guidelines, to verify the implementation of the terms of this Agreement, by phone or email or through other means of communication and personal visits if necessary.
- 7.2 At the end of the monitoring period set out in clause 7.1 above, CAO will make a conclusion whether this Agreement is being implemented effectively based on the TPC conclusion. Where CAO concludes that this Agreement is being implemented successfully, the Complaint will be closed. Where CAO concludes otherwise, period for CAO monitoring shall be extended to ensure the implementation of this Agreement.
- 7.3 In the event of any dispute or difference arising between the Parties to this Agreement during the CAO monitoring period, either may contact the CAO dispute resolution team for assistance. In such event, the CAO dispute resolution team will convene a meeting(s) with the Parties to facilitate resolution of such dispute or difference.
- 7.4 Upon closure of the complaints, the Tripartite Council shall consider, address, resolve, exchange information about, make proposals and recommendations in respect of, implement and relay to the appropriate levels, any issues relating to herders, pasture and water and any other relevant issues, complaints, proposals, initiatives or recommendations.⁶

VIII. Miscellaneous

- 8.1 The Parties execute four copies of this Agreement both in Mongolian and English – one for each Party and CAO.
- 8.2 If there is any conflict, inconsistencies between English version and Mongolian version of the Agreement, the Mongolian version of the Agreement shall prevail.
- 8.3 Headings of this Agreement are only for convenient reference for the Parties and do not affect interpretation of this Agreement.
- 8.4 In the event of dispute or misunderstanding in relation to this Agreement implementation, Parties shall attempt amicably to resolve such dispute. If the Parties

⁵ TPC Charter can be found at http://www.cao-ombudsman.org/cases/document-links/documents/FinalSignedMoUwithAnnexures_ENG.pdf

⁶ Memorandum of Understanding can be found at http://www.cao-ombudsman.org/cases/document-links/documents/FinalSignedMoUwithAnnexures_ENG.pdf

cannot resolve the dispute amicably, it may seek for court or non-court dispute resolution procedures to settle the complaint.

Executed between the Parties on the 9th day of May, 2017.

Signed for and on behalf of
Khanbogd Soum:

Speaker of the Citizens' Representatives
Meeting

Governor of Khanbogd Soum

Deputy Governor of Khanbogd Soum

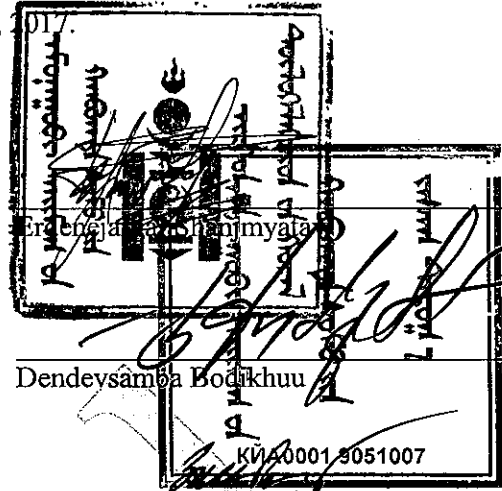
Head of the Veterinary & Animal Breeding
Unit

Environmental State Inspector

Governor of Bayan Bagh

Representative of Khanbogd Soum
Parliament

Signed for and on behalf of the Herders of Khanbogd Soum:



