

# Resettlement Plan

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April 2016

## Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program (Bayankhoshuu Subcenter)

Prepared by Municipality of Ulaanbaatar for the Asian Development Bank. This is an updated version of the draft originally posted in June 2015 available on <http://www.adb.org/projects/documents/ulaanbaatar-urban-services-and-ger-areas-development-investment-bayankhoshuu-rp>

## CURRENCY EQUIVALENTS

(as of 1 April 2016)

Currency unit	–	togrog (MNT)
MNT1.00	=	\$0.0004887
\$1.00	=	MNT2,046.00

## ABBREVIATIONS

ADB	–	Asian Development Bank
AH	–	affected household
ALAGaC	–	Administration of Land Affairs, Geodesy, and Cartography
AP	–	affected person
DMS	–	detailed measurement survey
DPLRO	–	District Property and Land Relations Office
EMA	–	External Monitoring Agency
GAF	–	grievance action form
GOM	–	Government of Mongolia
GRM	–	grievance redress mechanism
IPSA	–	initial poverty and social assessment
IR	–	involuntary resettlement
LAD	–	Land Acquisition Division of PRD
LAR	–	land acquisition and resettlement
LARC	–	Land Acquisition and Resettlement Committee
LARP	–	land acquisition and resettlement plan
M&E	–	monitoring and evaluation
MFF	–	multitranchise financing facility
MUB	–	Municipality of Ulaanbaatar
PMO	–	Program Management Office
PRD	–	Property Relations Department
PSC	–	Program Steering Committee
RF	–	resettlement framework
ROW	–	right of way
RPIC	–	Resettlement Plan Implementing Committee
SIA	–	social impact assessment
SPS	–	Safeguard Policy Statement
UB	–	Ulaanbaatar
USGDIP	–	Ulaanbaatar Urban Services and Ger Area Development Investment Program
WG	–	working group

## NOTE

In this report, "\$" refers to US dollars.

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# Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program

Design of Sewer Collectors for  
Bayankhoshuu and Selbe Sub-centers

Land Acquisition and Resettlement Plan  
for Bayankhoshuu sub-center sewer main collector pipes – ger  
area redevelopment site

April 2016

# Resettlement Planning Document

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Land Acquisition and Resettlement Plan for Bayankhoshuu Sub-center Sewer Main Collector Pipes – ger area redevelopment site

Document Stage: Final

Project Number: 45007-003

April 2016

## Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program

Prepared by the Municipality of Ulaanbaatar, Mongolia.

The Land Acquisition and Resettlement Plan for Bayankhoshuu Sub-center Sewer Main Collector Pipes is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

## LETTER OF CONCURRENCE BY THE MUNICIPALITY OF ULAANBAATAR

**DRAFT**

НИЙСЛЭЛИЙН ЗАСАГ ДАРГА

АХБ-НЫ ХОТ  
БАЙГУУЛАЛТЫН МЭРГЭЖИЛТЭН  
АРНАУД ХЭКМАНН ТАНАА

Газар чөлөөлөлт, нүүлгэн шилжүүлэлтийн төлөвлөгөө

Монгол Улсын нийслэл Улаанбаатар хот нь “Улаанбаатар хотын гэр хорооллыг хөгжүүлэх, хөрөнгөн оруулалтыг дэмжих хөтөлбөр”-ийн хүрээнд Азийн Хөгжлийн Банк (АХБ)-наас санхүүгийн дэмжлэг авч байгаа бөгөөд энэ хөтөлбөрийн үйл ажиллагааны дагуу Баянхошуу дэд төвийн бохир ус татан зайлуулах шугамыг 2016 онд барих ажлыг төлөвлөөд байна.

Иймд, Баянхошуу дэд төвийн бохир ус татан зайлуулах шугамын Сонгинохайрхан дүүргийн 5 дугаар хорооны нутаг дэвсгэр дээр хэрэгжүүлж буй гэр хорооллын дахин төлөвлөлтийн төслийн хэсэг дэх ажилтай холбогдох Газар чөлөөлөлт, нүүлгэн шилжүүлэлт (ГЧНШ)-ийн төлөвлөгөөг Монгол Улсын холбогдох хууль тогтоомж болон АХБ-ны Хамгааллын бодлогын баримт бичигт нийцүүлэн тус ариутгах татуургын шугамын ТЭЗҮ-ийн зураг төсөл, нарийвчилсан хэмжилт зураглал, газар чөлөөлөх нутаг дэвсгэрт оршин сууж буй өрх, үйл ажиллагаа явуулж буй аж ахуйн нэгж, байгууллагын бүртгэл тооллого судалгаа, тэдгээрийн газар, эд хөрөнгийн үнэлгээг үндэслэн боловруулсан болно.

Нийслэл Улаанбаатар хотын зүгээс ГЧНШ-ийн үйл ажиллагааг энэхүү төлөвлөгөөний дагуу хэрэгжүүлэх бөгөөд шаардлагатай зардлын төсвийг цаг хугацаанд нь хувиарлан ажиллахыг үүгээр мэдэгдэж байна.

Мөн түүнчлэн, энэхүү төлөвлөгөөг хэрэгжүүлэх явцад газар чөлөөлөх өрх, аж ахуйн нэгж, байгууллагуудтай хэлэлцээр хийсний үндсэн дээр газар чөлөөлөлт, нүүлгэн шилжүүлэлтийн төсвийн тодотголыг хийж төсвийг эцэслэн гаргана.

Хүндэтгэсэн,

ЗАСАГ ДАРГА

С. БАТБОЛД

**DRAFT**

GOVERNOR OF THE CAPITAL CITY

TO: ARNAUD HECKMANN  
URBAN DEVELOPMENT  
SPECIALIST, ADB

Re: Land acquisition and resettlement plan

Ulaanbaatar, the capital city of Mongolia, has obtained financial assistance from the Asian Development Bank (ADB) within the Ulaanbaatar Urban Services and Ger Areas Development Investment Program (USGDIP) and has planned to build the Bayankhoshuu sub-center sewer main collector pipes in 2016 according to the activities of the USGDIP.

Therefore, the Land Acquisition and Resettlement Plan (LARP) for the Bayankhoshuu sub-center sewer main collector pipes, to be constructed on the site of the ger area redevelopment project being implemented in the 5<sup>th</sup> khoroo of Songinokhairkhan district, is prepared in accordance with the applicable legislation of Mongolia and Asian Development Bank's Safeguard Policy Statement. This LARP is based on the feasibility study documents of the sewer main collector pipes, detailed measurement survey, census of the households, businesses and organizations situated on the land to be acquired and valuation of their land and properties.

Hereby, the Municipality of Ulaanbaatar confirms that the land acquisition and resettlement activities will be implemented in accordance with this LARP and makes commitment that the budget for land acquisition and resettlement will be allocated on time.

Moreover, the LAR budget estimates will be updated and finalized based on the negotiations with the households, businesses and organizations whose land will be acquired.

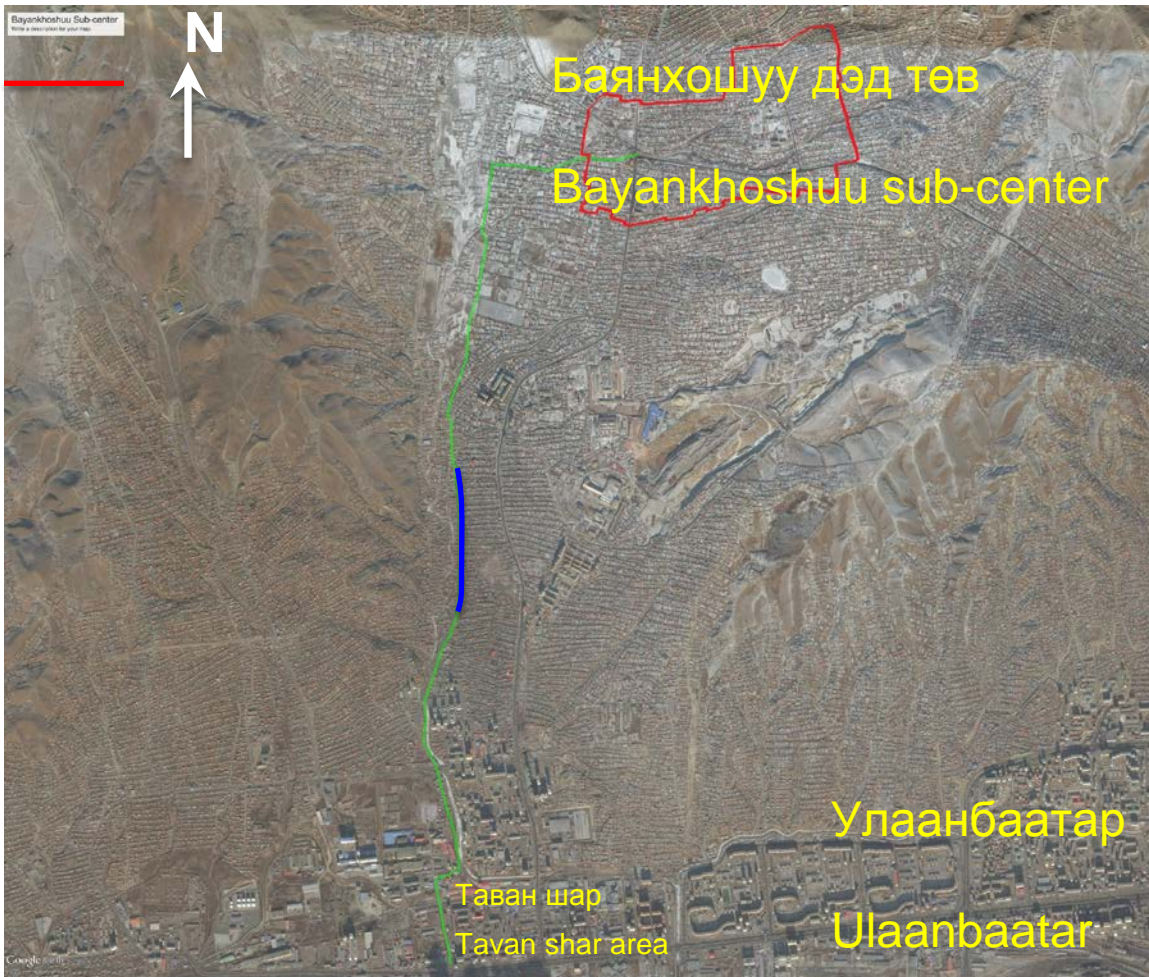
Sincerely yours,

GOVERNOR

S. BATBOLD

## PROJECT LOCATION MAP

Figure 1. Location map of Bayankhoshuu Sub-center sewer main collector pipes – ger area redevelopment site



Баянхошуу дэд төвийн хил хязгаар  
Boundary of Bayankhoshuu sub-center

Баянхошуу дэд төвийн ариутгах татуургын шугам, 6.3 км  
Sewer main collector pipes for Bayankhoshuu sub-center, 6.3 км

Гэр хорооллын дахин төлөвлөлтийн төсөл хэрэгжиж буй хэсэг дээр  
баригдах ариутгах татуургын хэсэг, ~ 0.9 км  
Section of sewer main collector pipes to be constructed on the site where ger  
area redevelopment project is being implemented, ~0.9 км



## ABBREVIATIONS

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AH	–	Affected Household
ALAGaC	–	Administration of Land Affairs, Geodesy & Cartography
AP	–	Affected Person
DMS	–	Detailed Measurement Survey
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M&E	–	Monitoring and Evaluation
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UB	–	Ulaanbaatar
USGDIP	–	Ulaanbaatar Urban Services and Ger Area Development Investment Program
WG	–	Working Group

## NOTES

In this report, “\$” refers to US dollars.

## CURRENCY EQUIVALENTS

Currency Unit	–	Mongolian Tugriks (MNT)
MNT 1.00	=	\$ 0.00050765
\$ 1.00	=	MNT 1,969.85

Exchange rate: rate of the Bank of Mongolia as of April 21, 2015, [www.mongolbank.mn](http://www.mongolbank.mn).

## DEFINITION OF TERMS

**Affected Household:** All persons residing under one roof and eating from the same kitchen, who are adversely affected by the Project, or any of its components; may consist of a single nuclear family or an extended family group

**Affected People:** Any person affected by loss of assets or income due to Project-related changes in the use of land, water or other natural resources

**Compensation:** Cash or in-kind payment of the replacement cost of an asset lost due to Project-related impacts

**Entitlement:** Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation, which are due to affected people, depending on the nature of their losses, to restore their economic and social base

**Host Population:** Community residing near the area where the APs are relocated

**Khoroo:** sub-district, an administrative unit within a district of MUB. Administratively MUB is divided into 9 districts

**Income Restoration:** Reestablishment of income sources and livelihoods of APs

**Involuntary Resettlement:** Full or partial, permanent or temporary physical displacement (relocation, loss of residential land or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a consequence of development projects, compelling APs to rebuild their lives, incomes and asset bases

**Land Acquisition:** The process whereby a person is compelled by a government agency to acquire all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for compensation

**Rehabilitation:** Compensatory measures provided under the ADB Policy Framework on Involuntary Resettlement other than payment of the replacement cost of acquired assets

**Relocation:** The physical resettlement of an AP from her/his pre-Project place of residence

**Replacement Cost:** The value determined to be fair compensation for acquired housing, land and other assets based on current market value; the cost of rebuilding houses and structures at current market prices of building materials and labor; transaction costs; interest accrued, transitional and restoration costs; and other applicable payments, if any, without depreciation or deductions for salvaged building material

**Servitude (easement):** A restriction or obligation attached to a property that entitles somebody other than the owner to a specific use of it such as the right to cross it or occupy it temporarily for maintenance of utility services.

**Social Preparation:** Process of consultation with APs undertaken before key resettlement decisions are made, to build their capacity to deal with resettlement

**Subcenter:** Subcenters are clusters of public facilities and businesses (often) with an associated transport hub. Generally, they are characterized by urban settlement around public infrastructure built during the Soviet period and new public facilities built more recently by government and donor programs (for example khoroo offices, police stations, schools and kindergartens). Their sphere of influence is from 30,000 to more than 100,000 people. Residential areas surround the core of subcenter and consist mostly of individual

residential structures on large plots, although in some areas a densification process of sorts has started by the division of plots and the construction of multifamily houses.

