

EBRD COMPLAINT FORM



**1. Name of the Person(s) or Organisation(s) filing the Complaint ("the Complainant").**

B. Odgarig, Ts. Jargalsaikhan, D. Borkhuu, B. Odkhuu, Majigsuren, Surenkhuu, Badamsuren, Adya, Enhkzul, Enerzul, Ts. Altangerel,  
O. Ijlil (?), Ts. Norovbanzad, D. Namsrai nomadic herders of Javhlant bagh and OT Watch, Shuteen Gaviluut NGOs.

**2. Contact information of the Complainant (please include email address and phone number if possible).**

Javhlant bagh, Khanbogd soum, Umnugobi aimag, Mongolia - winter camps (residence address) at East and West Hachivch, Bada Huuvur, East Hanan Alag Del, Ulaan Tolgoi, Aman Us, Zurh Salaa, Goviin Shine Us, Malyn Shine Us, Ulziit Tsatsagt.

OT Watch, Baga Toiruu, Bldg 44, Apt 6, Ulaanbaatar -46A, Mongolia, Sukhgerel Dugersuren, Executive Director, mobile 976-99185828

Shuteen Gaviluut NGO - Khanbogd soum, Umnugobi, Mongolia, Chairperson Ts. Tsetsegmaa,

**3. Is there a representative making this Complaint on behalf of the Complainant?**

No

**4. Are you requesting that this Complaint be kept confidential? Yes (if yes, please explain why you are requesting confidentiality)**

No

**5. Please provide the name or a description of the EBRD Project at issue.**

Ukhaa Hudag coal mine at Tavan Tolgoi, Umnugobi aimag, Mongolia. Project number: 39957; Business sector: Natural resources

The Client: Energy Resources LLC ("ER" or the "Company), an independent Mongolian mining company.

EBRD Finance: Up to USD 180 million term loan. Project Cost: USD 414 million. Environmental category: A;

Board date: 23 Mar 2010; Status: Signed PSD disclosed: 19 Feb 2010;

Oyu Tolgoi copper-gold-silver mine, Khanbogd soum, Umnugobi aimag, Mongolia.

Project number: 41158; Business sector: Natural resources Public/Private: Private Environmental category: A;

Board date: 26 Feb 2013; Status: Board approved, Pending signing; PSD disclosed: 5 Sept 2012

The Client: Oyu Tolgoi LLC (OT), a company established in Mongolia to implement the project.

OT is 66% ultimately owned by Turquoise Hill Resources Ltd (formerly, Ivanhoe Mines Ltd), a Canadian mining group, and 34% by Erdenes Oyu Tolgoi LLC, a corporate body owned by the Mongolian State.

Turquoise Hill Resources Ltd is ultimately majority owned and controlled by Rio Tinto Plc, a leading global mining group, which also acts as manager of the project.

EBRD Finance: A project finance loan to OT to be syndicated to commercial banks. The EBRD will lend up to USD 400 million for its own account (an A loan) and arrange syndication of up to USD 1 billion to commercial banks (a B loan). This will be part of a larger financing package including loans from, among others, the International Financial Corporation (IFC) and Export Development Canada (EDC).

**6. Please describe the harm that has been caused or might be caused by the Project (please continue on a separate sheet if needed):**

Ukhaa Hudag (Energy Resource) and Oyu Tolgoi (Rio Tinto\Oyu Tolgoi LLC) are building roads of various types through the pastures of Khanbogs soum to the mine sites and their facilities such as airports, power plants, water

storage and treatment units, waste storage and construction material mines. Larger roads include roads on which Energy Resource and Oyu Tolgoi LLC transport products and goods from Ulaanbaatar to the mines and from the mine to the Chinese border. All these roads cut through and fragment pastures of nomadic pastoralists of the Umnugobi aimag. Only one of these roads is paved. All other roads are dirt roads. 100 ton truck driving on bare desert soil raise huge amounts of dust in addition to fragmenting pastures of nomads. Dust is causing severe health damage to the health nomads living along these roads and their animals. While companies claim compliance with all norms and standards they do not provide evidence of such compliance. Please see enclosed letters.