Erdenebayar Batkhuyag
Dendeysamba Bodikhuu

Zanabazar Jargal

Khurelbaatar Dash

Altangerel Bat-Erdene

Myagmarjav Mijiddorj

Erdenebayar Bat

Battsengel Lkhamdoorov

Battogtokh Uulii

Namsrai Dolgorsuren

Namnansuren Chuluun

Annex 1. Detailed Implementation Plan of Actions to settle the Complaint #2

UMNUGOBI AIMAG, KHANBOGD SOUM						
TRI-PARTITE COUNCIL – May 9, 2017						
#	Actions	Timeline	Responsible Party	Key Performance Indicators (KPI)	Remarks	Linkage with state policy & programs
Detailed Implementation Plan of Actions agreed to settle the Complaint filed in February, 2013 related to Undai River Diversion						
1	Present an official apology letter to local herders with regard to the Undai River diversion & publicly publish it (attached as Annex A)	March 20, 2015	OT	Published apology letter	Annex A	
2.	Re-design and revise 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;	September 22, 2016	OT	Revised design drawing, plan of waste rock dump, that avoided to touch Bor Ovoo	Compare old plan with revised plan to validate	
3.1	Consult with local herders regarding new location for Bor Ovoo Spring & jointly plan & vegetate the area;	May, 2016-August, 2018	OT	Certificate of biological rehabilitation acceptance by Aimag working group responsible for receiving rehabilitated land disturbed by mine, infrastructure and other activities;	Present progress report at TPC meeting annually	
3.2	Jointly develop vegetation plan with herders, implement activities and evaluate the results		N. Erdenebayar, OT			Text for the board will be jointly prepared in consultation with TPC and herders' representatives
3.3	Place information board about original Bor Ovoo Spring at the new location of Bor Ovoo Spring	3 rd quarter, 2017	O. Tserennadmid, OT	Placed information board		
4.	Present an original Bor-Ovoo Spring photo to the Herders Representatives for exhibiting in the Soum Museum;	March 20, 2015	OT	Original Bor-Ovoo Spring photo in the museum	Invite R. Soninbold, Soum Museum Director to TPC June, 2017 meeting & present the photo Prepare photo explanation & attach to photo (Ch. Namnansuren, HT)	
5.1	Finance 88 million MNT to implement the "Gobi Grove" 3-year tree planting project in order to increase environmental green zone; Engage herders living along the Undai River	October, 2016 – October, 2019	OT	1. Engage 15 or more herders living along Undai River each year 2. 75% or more of planted trees successfully grown 3. Documentation of officially handed over to the working group appointed by Khanbogd Soum	Gobi Soil NGO is implementing at the request of TPC	
5.2	Launch tree planting activities	May 2, 2017	Gobi Soil NGO, TPC		TPC members shall launch the tree planting activities	
5.3	Implement Gobi Grove project activities pursuant to the plan, prepare relevant reports and share publicly	October, 2016 – October, 2019	Gobi Soil NGO/TPC		Present the progress reports to TPC semi-annually	

Herders' Complaint Resolution Agreement #2

6.	Take all feasible measures to reestablish the free flow of the Undai River in three areas inside the MLA where the flow is currently being obstructed: (1) quarry area in the west side of the workers' camp; (2) road to heating plant; and (3) new channel area of the Undai River diversion;	During rainy season	OT	Free flow of Undai River in (1) quarry area in the west side of the workers' camp; (2) road to heating plant; and (3) new channel area of the Undai River diversion	Herders Representatives (with local herders) visit these areas inside MLA after rain & validate that Undai River is flowing	
7.	Provide collective compensation in the form of a program to construct new shallow hand wells; the wells should be dispersed across the 4 Baghs to encourage migration and use of alternate pastures and give herders the means to keep customary livelihood practices. The location of new wells should be based on hydrological studies (study on water reserve under pasture) to ensure productivity and ensure that new wells do not affect existing wells and should also integrate herder preferences including concerns about impacts on, or from wildlife;	Start new well construction program from 2018, after completion of hydrological study	OT/ TPC	...# of new wells constructed upon TPC consensus based on hydrology study results	TOR shall be discussed at the TPC	Hydrological study, Pasture management plan, Water reserve management plans of the River Basin Authority, Khanbogd soum governor's guidance
8.	Improve the integrity of the Haliv-Dugat diversion channel to reduce erosion and convey floodwaters of the Haliv-Dugat River more efficiently. This will be done using a joint fact finding survey to assess the stability of the diversion and identify areas of excess erosion. The TPC will jointly agree on specific sites to implement measures, and which measures are appropriate, including bank or bed hardening and reduction of ponding;	During rainy season	OT	(1) Work report on activities to improve integrity of Khaliv-Dugat river diversion channel (2) Khaliv-Dugat river's current is flowing free	(1) Herders Representatives to validate Work report on activities to improve integrity of Khaliv-Dugat river diversion channel (2) Herders Representatives (with local herders) visit these areas inside MLA after rain & validate that Undai River is flowing	
9.	Provide adequate drainage mechanisms such as culverts, arches or armored flood flow crossings, where appropriate, to reduce ponding and evaporation in the watershed. The TPC will jointly review these areas and decide which mitigation techniques to implement	During rainy season	OT			
10.	Independent Technical Review Board (ITRB) to review whether there is seepage and design modifications for the Tailings Storage Facility (TSF) and the potential for downstream impacts and report results to all Parties. The ITRB's report to the TPC should include proposed modifications to avoid or mitigate any potential downstream impacts, which OT agrees to implement	3 rd quarter, 2017	N. Erdenebayar, OT B. Altangerel, Khanbogd Soum, Ts. Gunsmaa, D. Namsrai, HR	(1) ITRB report; (2) Evaluation & report on potential downstream impacts	Present the report and information to TPC	
11.1	Jointly create, landscape and vegetate an artificial pond at the Ust Bag Mod Quarry for use as an additional water source;		OT	Certificate of biological rehabilitation acceptance by Aimag working group responsible for receiving rehabilitated land disturbed by mine, infrastructure and other activities;	Present progress report at TPC meeting annually	
11.2	Jointly develop vegetation plan with herders, implement activities and evaluate the results	May, 2016 – August, 2018	N. Erdenebayar, OT			