**Temporary Land Use Impacts:** When land outside the proposed ROW is required temporarily to carry out construction, persons may be affected in terms of temporary land loss, damage to attachments or disruption of living or business conditions, for which compensation or mitigation is required to offset such impacts

**Usufruct:** The right to use and profit from land belonging others or a larger social entity, such as a tribe, community of collective

**Vulnerable Groups:** Distinct group of people (poor, elderly, disabled and female headed households) who may suffer disproportionately from resettlement effects

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## EXECUTIVE SUMMARY

1. This Land Acquisition and Resettlement Plan (LARP) for the Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site under the Ulaanbaatar Urban Services and Ger Areas Development Investment Program (USGDIP) is prepared in accordance with applicable laws of Mongolia, Asian Development Bank's (ADB) Safeguard Policy Statement (SPS), 2009, and the Resettlement Framework (RF), July 2013, for the USGDIP. This LARP is agreed upon between the Municipality of Ulaanbaatar (MUB) and ADB. The sewer main collector pipes will be constructed on the territory of Songinokhairkhan District of Ulaanbaatar (UB) city.

2. **The Project:** The Government of Mongolia and ADB signed loan agreement to implement USGDIP through multitranche financing facility (MFF) program. The MFF program will support the Ulaanbaatar city master plan in upgrading priority service and economic sub-centers in ger areas. The first tranche will be implemented at two sub-centers, Selbe and Bayankhoshuu. The Program aims to improve the quality and coverage of urban infrastructure and basic services, and to implement a sustainable and inclusive process of urban development in UB city. It is expected to directly benefit 400,000 people and to indirectly benefit the entire population of UB city. The impact of the program is improved living conditions in Ulaanbaatar. Its outcome is a network of livable, competitive, and inclusive sub-centers in Ulaanbaatar's ger areas providing economic opportunities and urban services, leading to a healthier urban environment.

3. **Bayankhoshuu Sub-center Sewer Main Collector Pipes subproject:** The project site is located on the territory of Songinokhairkhan district, located in the northwestern part of Ulaanbaatar and has an area of 120.6 thousand hectare land, of which 3.6% is built up areas and urban infrastructure, 77.0% agricultural land, 19.4% is forest areas. It has about 65,400 households and more than 280,000 people. Administratively the district is divided into 32 khoroo. About 21% of the population of UB city population lives in this district and approximately 25.5 of UB city's area belongs to it. The sewer main collector pipes will be constructed on the 4<sup>th</sup>, 5<sup>th</sup>, 7<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> khoroo. The northern part of the pipes will be constructed through ger areas and the southern part through built up urban areas. The LARP for the Bayankhoshuu Sub-center Sewer Main Collector Pipes is divided into two separate LARPs, namely (i) LARP for Bayankhoshuu Sub-center Sewer Main Collector Pipes and (ii) this LARP for Bayankhoshuu Sub-center Sewer Main Collector Pipes – ger area redevelopment site.

4. Due to the specifics related to the ger area redevelopment projects in UB, this LARP is prepared specially for the Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site. The main difference between this LARP and the LARP for Bayankhoshuu sub-center sewer main collector pipes is the compensation policy for land. Within the LARP for Bayankhoshuu sub-center sewer main collector pipes, the land will be acquired and compensated based on the full replacement cost. In this case of LARP for Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site, the land for ROW of the sewer main pipes will be made available from the affected land parcels of the ger area redevelopment site. Then, although, on the ground land area of the affected households (AHs) and businesses will be decreased due to giving up part of their land for the right of way (ROW), they are granted to negotiate with the redevelopment company according to the existing procedures, but on the basis of land area, which the AHs and businesses owned or possessed before the construction of the sewer pipes. This enables the AHs and businesses to negotiate with the redevelopment company as if there was no land acquired for the ROW of this sub-project.

5. The sewer main collector pipes length is about 6.3 km and it will be connected to the DN1200 (DN – nominal diameter) sewage collector at Tavan Shar. This LARP deals particularly with approximately 0.9 km, of the total of 6.3 km, sewer main collector pipes for Bayankhoshuu sub-center – ger area redevelopment site. The sewer main collector pipes are planned to service population of 20,000 persons within the planned Bayankhoshuu Subcenter and an additional 60,000 persons in adjoining areas. The pipe material is ductile iron of 450mm, 500mm and 600mm nominal diameter (DN450, DN500 and DN600) with cement lining, furnished in six-meter long sections that connect with “spigot and socket” joints, to be buried at minimum of 2.8 meters to be below freezing depth. Concrete manholes will be installed at about 50m intervals to allow connections and maintenance access. This project will introduce the use of trench shields in Mongolia. It will allow narrower excavation width in areas where there are adjacent buildings or roads. The trench shields and six-meter pipe sections will allow the construction to be done in a way that minimizes the length of open excavations and time of the associated disruption. The construction contractors are required to maintain access to affected residents and businesses during construction and to restore all roads and sidewalks to equal or better condition. Approximately 2.2 km of the collector pipes in the northern part of the route has seasonally high groundwater, and the pipe in this area will be insulated so that it can be installed at shallower depths. Some of the areas of the Bayankhoshuu route that are subject to surface water will be graded to maintain existing drainage patterns, but to divert water from the pipe and manholes.

6. **Scope of Land Acquisition and Resettlement:** The draft technical design for the ger area redevelopment site of the Bayankhoshuu sub-center, based on a standard 12m width ROW, implied that total of 40 land parcels were to be affected by LAR. It was not possible to change the technical design and reduce the 12m width of ROW, due to the limited free space between the auto road and its embankment and land parcels. The road embankment, in most places along the ROW, is located at higher level than the land parcels. It is necessary to retain the 12m ROW for the civil works and the construction machinery to safely operate given the uneven terrain. Thus the affected land parcels are 40. However, the technical design was formulated to minimize the land area being acquired for the ROW by designing the pipe route as far away from the affected land parcels as possible and as close to the road embankment as possible, where the engineering and technical requirements allow. Attachment 1 Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site LAR drawing provides the details of affected land parcels.

7. There are total of 56 households and businesses in the project area. Out of these, 55 (98.2%) are households and remaining 1 (1.8%) is a business. Inventory and valuation of all land and properties were carried out. Census of all these 56 AHs and businesses were conducted. These 56 households and businesses live on or use 40 land parcels. Socioeconomic survey of 51 households or 92.7% of all households was conducted. There are 203 people in these 51 households. Out of 203 APs, 100 (49.3%) are male and 103 (50.7%) are women. The mean age is 28. Table 2. Affected households, businesses and persons provide the details of APs. Total of 21 AHs are considered vulnerable households. 6 of these households are either headed by women or elderly and has an disabled person in the household. Table 4 Affected vulnerable households provides the details. There are 5 AHs and affected businesses that have different types of businesses and livelihood activities on the affected land parcels. 4 of them are AHs and 1 is affected business. Table 10 provides the details on the APs with affected businesses and livelihood activities.

8. There are 40 affected land parcels in the ROW of Bayankhoshuu sub-project – ger area redevelopment site. Total land area of these land parcels is 21,554 m<sup>2</sup>. All 40 land



parcels have land rights, i.e. official permission, but some were extended without permission. The size of the land area with official permission, i.e. land rights, is 17,604 m<sup>2</sup>, and 3,950 m<sup>2</sup> land has no permission. Out of total land area, 2,786 m<sup>2</sup> land with official rights and 2,359 m<sup>2</sup> land without official rights will be affected, respectively. Thus total land area being affected is 5,145 m<sup>2</sup>. Non of the land parcels will be acquired fully, all land parcels are affected partially. The proportion of land loss relative to total land area for all land parcels is 26%. Table 5 provides the details of the affected land.

9. There are 14 types of affected structures such as brick houses, fences, entrances, iron gates, container, gers etc. Total number of affected structures is 164. 8 brick houses and 2 shops will be affected entirely and permanently. Table 8 provides the details on the type of affected structures and the quantity of the loss, number of total affected structures and the number of total affected objects/structures and the APs who are losing them.

10. 8 AHs and 1 affected business need to be relocated. Total number of persons to be relocated is 27. All of the AHs and affected businesses have official land rights. There will be one AH and one business whose business facilities will be affected. The remaining 6 AHs' residential buildings will be affected. All the buildings and facilities that needs to be relocated can be re-built on the remaining land. Table 9 Affected households and businesses that need to be relocated provides the details.

11. There are 5 AHs and affected businesses that have different types of businesses and livelihood activities on the affected land parcels. Table 10 provides the details on these businesses. The businesses and livelihood activities are small businesses such as grocery, small household items shops and car repair services. For the 3 APs compensation equivalent to average daily net income will be provided for the ten days of disruption anticipated. For the employees, 10 days salary of the employees will be provided. For 2 APs compensation for their business and employment loss for 6 months will be provided, within which the businesses shall be reestablished on the remaining land.

12. In total there will be 42 households and businesses that will be directly affected by the project and lose land, structures and livelihoods. There are 9 AHs that are significantly affected, as they need to be either relocated or are losing housing and the number of persons to be relocated or losing housing is 27. Attachment 2 provides the list of Affected Persons and their details, including AHs ID, name, land parcel, land tenure type and addresses.

13. **Indigenous People and Gender Impact:** Indigenous peoples, i.e. tribal communities existing outside the cultural and legal mainstream of Mongolian society, are not present in the Bayankhoshuu subproject site, including the ger area redevelopment site. Therefore, the ADB Policy on Indigenous Peoples will not be triggered by this subproject. Adverse differential gender impact by the Bayankhoshuu subproject, ger area redevelopment site, on either men or women is not expected.

14. **Legal and Policy Framework:** Land acquisition and resettlement by the state organizations for projects in urban areas is based on negotiation and contracts with APs according to the Civil Code of Mongolia. The ADB Involuntary Resettlement (IR) policy recognizes negotiated LAR as long as there are willing and free buyers and sellers and eligibility and entitlements are clearly defined and agreed. All APs are eligible for entitlements, as stipulated in the RF for the USGDIP, including owners, possessors, users, legalizable occupants, non-titled occupants and lessees. The eviction of unlicensed APs is a violation of the ADB IR policy. All APs who are unlicensed occupants of land in ger areas designated for land allocation are treated as legalizable under the RF for USGDIP. The

eligibility and entitlements for specific types of losses in the Bayankhoshuu subproject – ger area redevelopment site are summarized in the Entitlement Matrix in Table 20 of this LARP.

15. **Institutional Arrangements:** Land Acquisition and Resettlement Committee (LARC) for the Bayankhoshuu and Selbe subcenter sewer main collector pipes subproject was established on 6 Mar 2015 by the Resolution No. A/175 of the Mayor of MUB. With this resolution a Working Group (WG) for the Implementation of the LARP was established as well. See Attachment 3 for the resolution, the composition of the LARC and WG, and full list of the members of these two setups. The LARC is responsible for the overall management and supervision of the LAR activities for both Selbe and Bayankhoshuu subprojects, including ger area redevelopment site. The implementation of the LARP will be the responsibility of the Working Group (WG) under the guidance of LARC and with close coordination and support of the Project Management Office (PMO).

16. **Information Disclosure, Consultation and Participation:** Information, consultation and participation of APs are ensured through individual and public meetings throughout the LARP preparation and implementation process. One public meeting to prepare the APs for LAR, introduce ADB SPS policy and principles and USGDIP, and discuss the concerns of the APs was held on 12 September 2015. Individual consultations with the APs were ongoing since the start of the socioeconomic survey since April 2015.

17. **Grievance Redress Mechanism:** A Grievance Redress Mechanism (GRM) is established to facilitate effective and timely settlement of any issues and problems. The PMO is the key organization in the grievance redress process. APs should lodge their grievances using the Grievance Action Form (GAF) and submit it to PMO directly or via MUB's grievance redress procedures, by visiting MUB's office or submitting the grievance by means such as sms, smart UB application, phone and website. A four-step grievance mechanism with a clearly defined timeline of six weeks has been established and disclosed, and GAF initiating and tracking the grievance process for each complaint has been prepared (Attachment 5).

18. **Compensation and Rehabilitation Strategy:** Losses of structures and livelihood, as well as transaction and relocation costs for each AP are covered. Rehabilitation strategy regarding households that may be vulnerable is also covered.

19. For losses of land, to protect the interests of the AHs and affected businesses and allow the ger area redevelopment project to continue in accordance with its existing procedures, the PMO, GD LLC and the MUB (represented by the Chairman of the ger area redevelopment project), in consultation with the AHs and affected businesses, agreed that the affected land area of the AHs and affected businesses will be freed to make land available for the ROW. However, AHs and affected businesses will continue their ongoing negotiations with GD LLC, the redevelopment company, based on the land area, which is recorded in the cadastral registration and their land title, but not based on the land area that remains after freeing space for the ROW. This, also, means that there will be no cash compensation paid for the land area freed for the ROW, because the AHs and affected businesses will be negotiating with the GD LLC, as if with full land parcel.

20. In case that AHs and affected businesses, who will lose their residential or commercial buildings fully and permanently, will desire that their land parcel is acquired fully, the rate agreed between the GD LLC and AHs and affected businesses in the ger area redevelopment site will be used. This rate, MNT 80,000 per m<sup>2</sup> (USD 40.61), is higher than the average market price of land (MNT 72,000 or USD 36.55 per m<sup>2</sup>) in the vicinity of the ger area redevelopment site. Also, this rate will serve as reference for the purpose of setting the

minimum land price for the redevelopment company to negotiate with the AHs and affected businesses, when implementing the redevelopment project.

21. All affected structures will be compensated at replacement cost. For structures detailed account of the losses, units, quantities, unit values, number of affected structures and APs are presented in Table 22: Types of losses and their quantities. Affected livelihoods, business and employment loss will be compensated for through short term financial compensation equivalent to the net profit after tax for the 10 day period of interruption of business and employment. For the AH R08 and affected business R29, their buildings used for their businesses will be taken down, therefore, compensation for their business and employment loss for 6 months will be provided, within which the businesses shall be reestablished on the remaining land. The compensations for business and livelihood were calculated based on the information provided by the APs and this needs to be checked and finalized against tax payments or other comparable documents. Table 23: Compensation strategy for affected business/livelihood and employment provides the details. All transaction costs will be covered by the subproject. This includes any fees for notary services, the preparation of cadastral maps, issuance of cadastral maps, issuance of land possession certificates, issuance of land title certificate. The notary fees will be paid as per the Resolution No. 123 of the Minister for Justice and Internal Affairs from 2011. Appendix 6: Notary services and fees related to contracts provides the types of contracts and the fees to be paid for each type of contract. The costs for preparation of cadastral maps, issuance of cadastral maps, issuance of land possession certificates, issuance of land title certificate are based on the information obtained from Property Relations Department of UB city (PRD) and General Authority for State Registration (GASR). The PMO with the support of the PRD and GASR will facilitate the obtaining of land and title certificates. In order to improve the livelihoods of the vulnerable AHs, PMO will discuss their needs and problems in cooperation with the officials of Songinokhairkhan District and AHs and provide livelihood improvement measures such as employment, labor skills and training in cooperation with the Labor/employment intermediation department of the district or assistances such as inclusion in projects to support household livelihood implemented at the district, free kindergarten services or food card etc. These are to be provided within the existing state social welfare benefits, assistances and activities and funding.

