

# Development of an offset strategy for the Oyu Tolgoi mine, Mongolia

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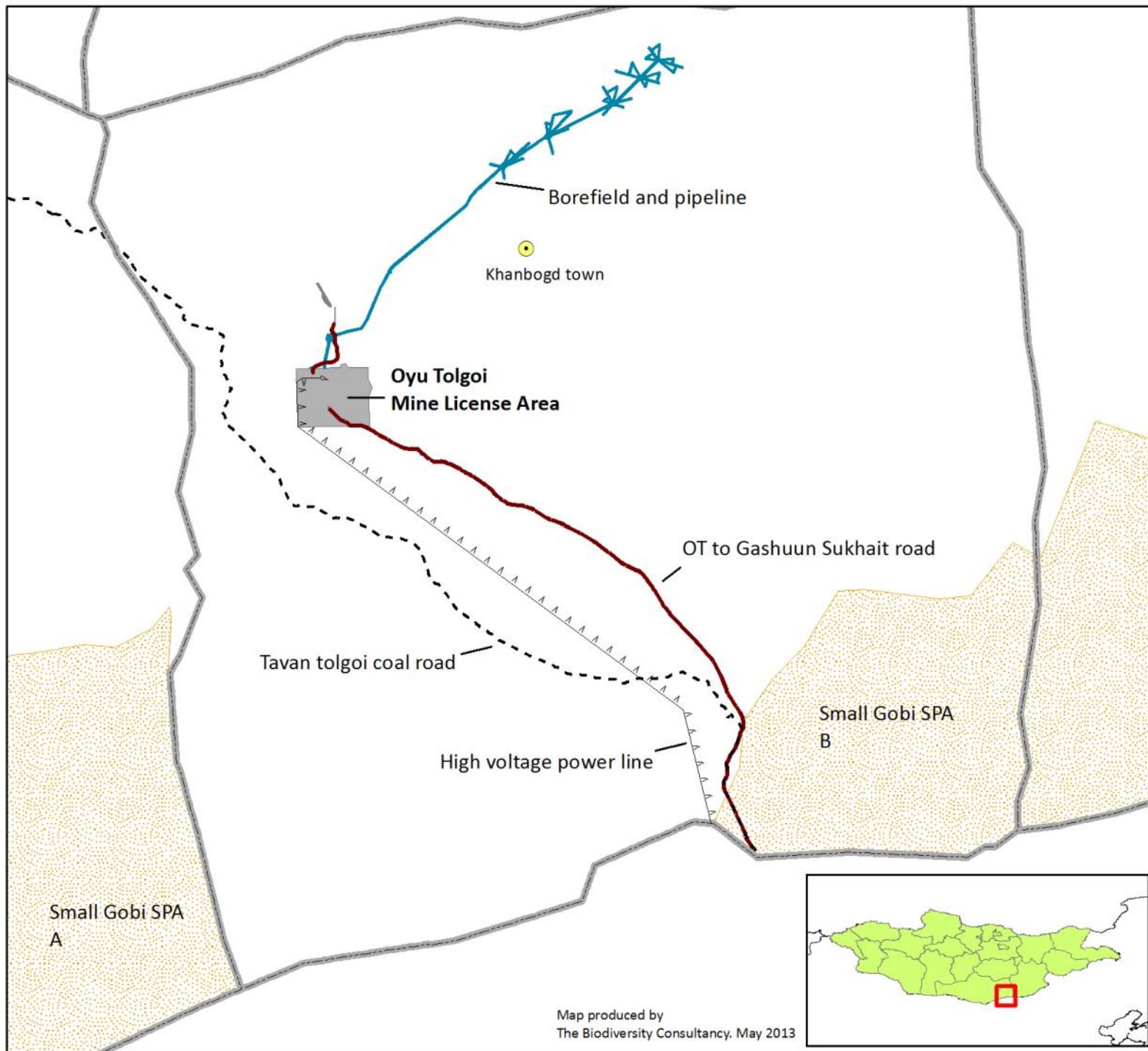
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# The Oyu Tolgoi project

- Oyu Tolgoi (OT) is a huge copper and gold mine operated by Rio Tinto in the southern Gobi.
- The operation is predicted to have significant direct and indirect impacts on globally important biodiversity.
- OT has committed to “have a net positive impact on biodiversity of the southern Gobi region” by mine closure.
- This is motivated by Rio Tinto’s corporate biodiversity strategy, as well as compliance with IFC Performance Standard 6