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12.	Include additional monitoring points suggested by the Herders' Representatives in the Pastureland Participatory Monitoring Assessment;	August, 2016	Pastureland Participatory Monitoring Assessment team	Pastureland Participatory Monitoring Assessment Report	
13.	Provide the following compensation to herders residing along the Undai River (Main criteria: Herders with winter camps and/or spring camps along the Undai River Basin, and registered as a herder household in the Soum registry from January 1, 2007 to December 29, 2012:	Start from 3 rd quarter, 2017	OT		
13.1	Prepare a list of herders that live in Undai River Basin area	June, 2017	Ch. Namnansuren, D. Namsrai, U. Battogtokh, L. Battengel, T. Nasanbuyan, EHT, B. Erdenebayar, Local Government Representative	List of names	
13.2	In collaboration with the Elders' Council, implement a project on "Cascading the traditions and advising the youth on traditional livestock breeding practices and inheriting the knowledge" and provide an honorarium to participating elders living along the Undai River;	June 15, 2017	Batzorig, OT	1. ... # of elders engaged in the project as specified in the project document	
13.2.1	Prepare a project proposal & present to TPC	June 15, 2017	Batzorig, OT	2.# of youth engaged in the project	
13.2.2	Submit the project endorsed by TPC for funding	3 rd quarter, 2017	O. Tserennadmid, OT	3. scope, type of activities	
13.2.3	Implement & report the project activities	Start from 4 th quarter, 2017	Seniors' Council		
13.3	Jointly explore and discuss the opportunities for engaging people in on-the-job training at OT to provide vocational skills;	Discuss in July, 2017	O. Tserennadmid, OT J. Zanabazar, Khanbogd Soum	# of people engaged in the training ... out of which # of people employed	Check from local employment promotion working group (led by Aimag Deputy Governor) & report to TPC
13.4	Provide tuition fee for children of herders attending at accredited college or university – (Provide tuition fee for the current children as of the date of agreement until they graduate) – Criteria: must maintain a GPA of no less than 2.7 and majoring in areas will contribute to the Soum development;		OT		
13.4.1	Prepare Herders Children's Scholarship Program (including criteria, major, maximum amount of scholarship etc) & present to TPC for endorsement	June-July, 2017	O. Tserennadmid, OT	All student children of herders who qualify the scholarship criteria should start receiving scholarships	Soum Khural Representatives lead members shall discuss and decide majors that will contribute to the Soum development; and deliver to the Compensation Claims Committee.
13.4.2	Prepare a list of herders' children that need college/university scholarship including name of school, major, level of studies, GPA	June, 2017	Ch. Namnansuren, D. Namsrai, U. Battogtokh, L. Battengel, T. Nasanbuyan, EHT, B. Erdenebayar, Local Government Representative		
13.4.3	Receive scholarship applications and decide	Start from August, 2017	O. Tserennadmid, OT		
13.5	Jointly design and implement the Sustainable Livelihood Program	2017-2024	OT/TPC		TPC shall discuss implementation, scope and results of this program annually and cooperate in revising, improving, adding the program as needed
13.5.1	Project 1: Life Skills Training Program			Implementation of the Project #1	