22. **Budget, Finances and Disbursement:** The total budget is MNT 638,777,680 (USD 323,550), of which MNT 601,494,936 (USD 304,665) will be funded by the Municipality of Ulaanbaatar (MUB) and MNT 37,282,744 (USD 18,884) for external monitoring will be funded by ADB. This budget is preliminary as the compensation amounts may be adjusted based on the negotiations with the APs. The compensation payment is budgeted by MUB and granted to PMO. PMO will provide the compensation payments to Songinokhairkhan District Governor's Office for disbursement to APs, once the contracts are concluded. Table 26: Budget for LAR for Bayankhoshuu subproject – ger area redevelopment site presents the budget for this subproject.

23. **Implementation Schedule:** It is planned that the actual land acquisition and resettlement processes will be implemented from May to August 2016.

24. **Monitoring and Evaluation:** Monitoring of compliance with the LARP during implementation will be carried out by the PMO, as well as by an External Monitoring Agency (EMA). The PMO will conduct internal monitoring and supervision of LARP implementation and submit monthly reports to the MUB and LARC. The PMO will also include the results of internal monitoring in its quarterly reports to the ADB. The objectives of internal monitoring will be to ensure: (i) proper execution of the responsibilities of key stakeholders; (ii) protection of the rights of APs under Mongolian laws, the ADB Safeguard Requirements, RF

and this LARP; (iii) adequate and prompt payment of compensation; and (iv) timely grievance redress. External monitoring and evaluation will be conducted to provide independent concurrent and ex-post evaluation of the subproject's LAR activities. External monitoring will (i) assess the effectiveness, impact and sustainability of resettlement measures, (ii) determine whether safeguard compliance has been met, and (iii) learn strategic lessons for future policy formulation and planning. The ADB and PMO will be responsible for engaging an EMA with ADB financing.

## I. INTRODUCTION

25. This Land Acquisition and Resettlement Plan (LARP) for the Bayankhoshuu sub-center sewer main collector pipes, to be constructed on the site of ger area redevelopment project<sup>1</sup> being implemented in the 5<sup>th</sup> khoroo of Songinokhairkhan district, under the Ulaanbaatar Urban Services and Ger Areas Development Investment Program (USGDIP) is prepared in accordance with applicable laws of Mongolia, Asian Development Bank's (ADB) Safeguard Policy Statement (SPS), 2009, and the Resettlement Framework (RF), July 2013, for the USGDIP.

26. This is a new LARP specifically formulated for the Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site of USGDIP. No preliminary LAR impacts and socioeconomic study was conducted for the Bayankhoshuu sub-center sewer main collector pipes subproject and no draft LARP was prepared for this component previously within USGDIP. The previous draft LARPs of USGDIP from 2013 dealt with LAR issues of infrastructure and public facilities within the Selbe and Bayankhoshuu sub-centers and did not include the LAR issues related to the sewer main collector pipes for the Selbe and Bayankhoshuu sub-centers.

27. For the Bayankhoshuu sub-center sewer main collector pipes there exists a LARP. However, due to the specifics related to the ger area redevelopment projects in UB, this LARP is prepared specially for the Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site. When the LARP for Bayankhoshuu sub-center sewer main collector pipes were prepared in March-May 2015, there were discussions with MUB officials that the LAR activities in the ger area redevelopment site will be handled by the MUB and the redevelopment company, GD LLC, as long as due diligence related to the LAR activities are in line with ADB SPS. However, in the beginning of July 2015, the Chairman of the Ger area redevelopment project, GD company and PMO discussed the LAR issues and decided that LARP for Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site will be prepared and implemented by the MUB according to ADB SPS.

28. The main difference between this LARP and the LARP for Bayankhoshuu sub-center sewer main collector pipes is the compensation policy for land. Within the LARP for Bayankhoshuu sub-center sewer main collector pipes, the land will be acquired and compensated based on the full replacement cost. In this case of LARP for Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site, the land for ROW of the sewer main pipes will be made available from the affected land parcels of the ger area redevelopment site. Then, although, on the ground land area of the affected households (AHs) and businesses will be decreased due to giving up part of their land for the ROW, they are granted to negotiate with the redevelopment company according to the existing procedures, but on the basis of land area, which the AHs and businesses owned or possessed before the construction of the sewer pipes. This enables the AHs and businesses to negotiate with the redevelopment company as if there was no land acquired for the ROW of this sub-project. More safeguard measures to protect the rights and interests of the AHs and affected businesses is provided in the Chapter IX, section A – Compensation policy for land.

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<sup>1</sup> In 2013, the Citizens Representative Khural of UB city (UB city Council) approved resolution No. 3/31 – Regulation on ger area redevelopment activity. The objective of this document is to set the rights and responsibilities of the citizens, business entities and government organizations, and regulate their relationship and to select entities to implement ger area development projects. The ger area redevelopment projects are projects to reorganize, plan and develop (construct buildings) ger areas to grant the citizens the right to live in healthy and safe environment. There are 24 sites selected for ger area redevelopment. Some parts of the 5<sup>th</sup> khoroo of Songinokhairkhan district is one of these 24 sites.

29. This LARP is agreed upon between the Municipality of Ulaanbaatar (MUB) and ADB. It provides (i) an assessment of the scope of land acquisition and resettlement (LAR), (ii) an analysis of the socio-economic situation and profile of Affected Persons (APs), (iii) updated legal framework<sup>2</sup>, iv) LARP objectives, policy framework and entitlements, (v) a description of institutional arrangements, (vi) the procedures for information disclosure, consultation and participation, (vii) the grievance redress mechanism, (viii) compensation policy and rehabilitation strategy, (ix) LAR budget, finances and disbursement, (xi) LARP implementation schedule, and (xii) an internal and external monitoring and reporting procedure.

## **A. Project Description**

30. Ulaanbaatar (UB) ger areas are characterized by unplanned settlement with un-serviced plots, inadequate and mostly unpaved road networks, and a severe lack of social and economic facilities and basic infrastructure and services for water, sewage, and heating. Poor sanitation and poor waste collection has created highly unsanitary living conditions. Air pollution is among the most severe in the world, particularly during winter because of inadequate household heating systems and unpaved roads. The ger area population is estimated at 800,000, representing 60% of Ulaanbaatar or 30% of the country population. Despite their size, ger areas have until recently been considered temporary settlements. TA 7591-MON and PPTA 7970-MON significantly contributed to the official integration of ger areas in the 2013 city master plan by providing the vision and infrastructure programming strategy. This provided the necessary provision to plan the redevelopment of a formal peri-urban area.

31. The Government of Mongolia and ADB signed loan agreement to implement USGDIP through multitranche financing facility (MFF) program. The MFF program will support the Ulaanbaatar city master plan in upgrading priority service and economic hubs (sub-centers) in ger areas. The program will be implemented by Program Management Office (PMO) and the implementation time will be up to 9 years and will comprise three tranches. The program is geographically targeted with multi-sector interventions. It proposes an integrated solution to respond to the urgent demand for basic urban services and establish a network of well-developed urban sub-centers providing economic opportunities, housing, and urban services as catalysts for growth in the ger areas. The Program aims to improve the quality and coverage of urban infrastructure and basic services, and to implement a sustainable and inclusive process of urban development in Ulaanbaatar's Middle Ger Areas<sup>3</sup>. It is expected to directly benefit 400,000 people living in these areas and to indirectly benefit the entire population of Ulaanbaatar. Combining spatial and sector approaches, it will support the socio-economic development of existing urban sub-centers and urban corridors.

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<sup>2</sup> In this LARP, the Legal Framework of Mongolia for Land Acquisition and Resettlement and the Assessment of Policy Gaps provided in the Chapter II. Objectives, Policy Framework, and Entitlements of the draft RF, July 2013, for USGDIP, was updated with some additional information and analysis.

<sup>3</sup> There are three types of ger areas: (i) Central Ger Areas which are located around the city's built core and where the potential for access to water, roads, and solid waste collection is highest. These Areas are characterized by modern style buildings, which are replacing the traditional gers, and developing microenterprises as household incomes and savings increase; (ii) Middle Ger Areas which are located around the Central Ger Areas and whose inhabitants depend on water from tankers and use pit latrines. These Areas have intricate streets that are difficult to access and are prone to flooding because of the lack of drainage—with conditions worsening during the winter months; and (iii) Peri-Urban Ger Areas, which surround the Middle Ger Areas and are expanding at an accelerating pace. They have the least access to basic infrastructure and services. Inhabitants of these areas mainly rely on tanked water supply, simple pit latrines and their structures are built on or along hazardous sites near high-tension lines, natural drainage channels, or steep slopes.

32. The impact of the program is improved living conditions in Ulaanbaatar. Its outcome is a network of livable, competitive, and inclusive sub-centers in Ulaanbaatar's ger areas providing economic opportunities and urban services, leading to a healthier urban environment. The program has four strategic objectives: (i) roads and urban services are expanded within the targeted sub-centers and connectivity between sub-centers is improved; (ii) economic and public services in sub-centers are improved; (iii) service providers become more efficient; and (iv) institutions and capacity for urban development, program management, and service delivery are strengthened.

33. The first tranche of the MFF supports the city master plan in developing the Selbe and Bayankhoshuu sub-centers. The main proposed components to be financed are (i) construction of sewer main collector pipes in Bayankhoshuu and Selbe; (ii) within the sub-centers, 15 km of priority roads, 18.6 km of water supply, 20 km of sewerage, 21 km of district heating network pipes, and 5 heating facilities; (iii) social and economic facilities, including two kindergartens, green areas and small squares, and two business incubators associated with two vocational training centers; (iv) multi-interventions in the Ulaanbaatar Water Supply and Sewerage Authority to improve its operations and service delivery efficiency; and (v) institutional strengthening and capacity development to prepare detailed design and construction supervision, support community participation and small and medium enterprise development, improve urban planning and sub-center development, strengthen the capacity of the PMO, and support service providers' reforms.

34. Within the first component, two sewer main collector pipes are required for the Bayankhoshuu and Selbe sub-centers to connect the gravity sewer systems planned for each to the existing city sewage collection systems. The two sewage main collector pipes are being designed and construction is being procured together, however they will be implemented in geographically separate areas of the city. Their design and construction is also reasonably independent of the internal sewerage systems planned for the two sub-centers.

35. This sub-project Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers, under the USGDIP, concerns with the component (i) construction of sewer main collector pipes of 6.3 km in Bayankhoshuu sub-center, and construction of sewer main collector pipes of 2.3 km in Selbe sub-center. This LARP deals particularly with approximately 0.9 km sewer main collector pipes for Bayankhoshuu sub-center – ger area redevelopment site, see figure 1. Location map of Bayankhoshuu Sub-center sewer main collector pipes – ger area redevelopment site.

36. This 0.9 km section of sewer main collector pipes, to be constructed on the ger area redevelopment site, is integral part of the Bayankhoshuu Sub-center sewer main collector pipes and is located about in the middle of the total of 6.3 km pipes. The technical design and related project documents are prepared as a whole for the entire 6.3 km pipes. It is not worth nor meaningful to provide separate information on this 0.9 km section, thus the information on the entire Bayankhoshuu sub-center sewer main collector pipes subproject is provided in the next section.

### **Bayankhoshuu sub-center Sewer Main Collector Pipes Subproject**

37. The project site is located on the territory of Songinokhairkhan district. The district is located in the northwestern part of Ulaanbaatar and has an area of 120.6 thousand hectare land, of which 3.6% is built up areas and urban infrastructure, 77.0% agricultural land, 19.4% is forest

areas. It has about 65.4 thousand households and more than 280,000 people. Administratively Songinokhairkhan is divided into 32 khoros. About 21% of the population of UB city population lives in this district and approximately 25.5% of UB city's area belongs to it. The sewer main collector pipes will be constructed on the 4<sup>th</sup>, 5<sup>th</sup>, 7<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> khoros of Songinokhairkhan district. The northern part of the pipes will be constructed through ger areas and the southern part through built up urban areas.

38. The initial Feasibility Study determined that Bayankhoshuu would require approximately 3.5 km of DN300 (300 millimeter nominal diameter) collector that would run from the subcenter to an existing DN250 collector main in the "Khayn Material" area. Subsequent review of the project by the Municipality of Ulaanbaatar (MUB) has extended the termination point of the Bayankhoshuu subcenter sewer collector pipes to the DN1200 sewage collector at Tavan Shar, a distance of approximately 6.3 km. The planning criteria developed in the Feasibility Study identified a service population of 20,000 persons within the planned Bayankhoshuu Subcenter and an additional 40,000 persons in adjoining areas. The extended route of the collector will make piped sewer service available to an additional 20,000 people.

39. The final routing of the Bayankhoshuu subcenter sewer collector pipes was selected from five alternatives that were developed during the inception stage of the design. The selected route begins at the southwest of the subcenter and extends west for approximately one kilometer and then south generally following the Tolgoit River to the connection point on an existing trunk main that conveys sewage to the Ulaanbaatar Central Wastewater Treatment Plant.

40. The pipe material is Ductile Iron of 450mm, 500mm, and 600mm nominal diameter (DN450, DN500 and DN600) with cement lining that provides corrosion protection, and the pipe is buried at a minimum depth of 2.8 meters wherever possible to avoid winter freezing conditions. Approximately 2.2 km of the collector route has seasonally high groundwater, and the pipe in this area will be insulated so that it can be installed at shallower depths. Concrete manholes will be installed at approximately 50meter intervals to allow connections and maintenance access, and at angle points. Some of the areas of the Bayankhoshuu route that are subject to surface water from summer rains will be graded to maintain existing drainage patterns but to divert water from the pipe and manholes.

41. The Ductile Iron sewer pipe is furnished in six-meter long sections that connect with "spigot and socket" joints. Excavators will be used to dig the trenches to the required depth and select material will be placed in the bottom of the trench that will provide an even surface and uniform support for the pipe. The backfill material around the pipe will be compacted and select material will be used in areas where roads or other utilities are affected by the pipe installation.

42. This project will introduce the use of trench shields in Mongolia, which will allow narrower excavation width in areas where there are adjacent buildings or roads. The trench shields and six-meter pipe sections will allow the construction to be done in a way that minimizes the length of open excavations and time of the associated disruption. The construction contractors are required to maintain access to affected residents and businesses during construction and to restore all roads and sidewalks to equal or better condition.