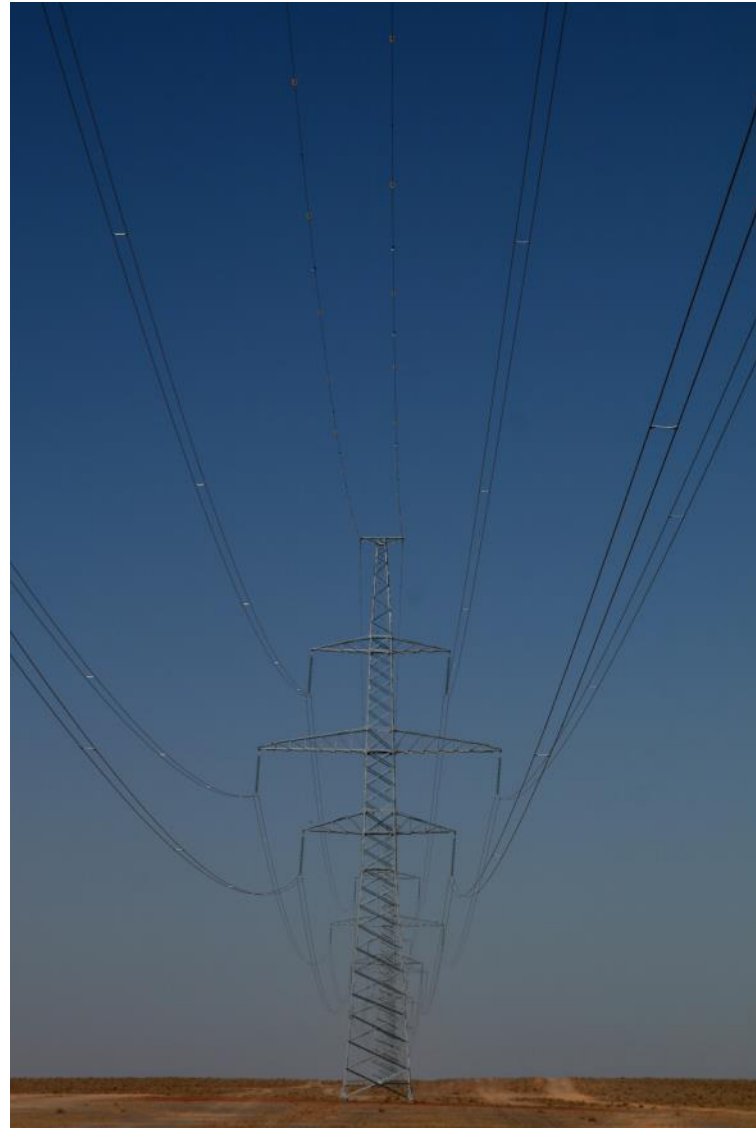
# Priority biodiversity features

- Priority biodiversity features were identified through RT's BAP process, a Critical Habitat assessment, and with national and global stakeholder consultation.
- Features selected include: Khulan and other ungulates, several plants and birds protected under Mongolian law, and all natural habitats. Notably Houbara Bustard was included following stakeholder consultation.
- Major predicted impacts include: direct and indirect habitat loss, increased hunting, and habitat fragmentation.



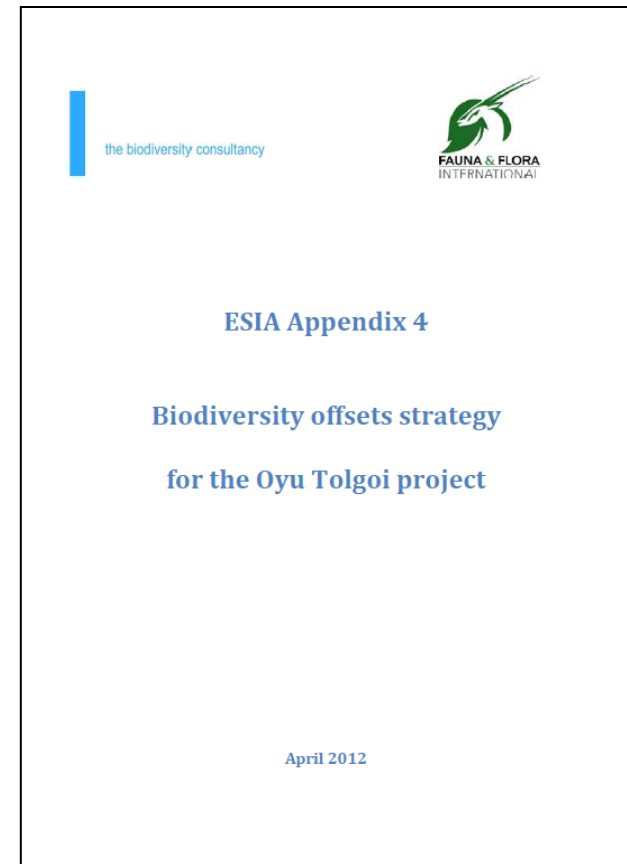
# Mitigation hierarchy

- Many design decisions were made before RT took over, therefore great opportunities for avoiding impacts were missed.
- Impact minimisation actions include: bird flight diverters & anti-electrocution on powerlines, and wildlife underpasses along the main road.
- There are still, however, large residual impacts.
- Evaluation of the wider landscape (51,000 km<sup>2</sup>) reveals that offsets are theoretically possible, just.



# Offset strategy

- An offset strategy has been developed, and been made publically available.
- This is a high-level assessment of the technical feasibility of the offsets, not a costed set of actions.
- It was developed in consultation with appropriate experts in order to identify management activities which will bring about gains.
- It will now be integrated with the Biodiversity Action Plan (BAP)



# Next steps

- OT project is currently developing its BAP to meet RT and lender requirements. This will lay out mitigation and monitoring actions, as well as offset activities.
- Stakeholder consultation is a central part of the BAP development.
- BAP development is an iterative process which will lead to offsets which are politically feasible.
- This year management methods are being piloted including control of poaching, and rangeland management.



# PS6 and the BBOP standards

- The approach to net positive impact and offsets satisfies Rio Tinto, and the lenders.
  - OT project part of the RT/IUCN NPI verification process
  - Lenders have released funds
- Although not specifically designed to meet the BBOP P&Cs the project also satisfies the BBOP Principles. It might not however meet all the Criteria.
- The devil is in the detail. At a high-level PS6 and the BBOP Principles can be met, but some of the details are more challenging.



# Thank You

More information: <http://ot.mn/en/node/2679>

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