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13.5.1.1	Design & develop project proposal in cooperation with Soum Lifelong Learning Center & present to TPC	3rd quarter, 2017	Zanabazar, Deputy Governor, Tankhildulam, OT Ch. Namnansuren, EHT	started (Project document, progress report)			
13.5.1.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017					
13.5.1.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT				
13.5.2	Project 2: Well Maintenance Brigade Establishment Project			Implementation of the Project #2 started (Project document, progress report)			
13.5.2.1	Design & develop project proposal to set-up a team, that carry out well maintenance works, including hand wells and deep wells & present to TPC (Joint team of local herders & professional organizations)	3rd quarter, 2017	Suglegmaa, Veterinary & Animal Breeding Dept Bayarbaatar, OT U.Battogtokh, EHT				
13.5.2.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017					
13.5.2.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT				
13.5.3	Project 3: Khoroo/Camp fence maintenance team establishment project			Implementation of the Project #3 started (Project document, progress report)			
13.5.3.1	Design & develop project proposal to set-up a team, that consists of local herders, which will carry out livestock shelter construction and maintenance works & present to TPC	3rd quarter, 2017	Khurelbaatar, Veterinary & Animal Breeding Dept Bayarbaatar, OT G. Myagmar, EHT				
13.5.3.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017					
13.5.3.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT				
13.5.4	Project 4: Project to establish Herders Market & Promoting the creation of supply chain for livestock raw material producers			Implementation of the Project #4 started (Project document, progress report)	Jointly Develop & implement in collaboration with Soum business entities, entrepreneurs		
13.5.4.1	Design & develop project proposal to study, establish herders' market in Tsogt-Tsetsii & other soums, & promote the creation of supply chain for livestock raw material producers & present to TPC		Zanabazar, Bayarbaatar, OT L. Battengel, EHT				
13.5.4.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017					
13.5.4.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT				
13.5.5	Project 5: Improve Health Services for Herders			Implementation of the Project #5 started (Project document, progress report)			
13.5.5.1	Design & develop project proposal to expand Healthy Herders project activities currently implemented with Inter-soum hospital & present to TPC	October, 2017	Gerelmaa, Inter-Soum Hospital Tankhildulam, OT T. Nasanbuyan, EHT				
13.5.5.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017					
13.5.5.3	OT resolve the TPC endorsed project funding & start the implementation	3rd quarter, 2017	OT				
13.5.6	Project 6: Livestock Fodder Plantation Project			Implementation of the Project #6 started (Project document, progress report)			
13.5.6.1	Design & develop project proposal to plant livestock fodder soumwide & present to TPC (independently operate in the future)	3rd quarter, 2017	Suglegmaa, Veterinary & Animal Breeding Dept Bayarbaatar, OT D. Namsrai, EHT				

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13.5.6.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement					
13.5.6.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT			
13.5.7	Project 7: Create artificial lake, pond, water collection points;					
13.5.7.1	Identify areas in each Bagh that is possible to create water collection point & identify points that need to be restored based on herders suggestion	3rd quarter, 2017	Soum Governor's Office, Bagh Meetings, HR	Implementation of the Project #7 started (Project document, progress report)		
13.5.7.2	Analyse the defined points, develop restoration plan & present to TPC		Khurelbaatar, Veterinary & Animal Breeding Dept			
13.5.7.3	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017	Bayarbaatar, OT T. Nasanbuyan, HR			
13.5.7.4	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT			
13.5.8.	Project 8: Providing support in connecting herders' deep wells with renewable energy;					
13.5.8.1	Design & develop a project proposal to identify number, location of deep wells that need to be connected with renewable energy & connect with renewable energy & present to TPC (consider usage & user's situation)	2017 оны 3-р улирал	Khurelbaatar, Veterinary & Animal Breeding Dept Bayarbaatar, OT D. Narankhuu, EHT	Implementation of the Project #8 started (Project document, progress report)		
13.5.8.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017				
13.5.8.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT			
13.5.9	Project 9: Young Herders Promotion Program, Implement "Young Herder" Project (under 35 years old) (reflected in KB Livestock Breeding Sector Development Program to 2024)					
13.5.9.1	Design & develop training & information project for young herders in relation to Aimag herders' program & present to TPC	November, 2017	Khurelbaatar, Veterinary & Animal Breeding Dept Bayarbaatar, OT Nammansuren, HR	Implementation of the Project #9 started (Project document, progress report)		
13.5.9.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement	3rd quarter, 2017				
13.5.9.3	OT resolve the TPC endorsed project funding & start the implementation	4th quarter, 2017	OT			
13.5.10	Project 10: Build slaughter line with permanent operation					
13.5.10.1	Design & develop project proposal & present to TPC	2018	OT/Khanbogd Soum	Implementation of the Project #10 started (Project document, progress report)	Include feasibility study in this project scope to be carried out under the Sustainable Livelihoods Program	Project #18 in the Annex B
13.5.10.2	Reflect the TPC comments, revise the project proposal & get TPC endorsement					
13.5.10.3	OT resolve the TPC endorsed project funding & start the implementation					
13.6.1.	Adopt policy on replacing outsourced monitoring in phases with local	Start in January, 2018	OT S. Dorjderem, OT	I. Contract with herders groups	Contract will be concluded only with	