## **II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT**



43. The right of way (ROW) of the 6.3 km new sewer main collector pipes for the Bayankhoshuu subcenter has a total width between 6m to 12m. In order to minimize LAR impact, the standard total ROW width of 12m was reduced to 6m along several segments of the pipeline. Therefore, only some part of the sewer main collector pipes' civil work will involve LAR. The remaining part of the pipes will be built on public land such as pedestrian and auto roads. The reduction of the width of the ROW was done based on the following:

- Although the Law of Mongolia on Utilization of Water Supply and Sewage in Urban Areas and Settlements<sup>4</sup> prohibits **constructing** buildings, facilities and piped network in area at least 6m, on both sides, from the axis of sewer main collector pipes, it does not regulate issues related to building a new sewer main collector pipes in urban areas, where there **exist** buildings, facilities and piped network.
- In practice, in urban and settlement areas with existing building, facilities and piped network, when there is new sewer main collector pipes are built, the ROW width of 12m is not enforced and it is impossible and not feasible to implement it, as it will involve large-scale land takings and demolition of existing buildings.
- Construction of sewer main collector pipes is comparable with the construction of water supply pipes. In the article 10.20 of the Mongolian Standard and Rules for Water Supply, External Networks and Structures, BNBD 40-02-06, it is specified that for water supply pipes up to 1m diameter the sanitation protection zone is 10m in dry soil in unimproved land. Then it specifies that this protection zone can be reduced for pipes installed in the improved land. There exist Mongolian Standard and Rules for Sewage, External Networks and Structures, BNBD 40-01-06, similar to BNBD 40-02-06, but it does not specify that if the protection zone can be reduced for pipes installed in the improved land. However, in practice the provisions of the BNBD 40-02-06 for water supply pipes are used by construction practitioners, when building sewer main collector pipes.

44. As for the ROW of the 0.9 km new sewer main collector pipes in the ger area redevelopment site, which is integral part of the Bayankhoshuu subcenter sewer main collector pipes, has a 12m width. The east side of the 12m ROW of the pipes will use the land parcels in the ger area redevelopment site and the west side of the ROW will require the land area of the public land such as pedestrian and auto roads.

45. The draft technical design for the ger area redevelopment site of the Bayankhoshuu sub-center, based on a standard 12m width ROW, implied that total of 40 land parcels were to be affected by LAR. The situation on the ground was checked and consulted with the PMO engineers to avoid and minimize the LAR impact. It was not possible to change the technical design and reduce the 12m width of ROW, due to the limited free space between the auto road and land parcels and the auto road embankment, which is, in most places, located at higher level than the land parcels. It is necessary to retain the 12m ROW for the civil works and the construction machinery to safely operate given the uneven terrain. Thus the affected land parcels are 40. However, the technical design was formulated to minimize the land area being acquired for the ROW by designing the pipe route as far away from the affected land parcels as possible and as close to the road embankment as possible. See Attachment 1 Bayankhoshuu

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<sup>4</sup> Article 17.14. of the Law of Mongolia on Utilization of Water Supply and Sewage in Urban Areas and Settlements, Oct 2011, states that "Constructing buildings, facilities and piped network is prohibited in area at least 6m, on both sides, from the axis of sewage main collector pipe."

sub-center sewer main collector pipes – ger area redevelopment site LAR drawing (in this drawing the 40 affected land parcels are marked with Cyrillic character Д, which is same as letter D in English alphabet, in front of the numbering). All these 40 land parcels belong to individuals or businesses under land ownership, possession or use rights. There are 9 different types of structures such as residential houses, wooden sheds, garages, wooden and block fences, containers etc. and 148 impacted objects. Of the total 148 objects affected, 8 houses and 2 shop buildings will be acquired fully and permanently. In the ROW of the subproject there are 55 affected households and 1 business. The overall LAR impact on the affected persons, land parcels and structures can be seen from the Table 1 below.

Table 1: Overall LAR Impact

<b>Affected Households, Businesses</b>	<b>Total</b>	<b>56</b>
	Households	55
	<i>of which to be relocated - 0</i>	
	Businesses/organizations	1
<b>Affected Land Parcels</b>	<b>Total</b>	<b>40</b>
	Full	0
	Partial	40
<b>Affected Structures</b>	<b>Total</b>	<b>148</b>
	Fully affected residential/business buildings	10

46. The following assessment of the scope of LAR impact is based on the census and socioeconomic study of the APs, done by the staff of the redevelopment company, GD LLC, under the guidance of the LAR specialists, detailed measurement surveying and mapping provided by the design engineers, members of the consultant team that formulated the technical design of the Bayankhoshuu sub-center sewer main collector pipes, and cadastral mapping and registration from the Land Acquisition Division (LAD) of the PRD and land and property measurement and valuations carried out by professional certified property appraiser with special permission (property appraiser).

47. A special notification of LAR and the public notification of cut-off date for eligibility for compensation entitlements (cut-off date), similar to the ones which were given to each AHs, affected businesses and organizations that are in the ROW of the Bayankhoshuu sub-center sewer main collector pipes, was not given to the AHs and businesses in the ROW of the ger area redevelopment site, as this was already done by the redevelopment company, GD LLC. GD LLC has been working in this site since the last quarter of 2013 and received an endorsement by the MUB to implement a redevelopment project in this site in January 2014. However, information on the sewer main collector pipes and related LAR were provided to all AHs and affected businesses, during the census, socio-economic survey and valuation of land and properties. Also, a public consultation meeting with the AHs and affected businesses were organized on September 12, 2015. On this meeting more detailed information on the sewer main collector pipes, LAR, ADB SPS, valuation principles and compensation entitlements were provided to the AHs, see Appendix 4 – The attendance sheet for AP consultation meeting held in September 2015.

48. Temporary use of non affected land and temporary restriction of access to non affected properties and public facilities, due to construction works, might be required, as the available public space will not be sufficient for construction works such as operation and parking of machinery, and storage of construction and backfill materials etc. If such disturbance happens, it will be on the basis of mutual agreement. In any case, the neighboring land and properties shall not suffer. It can be done, for instance, by arranging pedestrian and, if necessary, vehicle access temporary bridge or similar structures. The construction contractor is responsible for taking all necessary measures to avoid such temporary and any other public disturbances.

## A. Affected Persons

49. There are total of 56 households and businesses in the project area. Out of these, 55 (98.2%) are households and remaining 1 (1.8%) is a business. Census of all these 56 AHs and businesses were conducted. These 56 households and businesses live on or use 40 land parcels. Socioeconomic survey of 51 households or 92.7% of all households was conducted. The enumerators visited the households 3 times and could not reach 4 of them. 3 households (5.4%) were temporarily absent. In 1 case (1.8%), there is a well and a foundation of a building in the land parcel, but nobody lives or runs business activity there. The inventory and valuation of all land and properties were conducted and estimations of appropriate compensation were carried out. The owners/possessors of the land parcels who were temporarily absent were later contacted by obtaining their contact information from the Songinokhairkhan District Property and Land Relations Office (DPLRO) or from the Songinokhairkhan District Civil Registration Office. There are 203 people in these 51 households. Out of these, 192 are registered residents, with the khoroo administration, and 11 are not registered. Of the 203 people, 197 (97%) of them were residing at the land parcels, whereas 6 (3%) of them were living somewhere else during the socio-economic survey. Table 2. Affected households, businesses and persons provide the detailed breakdown of the different categories of APs.

Table 2: Affected Households, Businesses and Persons

	Categories of APs	Q'ty	%
1	Total affected households and businesses: Of which Households Businesses	56 55 1	100.0 98.2 1.8
2	Total affected people Of which: Male Female	203 100 103	100.0 49.3 50.7
3	Mean age Median age	28 нас 26 нас	
4	Age categories: 0-15 16-59 60+ (60 and over)	63 129 11	31 63.5 5.4
5	Ethnicity: Khalkh Durvud Bayad	194 4 5	95.6 2 2.5

	Categories of APs	Q'ty	%
6	No. of household members:		
	1-3		
	4	45	22.2
	5	48	23.6
	6-11	60	29.6
		50	24.6
7	Disabled person or person who is sick and needs continous care	8	3.94
8	People who are older than 16 years and who are not working (for last month)	72	50
9	Women headed household	9	4.4
10	Elderly headed household	5	2.5
11	No. of persons over 3 years of age, their education:	186	100.0
	non	29	15.6
	elementary	20	10.8
	secondary	21	11.3
	high school	70	37.6
	vocational	17	9.1
	university	29	15.6
12	Vulnerable households, of which:	21	38.18
	Women headed households	3	5.45
	No. of vulnerable households' members	102	50.24
13	APs with land rights, of which:	40	100
	Individuals	39	97.5
	Businesses	1	2.5
	Women (of individual land rights holders)	15	37.5

50. Out of 203 APs, 100 (49.3%) are male and 103 (50.7%) are women. It shows that the gender ratio is equal. 45 persons or 22.2% of the affected persons live in a household with 1-3 members, 48 persons or 23.6% live in a household with 4 members, 60 persons or 29.6% live in a household with 5 members, and the remaining 50 persons or 24.6% of the affected persons live in a household with 6-11 members. As for the age category, 66 persons or 32.5% are children between 0-15 years, 126 persons or 62 % are aged between 16-59 years, and 11 persons or 5.4% has 60 or more years. The mean age is 28 and median age is 26. 50% of the 203 APs are young people up to 26 years and the other half is people older than 26 years. In terms of ethnicity, there are 194 Khalkha (96%), 4 Durvud, and 5 Bayad people.

51. 50% of the people, 72 persons, who are older than 16 years are not working. 22.2% (16) is not working because they cannot find a job. Another 22.2% (16) is not working because of study. 19.4% or 14 persons are not working as they look after elderly, sick persons or small children. 18.1% (13) is not working because of retirement and 9.7% (7) is not working as they do not need to work. 5.6% (4) is not working due to sickness and 1.4% (1) is not working due to seasonal work. 1 more person (1.4%) is not working as the person has just moved to the current place of residence. Thus, the realistic number of unemployed persons is 16 as they cannot find jobs.

52. There are 8 disabled persons or persons who is sick and needs continous care, 21 poor households, 16 unemployed people, 9 women headed households and 5 elderly headed households. There are 21 vulerable households, of which 3 are women headed households. Total number of members of the vulnerable households is 102, which is more than half (50.25%) of the total affected persons.

53. 40 APs has land rights, 39 individuals and 1 business. Of the 39 individuals 15 or 37.5% of the land right holders are women. 8 AHs and 2 shops for grocery and household items needs to be relocated.

54. In the ROW of the Bayankhoshuu subproject – ger area redevelopment site, there are 5 APs that have different types of businesses and livelihood activities. Of the 5 businesses 4 are run by individuals/households and 1 is a business. This business has 2 employees. 3 of these businesses are run on their own land, either with ownership or with possession right. 2 businesses, AP R 11-1 and R30-1, are run on a land of other land owners. Table 3 provides the details on the businesses that are run in the project ROW. It provides information on the land tenure type, type of business and livelihood activity and number of employees.

Table 3. Affected persons with businesses and livelihood activities

No	AP ID	Land tenure type	Type of business/livelihood activity	No. of employees
1	R08	possession	grocery, small household items shop	
2	R11-1	use of land of AP R11	handcraft production	
3	R13	ownership	grocery, small household items shop	
4	R29	ownership	grocery, small household items shop, vehicle - electricity repair service	2
5	R30-1	Use of land of AP R30	car repair service, garage	
<b>Total</b>				<b>2</b>

### Vulnerable Affected Households

55. Total of 21 AHs are considered vulnerable households. All 21 households have per capita income lower than poverty line<sup>5</sup>. 6 of these 21 households are either headed by women or elderly and has an disabled person in the household. Out of these 21 households 13 are losing land and properties and the other 8 are indirectly affected by the project, because they do not have land and other structures in the ROW, but live on the affected land parcel of their relatives or acquaintances. Table 7: Affected land of vulnerable households provides the details. For the 8 vulnerable AHs that are indirectly affected, no adverse impact of the project can be foreseen at this stage. However, the socioeconomic survey reveal that there are 16 unemployed people out of total 203 in the AHs and the number of members of the vulnerable AHs are 102, which is 50.25% of the total APs. Therefore, it will be necessary to design special measures to improve the livelihood of the vulnerable APs. Table 4 provides the details of the affected vulnerable households.

Table 4: Affected vulnerable households

<sup>5</sup> The poverty line for 2015 in Ulaanbaatar is MNT185,400 per capita. This was set by the Resolution No. A/9 of the Head of the National Statistical Office on 29 Jan 2015.

No.	Per capita Income lower than poverty line	Women Head of Household	Elderly head of Household	Disabled member of the family	No. of household members
1	r01				5
2	r02	r02			5
3	r02-2				4
4	r03				5
5	r04		r04	r04	8
6	r07-2				4
7	r10				4
8	r11				5
9	r15		r15		3
10	r16			r16	5
11	r17				6
12	r18	r18		r18	4
13	r21				11
14	r22				2
15	r23			r23	7
16	r28-2				4
17	r31	r31		r31	3
18	r32				3
19	r34-2				6
20	r34-3				4
21	r37-2				4
<b>Total</b>					<b>102</b>

### Gender impacts

56. Adverse differential gender impact by the Bayankhoshuu subproject in the ger area redevelopment site on either men or women is not expected. Nonetheless, to ensure a clear understanding and due consideration of the specific needs and problems of female APs and to safeguard their livelihoods, a number of gender provisions will be adopted by the LAR process: (i) women will receive compensation pertaining to their economic activities in their name; (ii) female heads of households will be registered as the recipients of compensation and rehabilitation measures due to their households; (iii) land titles for replacement land will be registered in the name of women, when land lost to the project was legally owned by women; (iv) women will be included in the participation process in all consultation meetings alongside male APs; (v) due consideration is to be given to complaints and grievances lodged by affected women; and (vi) access for women to project related employment opportunities and targeted needs based special assistance will be guaranteed in case of loss of livelihood.

### Indigenous Peoples

57. The project does not impact customary land use rights, the socio-economic status, the cultural and communal integrity, health, education, livelihood and social security status of APs. There are no indigenous people among the APs as per ADB's SPS definition. There are Khalkh, Durvud and Bayad sub-ethnic groups of Mongolians in the project area. These are Mongolians and live within cultural and legal mainstream of Mongolian people and are integrated into urban society. All affected people will share equally in project benefits without discrimination.

Therefore, the ADB policy requirements on Indigenous Peoples will not be triggered by this subproject.

58. The details on the demography, employment, income, business activities etc. are provided in the socio-economic profile of the APs in Section III.