**7. If you are requesting the PCM's help through a Problem-solving Initiative, you must have made a genuine effort to contact the EBRD or Project Sponsor regarding the issues in this complaint.**

**a. Have you contacted the EBRD to try to resolve the harm caused or expected to be caused by the Project?**

**Yes** (If yes, please list when the contact was made, how and with whom):

OT Watch, CEE Bankwatch and other CSO have expressed concerns regarding the pasture and water access issues raised in the complaint in numerous written correspondence and meetings since late 2011. Copies of some correspondence is enclosed here with in hard copy. However, taking into account the inconvenience of transporting heavy documents from Mongolia more documents will be delivered with the email submission of this complaint.

**Please also describe any response you may have received.**

Enclosed are copies of replies received from Energy Resource. Companies point to plans to mitigate negative impact while policies recommend prevention of problems. Enclosed letters do not contain the actual plans or discussion of their implementation with the participation of complainants. The response to the joint letter dated August 6, 2012 #039/12 does not provide answers to any of issues raised around impact on pastures; local community health; dust impact on pasture and water resources; decrease in living standards; and compliance with international standards in health and social impact assessments.

**Is the written record of this contact with the EBRD attached to your complaint?**

**Yes**

(if not, please arrange for all relevant documents to be delivered to the PCM Officer as soon as possible).

**b. Have you contacted the Project Sponsor to try to resolve the harm caused or expected to be caused by the Project?**

**Yes** (if yes, please list when the contact was made, how and with whom)

**Please also describe any response you may have received.**

Enclosed are copies of correspondence exchanged with Energy Resource, petitions of herders to all decision-making authorities and companies.

**Is the written record of this contact with the Project Sponsor attached to your complaint?**

**Yes**

**8. If you have not contacted the EBRD and/or Project Sponsor to try to resolve the harm or expected harm, please explain why.**

**Although not required, it would be helpful to the PCM if you could also include the following information:**

**9. If you believe the EBRD may have failed to comply with its own policies, please describe which EBRD policies.**

N/A at this point

**10. Please describe any other complaints you may have made to try to address the issue(s) at question (for example, court cases or complaints to other bodies).**

No formal complaints were made by this group at this point. Individual herders filed complaints with project grievance mechanisms with little to no effect, especially long-term effect in easing/mitigating continues harm from the projects.

**11. Are you seeking a Compliance Review where the PCM would determine whether the EBRD has failed to comply with its Relevant Policies?**

No

**12. Are you seeking a Problem-solving Initiative where the PCM would help you to resolve a dispute or problem with the Project?**

Yes

**13. What results do you hope to achieve by submitting this Complaint to the PCM?**

In order to resolve existing problems with roads impact on the pastures, water and human and animal health the complainants are requesting health impacts assessment as part of a social impact assessment with emphasis on their livelihoods through loss of pastures. Existing "sustainable pasture management or sustainable livelihood plans are geared toward "intensive livestock breeding" or other forms of settled form of activity. These are not acceptable to nomadic herders' desire to continue their ancient tradition of nomadic pastoralist lifestyle.

**Required:**

**Signature of Complainant \*:** *Please see original hand-written complaint.*

**Or**

**Signature of Authorised Representative \*:**

**Date:** July 1, 2013

**Please send your Complaint to:**

*Project Complaint Mechanism  
Attn: PCM Officer  
European Bank for Reconstruction and Development  
One Exchange Square  
London EC2A 2JN  
Fax: +44 20 7338 7633  
E-mail: pcm@ebrd.com*

**Alternatively, a Complaint may be delivered by post or hand, at any one of the EBRD's Resident Offices, indicating that it is for transmission to the PCM.**

\* Note: If you submit your complaint through email, you must submit: an electronic scan of your signature; or alternatively, if emailed without a scan, you may send the PCM a signed version of the complaint through post, fax, or hand delivery at the same time as sending your email.