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	monitoring; and build capacity of local specialized organizations and herders in professional monitoring; Genuine involvement by herders is essential to effective and realistic monitoring and herder responsibility in the process. As such, salary or incentives should be paid for monitoring works; Monitoring programs should be sensitive to herding practices to enable participation wherever possible, be verifiable by herders, and be designed and implemented using a joint fact finding methodology to ensure scientific rigor, accessibility and credibility		B. Altangerel, Local government, D. Namsrai, EHT	were concluded & monitoring works started 2. Redesigned environmental monitoring program by OT & endorsed by TPC, (implementation progress report)	one herders group & this group may have sub-groups specialized in different monitoring. 2. Target to train & prepare specialized people in this area, build capacity of people to analyse monitoring data & develop relevant recommendations in the long term
13.6.2	Determine the local monitoring purpose, scope and type (pasture, water, soil, vegetation, dust, wildlife, Undai river, Khaliv-Dugat river flow, TSF seepage, possible downstream impacts etc.)	Start in 4 th quarter, 2017			
13.6.3	Develop monitoring work plan (methodology) & present to TPC				
13.6.4	Build capacity of herders groups to collect, process and report the monitoring data				
13.6.5	Conclude contract to carry out monitoring & start implementing the monitoring	Start in January, 2018			
14	Fund and commission a hydrogeological study (<u>water reserve study under pasture</u>) by professional organization.	2017 Q2-Q3	OT /Khanbogd Soum	Map (other reports, information) showing pastoral water reserves in the Soum territory	The study will also provide the basis for implementing the new well-building program. The TPC will define Terms of Reference of the study.

Annex A. An official apology letter to local herders with regard to the Undai River diversion



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To: Herder families who have land connections along the Undai River

I am writing to acknowledge the land-connected herders who care for their families and herds along the Undai River in Khanbogd Soum, Umnugovi Aimag.

Oyu Tolgoi LLC (OT) understands that it is operating on lands where herder families have maintained long customary connections, where herders had their winter shelters and where herders grazed their animals in summer.

In 2013, local herders lodged a complaint against OT and have since spent many days talking to OT about the history of springs, summer pasture and community activities along the Undai River.

OT wants to thank these herders for their patience and commitment in teaching OT about these things. OT understands that the mine has brought many changes to herders' lives along the Undai River and to all people who live in Khanbogd Soum.

In particular, OT acknowledges that the lives of herders who graze their herds close to the OT mine site have been disrupted by OT activities, and that these herders worry about the future of the Undai River, about their herd animals and about the future of their children.

OT's engineering work along the Undai was necessary to protect the flow of water along the river. OT is certain that this protection work is successful, but OT also wants to say sorry to the community for not explaining the work properly and for not consulting more in bagh meetings about the work. OT says sorry for bringing 'shock' and worry to the community, and for being in a hurry and starting the work on a bad date.

In the past year, OT has demonstrated it is committed to working openly with the Khanbogd community and with herders. OT believes that the best way to do this in future is through the consultative committees established under the Cooperation Agreement. OT wants all herder families to be active in supporting these committees that will exchange information and help OT operate correctly in Khanbogd Soum.

Yours sincerely,


Ivan Yella'ella
Chief Operating Officer
Oyu Tolgoi LLC

Oyu Tolgoi LLC
Уул-Ойрхо-14240
Сүхбаатар дундур
Ханбогд сум 15
"Номхон Улаан"
Утас: (976) 11 331880
Оуас: (976) 11 331890
И-мэйл: info@ot.mn
Вэб: www.ot.mn

Oyu Tolgoi LLC
Khanbogd Soum
Changgy Avenue 15
Sukhbaatar District
Ulaanbaatar 14240, Mongolia
Tel: (976) 11 331880
Fax: (976) 11 331890
E-mail: info@ot.mn
Web: www.ot.mn

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Annex B: As a form of collective compensation, within the scope of KB Soum's Animal Husbandry Sector's Development Program until 2024; projects to be implemented in the long term with funding from OT's Gobi Oyu Fund under the cooperation agreement