## **B. Affected Land**

59. There are 40 affected land parcels in the ROW of Bayankhoshuu sub-project – ger area redevelopment site. Total land area of these land parcels is 21,554 m<sup>2</sup>. All 40 land parcels have land rights, i.e. official permission. However many land parcels were extended without permission, the size of the land area that was extended without permission is 3,950 m<sup>2</sup>. The size of the land area with official land permission, i.e. land rights, is 17,604 m<sup>2</sup>. Out of total land area, 2,786 m<sup>2</sup> land with official rights and 2,359 m<sup>2</sup> land without official rights will be affected, respectively. Thus total land area being affected is 5,145 m<sup>2</sup>. None of the land parcels will be acquired fully, all land parcels are affected partially. Table 5 provides the details of the affected land.

60. Of the 40 land parcels, 32 have ownership and the remaining 8 have possession rights. There are 3 types of land use, 35 land parcels are for residential, 1 is for business, 4 are mixed residential and business use.

61. The proportion of land loss relative to total land area for all land parcels is 26%. For one land parcel, 2.5% of all land parcels, the loss is less than 10% of the total land. There are 8 land parcels, or 20%, that lose less than 20% of their land, and 17 land parcels, or 42.5%, that lose more than 20% of their total land area, but less than 30%. 12 (30%) land parcels lose land area between 30 to 40% of their total land and 2 (5%) land parcels lose up to 50% of their land. There are no land parcels that will lose more than 50% of their land. Of the total land parcels, the least amount of land being acquired is 58 m<sup>2</sup>, or 5% of the land parcel area, and the biggest amount of land acquired is 169 m<sup>2</sup> or 35% of the land total land area. See Table 6 for the details of proportion of land loss relative to total land occupied.

62. As for the vulnerable households, 16 APs will lose land. 1 of them or 2.5% of all land parcels being affected, will lose less than 10% of their land. 1, 7, 6 land parcels belonging to vulnerable APs will lose land less than 20%, 30% and 40% of their land area, respectively. There is one land parcel of the vulnerable AP that will lose more than 40%, but less than 50% of the land area. Table 7: Affected land of vulnerable households provides the details of the land loss by vulnerable AHs.

63. The LAR for Bayankhoshuu sub-center sewer main collector pipes in the ger area redevelopment site is a special case, as the ROW for the pipes overlaps with the ger area redevelopment area. Therefore, special compensation policy in consultation with the AHs, redevelopment company, GD LLC, and MUB should be formulated. Different compensation policies and alternatives are proposed in section A. Compensation policy for land in Chapter IX.

Table 5: Affected Land

No	AP ID	Land tenure type	Land use type	Total land area, m2			Affected land area, m2			Proportion of land loss relative to total land occupied	Type of impact
				with permission	without permission	Total	with permission	without permission	Total		
1	R01	ownership	residential	309	281	590	21	144	165	28%	partial
2	R02	ownership	residential	323	72	395	140	38	178	45%	partial
3	R03	possession	residential	472	166	638	61	119	180	28%	partial
4	R04	ownership	residential	386	118	504	62	125	187	37%	partial
5	R05	ownership	residential	529	352	881	0	226	226	26%	partial
6	R06	ownership	residential	289	168	457	0	155	155	34%	partial
7	R07	ownership	residential	370	24	394	78	24	102	26%	partial
8	R08	possession	residential/business	847	83	930	48	81	129	14%	partial
9	R09	ownership	residential	638	249	887	52	74	126	14%	partial
10	R10	ownership	residential	391	0	391	133	0	133	34%	partial
11	R11	ownership	residential	534	21	555	121	21	142	26%	partial
12	R12	ownership	residential/business	361	0	361	132	0	132	37%	partial
13	R13	ownership	residential/business	476	31	507	98	8	106	21%	partial
14	R14	ownership	residential	525	0	525	122	0	122	23%	partial
15	R15	ownership	residential	337	122	459	94	3	97	21%	partial
16	R16	possession	residential	715	6	721	65	6	71	10%	partial
17	R17	ownership	residential	353	31	384	99	9	108	28%	partial
18	R18	ownership	residential	194	0	194	73	0	73	38%	partial
19	R19	possession	residential	394	93	487	76	93	169	35%	partial
20	R20	ownership	residential	319	0	319	113	0	113	35%	partial
21	R21	ownership	residential	208	857	1065	0	58	58	5%	partial
22	R22	possession	residential	300	54	354	109	23	132	37%	partial
23	R23	possession	residential	455	36	491	122	36	158	32%	partial
24	R24	ownership	residential	300	39	339	102	39	141	42%	partial
25	R25	ownership	residential	378	24	402	120	24	144	36%	partial
26	R26	ownership	residential	400	139	539	73	83	156	29%	partial
27	R27	possession	residential	449	68	517	61	65	126	24%	partial
28	R28	ownership	residential	471	82	553	89	82	171	31%	partial
29	R29	ownership	business	393	43	436	88	43	131	30%	partial
30	R30	ownership	residential/business	388	70	458	49	70	119	26%	partial
31	R31	ownership	residential	432	46	478	77	46	123	26%	partial
32	R32	ownership	residential	451	38	489	69	38	107	22%	partial
33	R33	ownership	residential	496	61	557	61	61	122	22%	partial
34	R34	ownership	residential	498	62	560	62	62	124	22%	partial
35	R35	ownership	residential	472	59	531	23	58	81	15%	partial
36	R36	possession	residential	577	92	669	11	88	99	15%	partial
37	R37	ownership	residential	668	122	790	0	122	122	15%	partial
38	R38	ownership	residential	678	147	825	0	143	143	17%	partial



No	AP ID	Land tenure type	Land use type	Total land area, m2			Affected land area, m2			Proportion of land loss relative to total land occupied	Type of impact
				with permission	without permission	Total	with permission	without permission	Total		
39	R39	ownership	residential	368	57	425	41	56	97	23%	partial
40	R40	ownership	residential	460	37	497	41	36	77	15%	partial
<b>Total</b>				<b>17,604</b>	<b>3,950</b>	<b>21,554</b>	<b>2,786</b>	<b>2,359</b>	<b>5,145</b>	<b>26%</b>	

Table 6: Proportion of land loss relative to total land occupied

Land loss, %	Total land parcels		Vulnerable households' land parcels	
	#	%	#	%
>10	1	2.50%	1	2.50%
>20	8	20.00%	1	2.50%
>30	17	42.50%	7	17.50%
>40	12	30.00%	6	15.00%
>50	2	5.00%	1	2.50%
<b>Total</b>	<b>40</b>	<b>100.00%</b>	<b>16</b>	<b>40.00%</b>

Table 7: Affected land of vulnerable households

No	AP ID	Land tenure type	Land use type	Total land area, m2			Affected land area, m2			Proportion of land loss relative to total land occupied	Type of impact
				with permission	without permission	Total	with permission	without permission	Total		
1	R01	ownership	residential	309	281	590	21	144	165	28%	partial
2	R02	ownership	residential	323	72	395	140	38	178	45%	partial
3	R03	possession	residential	472	166	638	61	119	180	28%	partial
4	R04	ownership	residential	386	118	504	62	125	187	37%	partial
5	R10	ownership	residential	391	0	391	133	0	133	34%	partial
6	R11	ownership	residential	534	21	555	121	21	142	26%	partial
7	R15	ownership	residential	337	122	459	94	3	97	21%	partial
8	R16	possession	residential	715	6	721	65	6	71	10%	partial
9	R17	ownership	residential	353	31	384	99	9	108	28%	partial
10	R18	ownership	residential	194	0	194	73	0	73	38%	partial
11	R21	ownership	residential	208	857	1065	0	58	58	5%	partial
12	R22	possession	residential	300	54	354	109	23	132	37%	partial
13	R23	possession	residential	455	36	491	122	36	158	32%	partial
14	R28	ownership	residential	471	82	553	89	82	171	31%	partial
15	R31	ownership	residential	432	46	478	77	46	123	26%	partial
16	R32	ownership	residential	451	38	489	69	38	107	22%	partial

No	AP ID	Land tenure type	Land use type	Total land area, m2			Affected land area, m2			Proportion of land loss relative to total land occupied	Type of impact
				with permission	without permission	Total	with permission	without permission	Total		
Total				6,331	1,930	8,261	1,335	748	2,083	28%	

### C. Affected Structures

64. There are 14 types of affected structures such as brick houses, fences, entrances, iron gates, container, gers etc. Total number of affected structures is 164. 8 brick houses and 2 shops will be affected entirely and permanently. Table 8 provides the details on the type of affected structures and the quantity of the loss.

Table 8: Affected Structures

#	Type of loss		Unit	# of units	No. of affected objects	APs
1	Fence	Wood	m <sup>3</sup>	67.9	35	R01, R02, R03, R04, R05, R06, R08, R09, R10, R11, R12, R13, R14, R15, R16, R17, R20, R21, R22, R23, R24, R25, R26, R27, R28, R30, R31, R32, R37, R38, R39, R18, R20, R38, R35, R36, R40
		Iron	kg	163.6	1	R08
		Block	pc	1,343.0	5	R01, R02, R07, R35, R40
		Wooden pole	pc	261.0	38	R01, R02, R03, R04, R05, R06, R08, R09, R10, R11, R12, R13, R14, R15, R16, R17, R20, R21, R22, R23, R24, R25, R26, R27, R28, R30, R31, R32, R37, R38, R39, R18, R20, R38 R35, R36, R40
		Cement foundation	m <sup>3</sup>	15.3	5	R1,R1, R2,R7, R36
		Iron gate 1	set	3.0	3	R3, R7, R26
		Iron gate 2	set	9.0	14	R6, R21, R25, R27, R30, R33, R36, R38
		Iron gate 3	set	2.0	2	R16, R35
		Brick	m <sup>3</sup>	4.7	3	R1,R6, R8

2	Building	Residential	m <sup>2</sup>	347.3	8	R2, R17, R24, R27, R29, R33, R34, R35
		Entrance part	m <sup>2</sup>	23.0	3	R2, R34, R35, R36
		Garage block	m <sup>2</sup>	85.8	4	R26, R29, R40
		Garage brick	m <sup>2</sup>	55.9	1	R29
		Unfinished	m <sup>2</sup>	127.5	1	R1
		Shop	m <sup>2</sup>	127.6	2	R8, R29
3	Ger relocation		pc	4.0	2	R20, R33
4	Wooden shed		pc	9.0	10	R4, R10, R15, R20, R25, R28, R28, R32, R40
5	Wooden latrine		pc	12.0	12	R2, R3, R4, R5, R11, R12, R13, R14, R15, R18.19, R23, R30
6	Block latrine		pc	1.0	1	R11
7	Wooden pole-lights		pc	4.0	4	R33
8	Waste water ditch		m <sup>3</sup>	16.0	1	R4
9	Concrete ring		m <sup>3</sup>	2.0	2	R29
10	Iron pole for solar energy		pc	1.0	1	R17
11	Iron sheet structure (Төмөр вагончик)		pc	1.0	1	R5
12	Relocation of a structure		pc	2.0	2	R20
13	Container		pc	1.0	1	R5
14	Container		pc	2.0	2	R5
Total					164	

#### D. Affected Households and Businesses that Need to be Relocated

65. 8 AHs and 1 affected business need to be relocated. Total number of persons to be relocated is 27. All of the AHs and affected businesses have official land rights. AH R08's grocery and household items shop will be affected. Affected business R29, has a grocery and household items shop, garage – car repair service and a residential building. All these buildings of the affected business R29 will be affected. The remaining AHs' residential buildings are to be affected. The list of APs, the land tenure and use and number of total persons that needs to be relocated are provided in the Table 9: Affected households and businesses that need to be relocated.

Table 9: Affected households and businesses that need to be relocated

#	AHs' ID	Land tenure type	Land use type	No. of persons in the household or No. of employees
1	R02	ownership	residential	5
2	R08	possession	residential/business	1
3	R17	ownership	residential	6
4	R24	ownership	residential	1
5	R27	possession	residential	4
6	R29	ownership	business	2
7	R33	ownership	residential	5
8	R34	ownership	residential	1
9	R35	ownership	residential	2
<b>Total</b>				<b>27</b>

#### E. Affected Businesses and Livelihoods

66. There are 5 AHs and affected businesses that have different types of businesses and livelihood activities on the affected land parcels. 4 of them are AHs and 1 is affected business. The number of employees of the business is 2. 4 of these businesses and livelihood activities are run on their own land, either with ownership or with possession right, and 1 business activity, R30-1, is operated on land rented from land owner R30. Table 10 provides the details on the livelihood activities and businesses that are run in the project ROW. It provides information on the land tenure type, land use type, type of business livelihood activity, number of employees and comments related to the impacts.

67. For those AHs and businesses whose businesses and livelihood activities are impacted, compensation equivalent to average daily net income will be provided for the ten days of disruption anticipated. Also, for the employees, 10 days salary of the employees will be provided. The use of trench shields and six-meter long sections of pipes will allow minimize the duration of civil works in an area to 10 days. If the construction works will continue for more than 10 days, any additional days of interruption will be compensated to AHs and affected businesses based on the number of days and daily net income and salaries.

Table 10: APs and type of their businesses/livelihood activities to be affected

#	AP ID	Land tenure type	Land use type	Type of business/livelihood activity	No. of employees	Comment
1	R08	possession	residential/business	grocery, small household items shop		The business will be interrupted due to the construction works and taking down the building. Needs to be reestablished.
2	R11-1	ownership	residential/business	Wooden products		The business will be interrupted for the 10 days of construction work.

#	AP ID	Land tenure	Land use type	Type of business/livelihood	No. of employees	Comment
3	R13	ownership	residential/business	grocery, small household items shop		The business will be interrupted for the 10 days of construction work.
4	R29	ownership	business	grocery, small household items shop, vehicle - electricity repair service	2	The business will be interrupted due to the construction works and taking down the building. Needs to be reestablished.
5	R30-1	rent from AP R30	residential/business	car repair service, garage		The business will be interrupted for the 10 days of construction work.
<b>Total</b>					<b>2</b>	

68. For AHs R11-1, R13, R30-1, the impacts involve restricted access to and from businesses during the construction works for 10 days. As for the AH R08 and affected business R29, their businesses would need to be reestablished, as the building in which they operate their businesses needs to be taken down. The compensation policies for the affected livelihoods and businesses are provided in section C of Chapter IX.

69. This LARP is formulated based on a socio-economic survey and census of all affected persons and inventory and valuation of all affected land parcels and structures. The details and comprehensiveness of this LARP is commensurate with the impacts on affected persons and affected land and properties. The full socio-economic profile information will be useful baseline data for external monitoring and evaluation. The socio-economic profile for this subproject is provided in detail in Chapter III below.

