



Mongolia:
Enhancing Resource
Management through
Institutional Transformation

BASIC NEGOTIATIONS

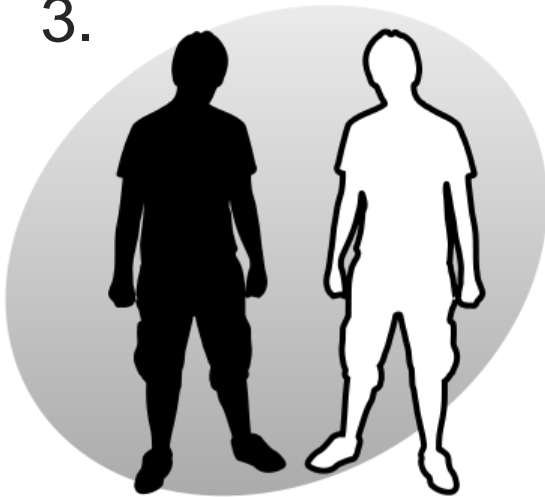
Community Development Agreements

Some very basic suggestions about negotiations

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Parties to the Negotiation

Usually there are 2 parties to the negotiations, sometimes 3.



Dornod – 2 Parties

Aimag or Soum Government

Mining Company

Negotiating Team

The Decision Maker – This is the Party's final authority on matters

The Negotiator – This is the Party's representative at
the Negotiating Table

Negotiating Team - legal advisor, resource personnel, researchers,
other support personnel

The Constituents – People of Aimag or Soum

Negotiating Team

The Decision Maker – The Governor

The Negotiator – Trained and Experienced Negotiator

Negotiating Team – A small group of people to provide advise on
the negotiation subjects, strategy,
technical aspects, decisions



Constituents – People of Aimag or Soum

The people of the Aimag or Soum provide information about what benefits are to be included in the agreement.

Community Consultation via community meetings, surveys, interviews provides the negotiation team with the basis of what to seek in the negotiations.

Interests - Positions

Position – A specific thing sought in the negotiations

Interest – A goal to be achieved in the negotiations

“Interest – Position” Example

Position example – We have to have apples at lunch

Interest example – We have to have a healthy lunch that includes fruit.

Aimag or Soum “Position – Interest” Example

Position – The agreement has to provide employment for 25 people

Interest – The agreement has to provide employment for a substantial number of local people

Interest-based negotiations provides

- room to move, flexibility
- prevents obvious losses at the negotiating table
- maintains credibility of the negotiating party

At The Negotiating Table

The Negotiator and some members of Negotiation Team

- Negotiator never negotiates without some Team members present
- The Decision Maker never attends the negotiations

making decisions This prevents other Party from insisting on immediate decision to an offer,
enables Decision Maker to consider advice of Negotiating Team before

A note taker
development

- The record of the negotiations is important. It helps strategy and changes to the strategy.
- The notes assist when writing or reviewing a draft agreement

Strategy

The more known about the other party, the better will be the strategy

- Legal requirement for company to reach an agreement
 - What happens to the company if there is no agreement?
- Has the company made other agreements?
 - What is known about those agreements?
- Is the company in a hurry?
- Is the company in good financial shape?

Table Dynamics

Always be respectful

Always be polite

Its easier to get something from someone if you don't get them upset or angry

Let the company know you understand their difficulty, but government needs its Interests met. "The Governor was clear about this."

NO decisions are made at the Table (*except lunch breaks, next meeting*)

Reporting to the Decision Maker

Important to inform the Decision Maker after each negotiating session of:

- progress on Interests
- attitude of company negotiator
- reasons company says it can't agree to something
- suggestions on changes to strategy

If the mining company made an offer, refer to the notes before making a decision.

The Negotiator reports any decisions at the next negotiating session.

No One Wins Everything

Negotiations are give and take, win something – lose something.

No one is completely happy with a negotiated agreement.

A FULL course on negotiating would take many, many slides.