#	Activities to be implemented within the program	Timeline	Implementing Agency	Co-organised by	Budget Million MNT
I. Activities aimed at conducting a comprehensive study on pasture land and water reserve - the roots for traditional livestock husbandry, and developing and implementing Soum Pasture Management Plan based on the study findings					
1	Assess pasture carrying capacity and quality, determine fodder reserve, and update its potential	2016-2017	Umnugobi aimag, Food & Agricultural Dept	Khanbogd, Manlai, Bayan-Ovoo, Tsogt-Ovoo Soum Governors' Office. Professional specialized organizations	500.0
2	Conduct a water point census and assessment, carry out hydrological study and exploration and determine water reserve with the assistance of specialized agency	2016-2017	Umnugobi aimag, Food & Agricultural Dept	Khanbogd Soum Governor's Office, Professional specialized organizations	900.0
3	Establish centralized storage for livestock forage and maintain forage reserve, form an animal emergency risk fund and improve its management	2018-2020	Khanbogd Soum Governor's Office	Aimag Emergency Response Agency	300.0
4	Create and rehabilitate water points/wells based on the findings of water reserve study	2019-2022	Khanbogd Soum Governor's Office	Khanbogd, Manlai, Bayan-Ovoo, Tsogt-Ovoo Soum Governors' Office. Specialized company	500.0
II. Activities to establish animal health center, train qualified specialists and personnel, and provide required equipment, software and other supplies					
5	Develop feasibility study, construction drawing and budget for Animal health center (with a hygiene and environmental analysis laboratory)	2016	Khanbogd Soum Governor's Office	NCCS company. State central veterinary and hygiene laboratory	35.0
6	Build and commission Animal health center	2016-2017	Umnugobi aimag, Food & Agricultural Dept	Khanbogd Soum Governor's Office. Construction company	1.350.0
7	Prepare qualified personnel in the field of hygiene, sanity and environment to be employed at the laboratory of Animal health center	2017-2019	Umnugobi aimag, Food & Agricultural Dept	Khanbogd Soum Governor's Office. University of Agriculture	100.0
III. Activities to enhance herders' knowledge and skill, prepare succession of herders, resume traditional way of livestock herding, introduce modern advanced technology, and prepare qualified professionals					
8	Develop and implement a micro project on "Healthy herder" in cooperation with soum hospital	2016	Inter-Soum Hospital, Khanbogd Soum	Khanbogd Soum Governor's Office Aimag Health Department	100.0
9	Train sectorial specialists in application of advanced software and encourage them to possess livestock production management and technological skills	2017-2018	Umnugobi aimag, Food & Agricultural Dept	Khanbogd Soum Governor's Office. University of Agriculture Agricultural Science Extension Center	150.0

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10	In cooperation with senior herders, prepare young generation of herders, implement "Young herder" project to prepare future leaders and managers of herder cooperatives and groups	2019-2022	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept. Cooperatives' Training & Information Center	250.0
11	Organize training, meetings and trip for herders to exchange experience and gain knowledge and skills to prevent natural risks, improve animal health and productivity, pasture management practice and traditional and modern ways of livestock herding	2023-2025	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept. Agricultural Science Extension Center	275.0
Activities to improve animal health and breeding and enhance livestock productivity					
12	Strengthen capacity of soum veterinary and breeding service unit with establishment of livestock sector database and provision of equipment and software required to implement the development program	2017-2020	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	140.0
13	Place all breeding processes using ram and male goats under the control of a specialized organization, and implement "Core Livestock" project and grow high quality male animals to be used for breeding	2018-2022	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept. Малын удмын сангийн үндэсний төв	450.0
14	Implement "Intensified Livestock" project and breed highly productive animals suitable for the climate and weather conditions of the soum	2020-2022	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept. Agricultural Science Extension Center	300.0
Initiatives to be implemented to develop small and medium sized enterprises to process livestock raw materials at local level and produce value added products					
15	Add market value and competitiveness of torom or 2 year old baby camel wool by using advanced wool combing technology and introduce camel and sheep wool shearing technology	2018-2019	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	300.0
16	Produce food products that meet health and hygiene requirement using processed camel's milk	2019-2020	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	300.0
17	Support other types of production for processing livestock raw material based on a feasibility study	2020-2021	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	400.0
18	Establish livestock product processing plant furnished with state-of-the-art technology	2021-2022	Umnugobi aimag, Food & Agricultural Dept	Khanbogd Soum Governor's Office.	500.0
19	Establish camel and sheep wool processing plant at regional level and produce several kinds of end products	2022-2024	Khanbogd Soum Governor's Office	Umnugobi aimag, Food & Agricultural Dept.	400.0
Total					5900.00