70. In total there will be 42 households/individuals and businesses that will be directly affected by the project and lose land, structures and livelihoods. There are 9 AHs that are significantly affected, as they need to be either relocated or are losing housing and the number of persons to be relocated or losing housing is 27. Attachment 2 provides the list of Affected Persons and their details, including AHs ID, name, land parcel, land tenure type and addresses.

### III. SOCIO-ECONOMIC INFORMATION AND PROFILE

71. The socioeconomic survey was conducted during 1 Apr – May 12, 2015. The team of staff of the redevelopment company, stationed at the redevelopment site, made efforts to include all the AHs in this survey, by repeated visits to the AHs, but not more than 3 times. The census of the AHs and inventory of properties on the affected land parcels were conducted together with this socioeconomic survey.

72. There are total of 56 households and businesses in the project area. Out of these, 55 (98.2%) are households and remaining 1 (1.8%) is a business. These 56 households live on 40 land parcels. Socioeconomic survey of 51 households or 92.7% of all households was conducted. The enumerators visited the households 3 times and could not reach 4 of them. 3 households (5.4%) were temporarily absent. In 1 case (1.8%), there is a well and a foundation of

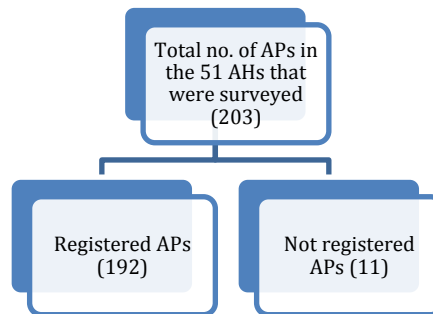
a building in the land parcel, but nobody lives or runs business activity there. Table 11 shows the households that participate and did not participate in the survey and the reasons for not participating in the survey.

Table 11: The survey and its participants and non-participants

Households registered in the 40 land parcels		Q'ty	%
		<b>56</b>	<b>100.0</b>
of which:	Households the took part in the survey	51	92.7
	Temporarily absent	3	5.4
	Land parcel with a well and foundation of a building	1	1.8

73. There are 203 people in these 51 households. Out of these, 192 are registered, with the khoroo administration, residents and 11 are not registered. Of the 203 people, 197 (97%) of them were residing at the land parcels, whereas 6 (3%) of them were living somewhere else during the socio-economic survey. Figure 2. shows the registered residence status of the AH's members.

Figure 2. The registered residence status of the AH's members



## A. Basic demographic information

74. Out of 203 APs, 100 (49.3%) are male and 103 (50.7%) are women. It shows that the gender ratio is equal. Refer to table 2 under section A. Affected Persons in Chapter II for the breakdown of the demography of the APs. 45 persons or 22.2% of the affected persons live in a household with 1-3 members, 48 persons or 23.6% live in a household with 4 members, 60 persons or 29.6% live in a household with 5 members, and the remaining 50 persons or 24.6% of the affected persons live in a household with 6-11 members. As for the age category, 66 persons or 32.5% are children between 0-15 years, 126 persons or 62 % are aged between 16-59 years, and 11 persons or 5.4% has 60 or more years. The mean age is 28 and median age is 26. 50% of the 203 APs are young people up to 26 years and the other half is people older than 26 years. Further breakdown by age categories shows that small children aged between 0-4, and young people from 25-29 years are relatively more than the other age groups. Figure 3 shows the age categories of the APs and Figure 4. APs by age categories and sex.

Figure 3: Age categories of the APs

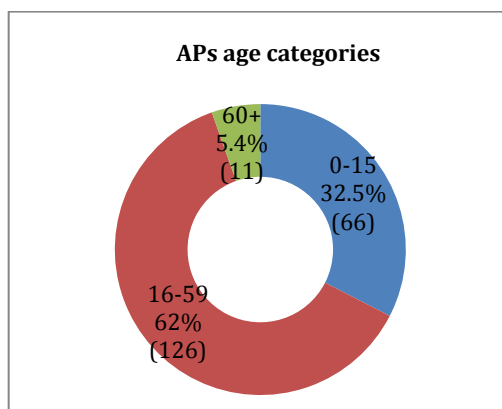
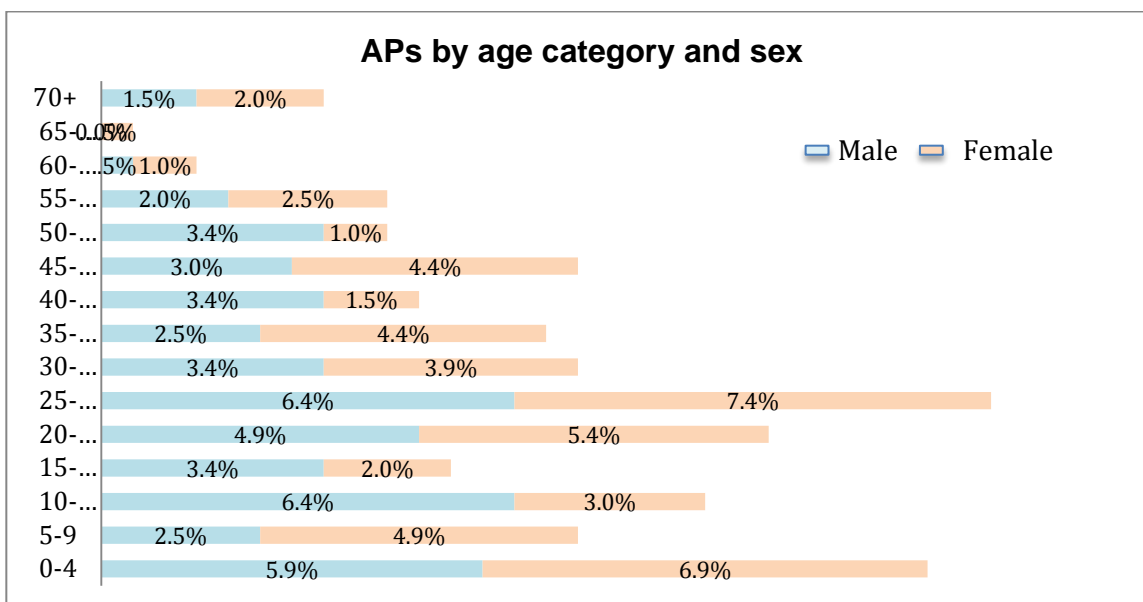


Figure 4: APs by age categories and sex



75. As for the head of the households, 82.4% of the households have male heads and the remaining 17.6% has female heads. Also, 90.2% (46) has heads who are below 60 years of age and 9.5% (5) has heads who are older than 60 years. Table 12 below shows the details related to the heads of the households.

Table 12: Features of the heads of households

#	Head of Household	Q'ty	%
1	Sex:		
	Male	42	82.4
	Female	9	17.6
2	Age:		
	Up to 60 years	46	90.2
	60 years and older	5	9.5

76. Table 13 below provides AHs demographic feature considering disabled persons, children upto 15 years and elderly who are older than 60 years are as follows:

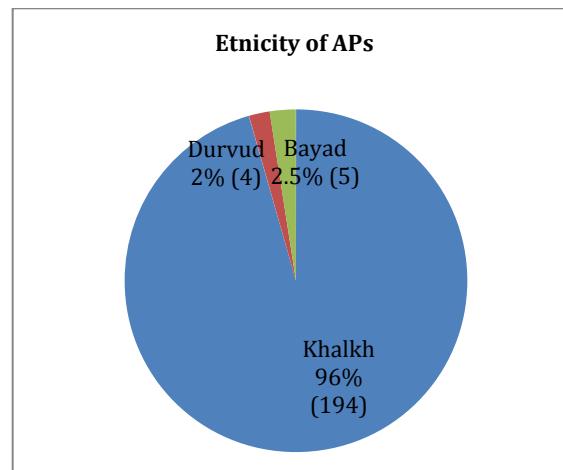
Table 13: Demographic features of affected households

#	Demographic features	Q'ty	%
1	Household with 1 or more disabled member	6	11.8
2	Household with 1 or more children between 0-15 years	38	74.5
3	Household with 1 or more elderly over 60 years	10	19.6
4	Household with children between 0-15 years and elderly over 60 years	6	11.8
5	Household with children between 0-15 years or elderly over 60 years	36	70.6
6	Household without children between 0-15 years and elderly over 60 years	9	17.6

77. In terms of ethnicity, Mongolia has sub-ethnicities such as Khalkha, Bayad, Durvud, Buriad, Dariganga, Zakhchin etc. In the project area there are 194 Khalkha, 4 Durvud, and 5 Bayad people, see Figure 5: Ethnicity of APs.

78. There are 8 disabled persons or persons who is sick and needs continous care, 21 poor households, 16 unemployed people, 9 women headed households and 5 elderly headed households. There are 21 vulnerable households, of which 3 are women headed households. Total number of members of the vulnerable households is 102, which is more than half (50.25%) of the total affected persons.

Figure 5: Ethnicity of APs



## B. Education of APs

79. The educational level of 3 years and older APs (n=186) is as follows: 15.6% (29) non, 10.8% (20) elementary, 11.3% (21) secondary, 37.6% (70) high school, 9.1% (17) vocational education, and remaining 15.6% (29) has higher education. Moreover, 90 or 36.1% of the APs who are 3 years and older are attending a kindergarten or certain level school. Table 14 and 15



provide APs information on their educational level, education by age category and attendance of an educational facility currently.

Table 14: Education of APs by age category

Education	Age category								Total	
	3-5		6-16		17-18		19+			
	Q'ty	%	Q'ty	%	Q'ty	%	Q'ty	%	Q'ty	%
Non	12	100	16	42.1	-	-	1	0.7	29	15.6
Elementary	-	-	17	44.7	-	-	3	2.2	20	10.8
Secondary	-	-	5	13.2	1	100	15	11.1	21	11.3
High school	-	-	-	-	-	-	70	51.9	70	37.6
Vocational	-	-	-	-	-	-	17	12.6	17	9.1
Higher	-	-	-	-	-	-	29	21.5	29	15.6
Total	12	100	38	100	1	100	135	100	186	100

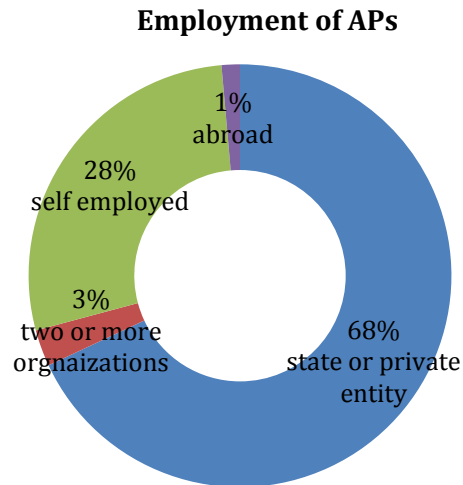
Table 15: APs attending kindergarten or certain level school

attending kindergarten or certain level school	Age category								Total 3-5	
	3-5		6-16		3-5		6-16			
	Q'ty	%	Q'ty	%	Q'ty	%	Q'ty	%	Q'ty	%
Yes	7	58.3	35	92.1	1	100	9	6.7	52	28.0
No	5	41.7	3	7.9	-	-	126	93.3	134	72
Total	12	100	38	100	1	100	135	100	186	100

### C. Employment of APs

80. The employment of APs 16 years or older (n=144) were reviewed and considered for the last month. 72 or 50% of the APs did have an income earning activity. Out of these, 68.1% (49) were working in a state or a private entity, 2.8% (2) were working in two or more organizations, 27.8% (20) were self-employed and the remaining 1.4% (1) works abroad. Figure 6 below shows the employment of APs in the last month.

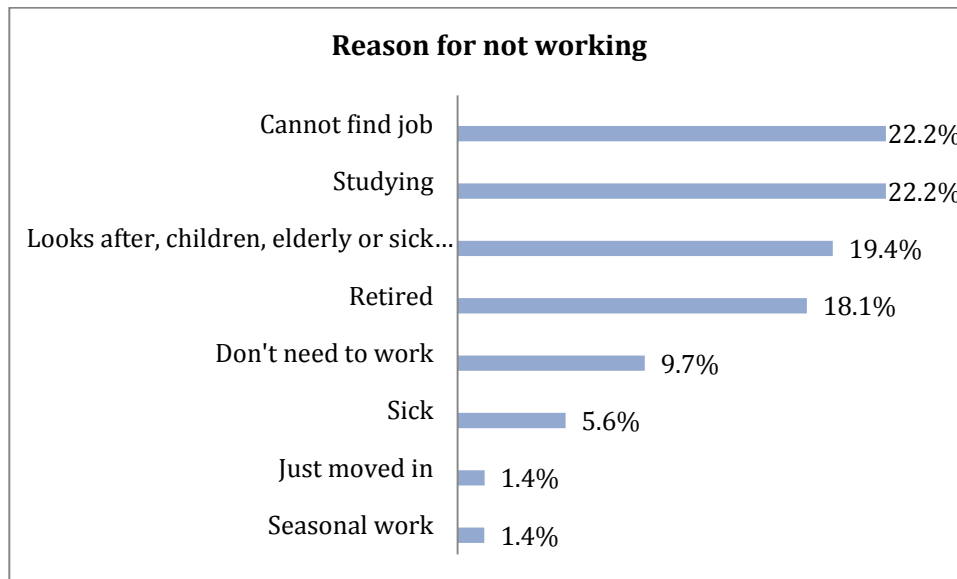
Figure 6: Employment of APs in the last month



81. When asked how much is the monthly income from their employment, the lowest income was MNT150,000 and the highest income was MNT5,000,000, and the average is MNT661,806. The monthly median income of those who are employed is up to MNT500,000 for 50% and above MNT500,000 is for the other half of the employed APs.

82. 50% of the people, 72 persons, who are older than 16 years are not working. When asked about the reasons why they are not working 22.2% (16) is not working because they cannot find a job. Another 22.2% (16) is not working because of study. 19.4% or 14 persons are not working as they look after elderly, sick persons or small children. 18.1% (13) is not working because of retirement and 9.7% (7) is not working as they do not need to work. 5.6% (4) is not working due to sickness and 1.4% (1) is not working due to seasonal work. 1 more person (1.4%) is not working as the person has just moved to the current place of residence. This is summarized in the Figure 7 below.

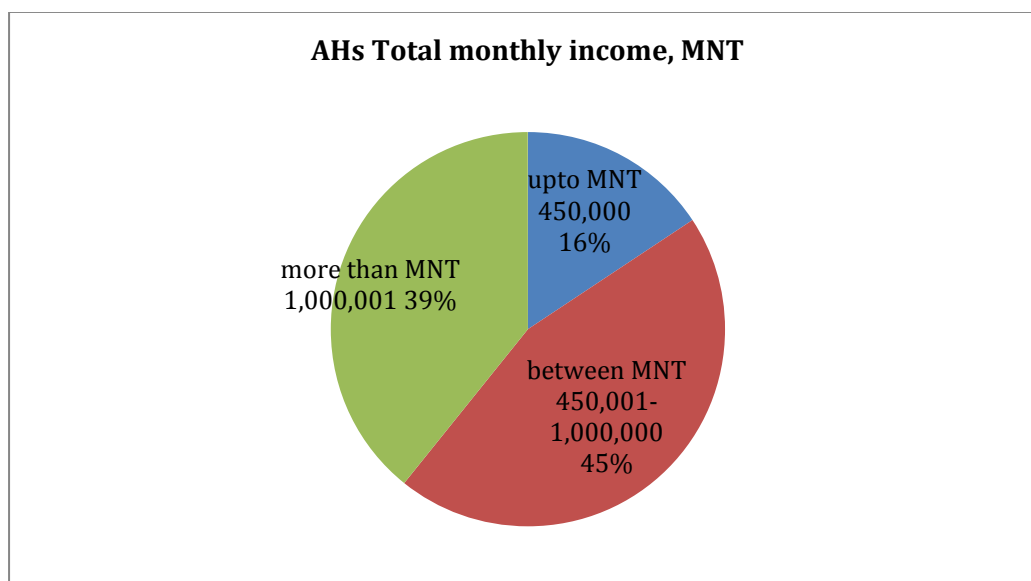
Figure 7: The reason for unemployment



#### D. Affected Household income

83. The study of the monthly income of the APs reveal that about half of the AHs, i.e. 45.1% or 23 households, earn MNT450,000 – 1,000,000. Then 39.2% or 20 households earn more than MNT1,000,000 and the remaining 8 households (15.7%) has monthly income upto MNT450,000. Figure 8 shows the AHs' monthly income.

Figure 8: AH's total monthly income

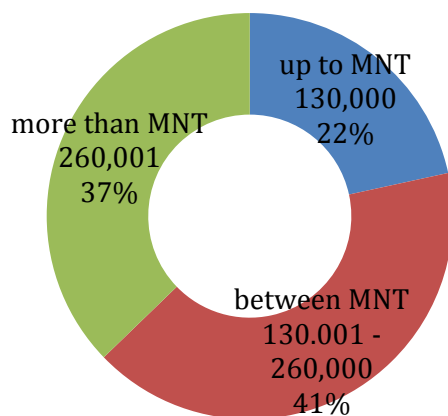


84. As for per capita monthly average income, 37.3% or 19 households have MNT260,000 or higher, 41.2% or 21 households, earn between MNT 130,000-260,000 and the remaining 21.6 or

11 households earn MNT130,000 or less, which is less than 70% of the poverty line in UB (the poverty line in UB is MNT185,400 per capita per month). Figure 9 shows the average per capita income.

Figure 9. Monthly per capita income

**Average monthly income per capita, MNT**



**E. Affected Households' Living Conditions**

85. 26 households or 51% of the 51 AHs that were surveyed, live in gers and 25 households, 49%, live in detached houses. All the households own the gers or houses in which they live. 26 AHs that live in gers, have 4-6 wall gers, the average number of walls is 5. The details on the conditions of the detached houses are described in the Table 16 below.

Table 16: Conditions of the detached houses

#	Conditions of the detached houses	Q'ty	%
1	No. of AHs living in detached houses	25	100.0
2	Wall material of the houses:		
	Brick	14	56.0
	Wood	10	40.0
	Cement	1	4.0
3	No. of rooms (excluding kitchen):		
	- No. of rooms of the houses with least No. of rooms (area)	1 (16 m <sup>2</sup> )	
	- No. of rooms of the houses with most No. of rooms (area)	4 (160 m <sup>2</sup> )	
	- Average No. of rooms (average area size)	1.92 (56.5 m <sup>2</sup> )	
4	Area of the house (m <sup>2</sup> ):		
	16-48	14	56.0
	48.01-72	5	20.0
	72.01-420	6	24.0

86. As for lighting all 51 AHs use electricity. For heating 50 (98%) households use coal, 27 households (52.9%) use wood, 1 household (2%) use electricity and no household use gas for

heating. There is 1 (2%) household that use fuel other than those mentioned above. There are no households that use dung for heating. 25 households (49%) use electricity for cooking. In addition to electricity, 39 households (76.5%) use coal, 24 (47.1%) households use wood, 2 (3.9%) households use gas for cooking as well. The fuels are obtained from a nearby fuel selling points, about 20 m, or from as far as 90 km. Table 17 below shows the types of lighting, heating and fuels used by AHs.

Table 17: Use of lighting, heating and fuel by affected households

#	Use of lighting, heating and fuel	Q'ty	%
1	Type of lighting: Electricity	51	100.0
2	Type fuels used for heating: Coal Wood Electricity Gas Other type of fule	50 27 1 - 1	98.0 52.9 2.0 - 2.0
3	Type of fuel used for cooking: Coal Wood Electricity Gas	39 24 25 2	76.5 47.1 49.0 3.9

87. As for provision of water, the closest distance to a well is 30 m, and biggest distance is 2 km. The details related to the provision of water, disposal of waste water and solid waste and type of toilet is given in the Table 18 below.

Table 18: Provision of water, disposal of waste water and solid waste and type of toilet

#	Provision of water, disposal of waste water and solid waste and type of toilet	Q'ty	%
1	Drinking water source: Public water kiosk	51	100.0
2	Waste water disposal Pit on own land Open space on own land	49 2	96.1 3.9
3	Solid wast disposal Designated waste disposal point Other	47 4	92.2 7.8
4	Toilet Pit latrine	51	100.0

88. 13, 25.5%, of the AHs consider that the living conditions of their dwellings are good, 31, 60.8%, consider them average, and remaining 7 AHs consider them poor. 96.1% or 49 households obtain medical services from the family clinics/state hospitals, 1 household (2%) obtains medical services from private hospital/doctors. The remaining 1 household provides self services for medical treatments. 37 AHs, about 60% of the households, responded that there are almost no crimes in the neighborhood. 7 (13.7%) respondents informed that there are frequent crimes, whereas 28 households or about 54.9% responded that there are very few crimes in the vicinity. 16 respondents or 31.4% informed that there are almost no crimes in the vicinity. To the

AHs, the closest family clinic is about 150 m and the furthestmost one is about 5 km. As for schools, the closest one to the AHs is at a distance of 200m and the furthestmost school is located about 5 km away from the AHs.

#### **IV. LEGAL FRAMEWORK**

89. In this section, in addition to the analysis of the Mongolian LAR related legislation, considerations on applicability of LAR related legislation for the implementation of subproject Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers, information on current practice related to LAR activities, ADB Safeguard Policy Statement and gap between ADB policy requirements and Mongolian LAR legislation, are provided.

##### **A. Mongolian Laws and Regulations**

90. In Mongolia there is no dedicated and comprehensive law that regulates issues of land acquisition and resettlement. Although the Constitution of Mongolia has provisions that justify exercising of eminent domain power, none of the land related legislation provides the power of eminent domain to the state or any other entity. According to the current Mongolian legislation, any land acquisition, including the ones for public needs such as land for public sewer main collector pipes, shall take place through negotiation and agreement. If negotiations fail, then the case must be resolved at the courts. The laws are silent on land expropriation, but do provide provisions on exchange of land or taking over land with compensation for *state special needs*. However, the related procedures are incomplete, imprecise and fail to properly protect the rights of affected persons and property rights. The basic legislative framework for LAR and related issues consists of: i) Constitution of Mongolia, ii) Law on Land, iii) Law on Allocation of Land to Mongolian Citizens for Ownership and iv) Civil Code of Mongolia. In addition to these laws, Annex 4 of the Government Decree No. 28 from 2003, "Regulation on Taking Over Land for and Releasing Land from State Special Needs", is used in the LAR activities.

##### **The Constitution of Mongolia**

91. The Constitution of Mongolia (1992)<sup>6</sup> sets the fundamental principles for human and property rights. The following provisions are related the protection of human and property rights, and the acquisition of land for public needs:

- The State recognizes all forms of both public and private property and shall protect the rights of the owners, Article 5.2;
- The owner's right shall be limited exclusively by due process of law, Article 5.3;
- The State shall have the right to hold land owners responsible in connection with the manner the land is used, to exchange or take it over with compensation on the grounds of special public need, or confiscate the land if it is used in a manner adverse to the

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<sup>6</sup> Amended twice on 24 Dec 1999 and 4 Dec 2000, respectively. The English translation of the Constitution of Mongolia used in this report is obtained from the website of the Parliament of Mongolia, [www.parliament.mn](http://www.parliament.mn) accessed on 27 Mar 2015.

health of the population, the interests of environmental protection and national security, Article 6.4;

The citizens of Mongolia shall be guaranteed the privilege to enjoy the following rights and freedoms:

- Right to healthy and safe (living) environment, and to be protected against environmental pollution (from pollution of living conditions/environment) and ecological imbalance, Article 16.2
- Right to fair acquisition, possession and inheritance of moveable and immovable property. Illegal confiscation and requisitioning of the private property of citizens shall be prohibited. If the State and its bodies appropriate private property on the basis of exclusive public need, they shall do so with due compensation and payment, Article 16.3.

92. Constitutional provision 16.2 provides an important right for people to live in healthy and safe conditions, which means that people have the right to be provided with public infrastructure, such as sewage, heating systems and water supply, to enjoy healthy and safe livelihood.

### **Law on Land**

93. The Law on Land (2002)<sup>7</sup> regulates issues related to land possession and land use by individuals and legal persons. Law on Land determines three types of land tenure, namely land ownership, land possession and land use. These are defined in the Article 3 of Law on Land.

- "to own land" means to be in legitimate control of land with the right to dispose of this land. Only Mongolian citizens can own Land. All land, except those, which are given to Mongolian citizens, is the property of the State, i.e. public property. "Land ownership" is comparable to the "freehold" tenure in many other countries. The Law on Allocation of Land to Mongolian Citizens for Ownership deals with land ownership related issues. Further details on land ownership are provided in the next part, which examines particularly this law.
- "to possess land" means to be in legitimate control of land in accordance with purpose of its use and terms and conditions specified in respective contracts. The land possession right can be obtained only by the citizens and legal persons of Mongolia. The respective local governors make the decision for provision of land possession rights. The land possession rights are provided for 15-60 years, with possible extension of 40 years. The size of land plot for land for possession is up to 0.07 ha for household residential use. The size of land for commercial purposes depends on the type of activities and is set in the contract between the state and land possessor. In current practice, the state, as the owner of the land, provides land possession rights to the interested Mongolian persons. This right is registered in the cadastral/land information system operated by the organization in charge of land affairs – the Administration of Land Affairs, Geodesy and Cartography (ALAGaC) and its local offices in the aimag that are called Department of Land Affairs, Construction and Urban Development. In the Capital city-Ulaanbaatar this responsibility is under the PRD. Land possession right is transferable and can be used

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<sup>7</sup> The Law on Land was revised in 2002 and amended 13 times since then. The amendments were made on 2 Jan 2003, 12 Jun 2003, 22 Apr 2004, 27 Jan 2005, 1 Jul 2005, 22 Dec 2006, 9 Jul 2009, 16 Jul 2009, 17 Dec 2009, 1 Jul 2010, 17 May 2012, 26 Dec 2013, and 26 Dec 2013, respectively.

as collateral as well. Land possession can be registered in the State Registration of Property Rights, which is operated by the General Authority of State Registration.

- "to use land" means to undertake a legitimate and concrete activity to make use of some of the land's characteristics in accordance with contracts made with owners and possessors of land. Land use rights can be given to Mongolian citizens, companies and organizations or foreign countries, international organizations, foreign legal persons, companies with foreign investment, foreign citizens and stateless persons for specific purpose, duration, conditions and under contract. Land use rights for the foreign citizens and stateless persons (who reside in Mongolia for more than 183 days) can be provided only for family residence purpose through auctioning by the respective local governor. The duration for such rights shall be for 5 years and is renewable for 5 years at a time. Provision of land use rights for specific period of time for foreign countries, international organizations, and foreign legal persons under leasing and concession agreement shall be decided by the Parliament of Mongolia. The boundaries and procedures of use shall be set by the Government of Mongolia. As for the companies with foreign investment, the land use rights shall be provided in accordance with the law and in this case the Government of Mongolia decides the duration of the tenure.

94. The land possession and land use rights are similar to leasehold tenure in other countries. In current practice, the State is the sole owner who lets land for possession and use. It is not common that the private land owners provide their land for possession and use. Common practice is that immovable property, together with the land, is rented. The possession right is transferable, whereas land use is not. Article 6.2 of the Law on Land sets the types of land, which can be used publicly (common use land) under the regulation of relevant state body, if not stated differently in the law. This include i) pastureland, water points in pastureland, salt licks, ii) public use land in the city, village and other settlement, iii) land under road and network, iv) forest area and v) water area.

95. The Law on Land regulates that land under possession can be exchanged or taken over, i.e. acquired, for the state special needs. Article 16 lists 12 types of land use as the land that belongs to the state special needs as follows:

- land under special protection of the state<sup>8</sup>;
- national border strip land;
- land for ensuring national defense and security;
- land for foreign diplomatic missions and consulates, and representative offices of international organizations;
- land for scientific and technological tests, experiments, and for environmental and climatic permanent observations;
- inter-aimag reserve pasture land;
- hay field land for state fodder fund;
- contracted oil field to be used for exploration according to product sharing agreement;
- free zone area;
- land for construction and use of nuclear facilities;
- land for artisanal mining; and
- land for border point zone.

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<sup>8</sup> Law on Special Protected Area (1994) specifies, Article 3, that there are four categories of special protection land: i) strictly protected areas, ii) natural complex area, iii) nature reserves iv) monument area.



96. The procedures for acquisition of and compensation for land under possession are specified in the “Article 42 Exchange or taking over land under possession before the expiration of the contractual period” and “Article 43 Provision of compensation when exchanging or taking over land under possession before the expiration of the contractual period”.

97. The law sets that *central* state administrative organization in charge of land affairs<sup>9</sup> shall make a preliminary agreement with the land possessor to exchange or take over its land wholly or partially with compensation for state special needs. After that a proposal shall be sent to the Cabinet for decision to acquire the land. Once the Cabinet makes a decision to acquire the land, based on this decision, respective local Governor shall conclude a contract for land acquisition with the land possessor, provide the compensation and acquire the land. The affected land possessor shall vacate the land within 90 days after concluding the contract and hand over to the disposal of the respective Governor. The acquisition of land, which is used for residential purposes, can be implemented only between May 15 to September 15. This is due to the inconveniences associated with relocation/moving in cold period of the year.

98. The law states that in the decision for land acquisition, the value of the buildings, facilities and other properties that cannot be separated from the land, be appraised based on the rates at the time of acquisition, and costs for acquiring the land, i.e. vacating the land, shall be reflected. The compensation shall be provided to the affected persons from state budget through the respective Governor. The Governor shall provide the compensation within 60 days after concluding an agreement, if not specified differently in the agreement. The affected land possessor shall vacate the land within 30 days after receipt of the full compensation, if not specified differently in the agreement.

99. The law does not say that the land itself should be appraised and compensated. Moreover, the provisions of the law do not specify what entitlements the compensation consist of, who shall carry out the appraisal, what are the principles in the compensation appraisal, what can be understood under the rate at the time of acquisition (is this market value or another value/rate) and if there will be any rehabilitation measures. It is not clear how and what land can be provided in exchange to replace the land being taken back. These issues are not specified in the law.

100. There is no provision in the law that allows land expropriation, if necessary, for public needs such as public sewer main collector pipes and it regulates that land acquisition should take place based on negotiation and agreement. However, the law specifies, article 59, that land can be vacated and forced relocation enforced, with the help of police, if the land possession right has ended as per the provisions of the law or contract and based on the decision of respective Governor. Also, it specifies clearly that disputes to arise in connection with the exchange or taking over land shall be brought to the Governor or organization that is superior to the ones against whom the claims are being made. Further, it is specified that the land related property disputes or if the decision of the higher-level authorities are still not agreeable, the case can be brought to the court for judgment.

101. The Law on Land does not recognize any land use without proper permission, i.e. land ownership, possession and use rights, from relevant state bodies. The persons using land

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<sup>9</sup> In Mongolian legislative practice ‘*central* state administrative organization in charge of .....’ means respective ministry for certain sector(s) and government functions. In this case, central state administrative organization in charge of land affairs means the Ministry of Construction and Urban Development that is responsible for, among others, land policies and governmental functions and institutions related to land.

without permission are obliged to vacate the land upon the request by the local Governor. If the entity did not vacate the land within the time specified by the Governor, forcible measures shall be taken to clear the land and associated costs are to be provided by the entity using the land without permission.

102. There is no LAR related provision in the law concerning affected persons holding land use rights, except to say that compensation is not applicable to them (article 43.6).

### **Law on Allocation of Land to Mongolian Citizens for Ownership**

103. The Law on Allocation of Land to Mongolian Citizens for Ownership (2002)<sup>10</sup> regulates procedures for allocating land for ownership and other relations associated with this tenure. Only Mongolian citizens can obtain land ownership rights. It can be obtained free of charge in accordance with this law or purchased. Land, which are already held under ownership rights by individuals, are freely traded and transferred on the market.

104. This law was enacted as part of socio-economic reform since early 1990s and is effective starting from 1 May 2003. The law enables private ownership of land for Mongolians and provides opportunities to capitalize on land assets. Land is given to all Mongolian citizens, regardless of age and sex, one time free of charge until 1 May 2018. Land is privatized in accordance with the land management plans for family (residential) needs and commercial use. Initially, the allocation process was implemented on first come first served basis and mostly the people who already held land parcels under possession rights upgraded them into land ownership rights. In Ulaanbaatar, currently, new land parcels are being allocated and it is realized using electronic random selection method. The size of land parcels allocated for ownership for family needs vary depending on location. In the Capital city – Ulaanbaatar and along the national level main roads connecting aimags with Ulaanbaatar, individuals are entitled to up to 0.07 hectares, in the aimag centers up to 0.35 hectares, and in soum centers and villages up to 0.5 hectares land parcels, respectively. The size of land parcels for commercial use depends on the type of activities (agricultural, industrial etc.) and decided based on the size of existing land parcel under possession, if applicable, and scope and nature of the business. The land ownership right for commercial use is obtained by purchasing the land directly from the state or through auctioning. Cadastral information on parcels under land ownership is registered in the cadastral/land information system operated by the ALAGaC and its local offices in the aimag, Department of Land Affairs, Construction and Urban Development. In the Capital city-Ulaanbaatar this responsibility is under the PRD. The land ownership rights are registered in the State Registration of Property Rights in accordance with the Law on Registration of Property Ownership Rights and other related rights.

105. “Article 32 Exchange or taking over land owned by citizens based on state special needs with compensation” and “Article 37 Ensuring the land ownership right of the citizen when exchanging or taking it over based on state special needs with compensation” specify the details of acquiring land under ownership.

106. The law defines that land under ownership can be exchanged or taken over for *three* types of state special needs, namely: i) land for ensuring national defense and security; ii) land for scientific and technological tests, experiments, and for environmental and climatic permanent

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<sup>10</sup> Law on Allocation of Land to Mongolian Citizens for Ownership was enacted in 2002 and became effective since 1 May 2003. It was amended 5 times, on 23 Jun 2005, 7 Jul 2005, 5 May 2008, 10 Feb 2011 and 18 May 2012, respectively.

observations; and iii) land for national scale roads, lines and network, and other constructions and facilities<sup>11</sup>.

107. The Cabinet shall make the decision for land acquisition and it shall state clearly the purpose for acquisition and justification that the land taking is unavoidable. Before this decision is made, the state administrative organization in charge of land affairs<sup>12</sup> shall enter into preliminary agreement on land acquisition with the land owner not less than one year prior to the decision. The compensation is provided from the state budget. The land owner and state administrative organization in charge of land affairs shall have preliminarily agreed on the following:

- the land value;
- the value of immovable property on the land;
- the amount of investment made by the owner on the land and the amount of loss to incur to the land owner due to land acquisition;
- size of the land to be acquired;
- location, size, characteristics and quality of the land to be allocated in replacement of the land being acquired;
- conditions and timing for land acquisition;
- rights and duties of the parties in connection with the land acquisition;
- amount of compensation, procedures and timing for its payment.

108. Further the law provides that land acquisition should take place after certain measures were taken. This include measures such that the replacement land should be no worse than the previously owned land by its characteristics and quality, the value of land and immoveable property shall be paid, compensation shall include the investments made by the owner to the land, the loss to incur to the land owner due to land acquisition shall be paid fully according to Civil Code and related legislation. Also, the law specifies that affected person shall be notified in writing about the land acquisition not less than one year prior to making the decision for land acquisition. The actual land acquisition can take place after one year has passed since the affected person was notified about the land acquisition and the measures specified in the second sentence of this paragraph were taken. Compensation for immovable property built or costs of other improvements that significantly increased the land value, after receiving the written notice, shall not be paid. If the affected person and state organizations cannot reach an agreement, the dispute shall be settled by court.

109. Compared to the Law on Land, the Law on Allocation of Land to Mongolian Citizens for Ownership specifies more in detail the procedures for land acquisition and the subjects that need to be agreed with the affected persons. This includes the value of the land and immoveable properties, replacement land, loss to incur, compensation and its provision and timing etc. However, the law does not address rehabilitation and social safeguard issues, the principles for land and property appraisal, the completeness and clarity of the processes and

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<sup>11</sup> The Law on Land specifies 12 types of land for state special needs (Article 16). The first two state special needs land specified here are i) land for ensuring national defense and security and ii) land for scientific and technological tests, experiments, and for environmental and climatic permanent observations. These two are specified in the Law on Land. However, the third state special need specified here, i.e. land for national scale roads, lines and network, and other constructions and facilities, is not defined in the Law on Land. This conflicts with the Law on Land. Also, it should be given a consideration, if the land for roads, lines and networks and other associated structures, be it national or local scale, are for **state special need** or for common public use.

<sup>12</sup> State administrative organization in charge of land affairs means a government agency under a ministry (which is referred to in the laws as **central** state administrative organization compared to state administrative organization). In current Governmental organizational setup, this agency is called Administration of Land Affairs, Geodesy and Cartography.

procedures related to LAR are still weak. As is the case for the Law on Land, possible exercising of the eminent domain power of the state, if necessary, for public purposes is not legislated.

### **Civil Code**

110. In the absence of legal provisions regulating LAR in the context of local scale public infrastructure facilities, including sewage pipes, the Civil Code (2002)<sup>13</sup> provides a legal framework which place LAR in the context of negotiated settlement. This implies that the State and affected persons engage with each other contractually as equal and autonomous legal persons and participants in a civil legal relationship (Article 1). Citizens and organizations, as well as aimags, the capital city, soums and districts are able to enter into civil legal relations with regard to objects of material and non-material wealth and their acquisition and possession (Articles 6, 7 and 8). The affected persons and MUB shall enter into contractual relations, which will specify the entitlements, compensation and allowances, rehabilitation and social safeguard measures as required by the Mongolian Civil Code and other legislation, and the ADB policy and principles.

111. Chapter 10 of the Civil Code defines property and assets, including land and other immovable property. Chapter 11 specifies possession of properties and Chapter 12 specifies property types, ownership by individuals and other legal persons, rights of owners etc. This chapter defines the land ownership tenure and refers to the subsequently enacted Law on Land, Law on Allocation of Land to Mongolian Citizens for Ownership with regard to relations concerning land ownership, possession and use. Chapter 15 is dedicated to the contractual legislation. The negotiated agreements on transfer of land and properties would need to be concluded in accordance with the requirements in this Chapter.

112. A number of special provisions pertaining to common property ownership (Article 108), common property of family members (Articles 126 and 128) and easements (servitude) (Article 151) may be relevant to specific cases in the Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers subproject.

### **Regulation on Taking Over Land for and Releasing Land from State Special Needs**

113. The Cabinet enacted this regulation in 2003 to complement the Law on Land on issues related to land acquisition for state special needs and releasing land from state special needs. It regulates procedures for taking over and releasing both the public land, i.e. land which are not given to citizens, business persons and organizations for possession and use, and land under possession and use as specified in 6.1 of the Law on Land. Also, this regulation is used only when the acquisition and releasing concerns state special needs defined in 16.1.5-16.1.8 of the Law on Land<sup>14</sup>.

114. This regulation contains basically all the provisions and procedures that are set in the Law on Land Allocation to Mongolian Citizens for Ownership, articles 32 and 37, which were

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<sup>13</sup> The Civil Code was amended 9 times since it was approved in 2002. The amendments were made on 7 Jul 2005, 9 Jul 2009, 9 Jul 2009, 23 Apr 2010, 6 Oct 2011, 6 Oct 2011, 15 Dec 2011, 10 Jan 2013, and 15 May 2014, respectively.

<sup>14</sup> State special need land specified in 16.1.5-16.1.8 are the following : 16.1.5 land for scientific and technological tests, experiments, and for environmental and climatic permanent observations; 16.1.6 inter-aimag reserve pasture land; 16.1.7 hay field land for state fodder fund; 16.1.8 contracted oil field to be used for exploration according to product sharing agreement.

described in the previous part. The difference is that one concerns taking over land under ownership and therefore allows compensation for land, whereas the other concerns land possession rights and does not provide compensation for the land.

115. The regulation *assumes* that the affected person and the respective Governor will reach consensus on the land acquisition and conclude an agreement. Further, it regulates that if the affected person does not vacate the land within the time period specified in the agreement, then forced relocation shall be carried out with the support of police based on the decision of the Governor who concluded an agreement with the affected person. The grounds for such an action is set in the “article 41 vacating land when land possession right expires” and “article 59 the duties of police related to land issues” of the Law on Land.

116. In the provision 24 of this regulation, it is stated that the acquisition of *land under use rights* held by commercial persons with foreign investment, foreign citizens and stateless persons for state special need with compensation shall be regulated by this regulation. This conflicts with the article 43.6 of the Law on Land as this article specifies that compensation is not applicable for citizens and commercial persons holding *land use rights*. Related to this conflict, there are more issues that complicate or make it difficult or uncertain in that the regulation concerns about commercial persons with foreign investment, foreign citizens and stateless persons and the law specifies only citizens and commercial persons holding land use right, not mentioning “foreign”.

117. The regulation clarifies some of the issues that are not clearly addressed in the Law on Land in similar way as set in the Law on Land Allocation to Mongolian Citizens. Equally to the Law on Land, this document does not provide any regulations for cases where there is no consensus and agreement between the affected person and the respective Governor and state administrative organization in charge of land affairs.

#### **Land legislation and LAR related to Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers project**

118. The LAR related provisions of Mongolian land legislation regulate only the issues of exchange and taking over land, i.e. land acquisition, for *state special need*. The local scale roads and public infrastructure to be built within the USGDIP and its subprojects fall under none of the land uses for state special need. Therefore, the use of regulations for LAR of the Mongolian land legislation is not applicable for the Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers subproject.

119. The notion of *state special need* and classification of land for roads, public infrastructure and related facilities under this state special need is a questionable issue, since the use of land for roads and public infrastructure is no special use. It is rather very common public use of land.

120. Mongolian LAR related legislation do not stipulate exercising of eminent domain not only for LAR for public infrastructure, but also for LAR for state special need. There are some provisions on the use of the force of police to acquire land in the case of end of land possession/use period or as per the contract terms and conditions or if the land is used without any official land possession/use permission. This provision might make it possible for acquisition of land by expropriation if this will be agreed in the contract between MUB and affected persons. However, the contract should not allow such actions. LAR involves fundamental rights such as

human and property rights, and if these rights are to be restricted, it should be clearly stipulated in and based on the law as per the Constitution of Mongolia.

121. Thus exercising of the eminent domain power of the state cannot be used for the LAR of the Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers subproject. All LAR issues must be resolved based on the negotiated settlement and the parties, MUB and affected persons, shall engage with each other contractually as equal and autonomous legal persons and participants in a civil legal relationship in accordance with the Civil Code.

## **B. LAR practice for public infrastructure**

122. As there is no provision in the Mongolian legislation on LAR for local public purpose, such as construction of public infrastructure in the urban areas at the local scale, the existing practice in Ulaanbaatar was reviewed and the concise description of the process is provided in this part.

123. The PRD has a division for land acquisition. The officials of this division implements LAR, sanctioned by the MUB. The process does in general follow the legal framework of the Civil Code based on contracts between autonomous legal persons, but also contains certain elements of involuntary LAR. After identification of the required properties, affected persons are sent official notifications or “demand letters” by the PRD, often repeatedly, if no positive response to the government’s claim to land is received. Thereafter, negotiations about the terms of compensation take place with titled affected persons (owners and possessors) and eventually a written agreement is reached. Non-titled affected persons are relocated to another location or if it is possible to legalize the remaining land, after partial acquisition, an official title is provided to the affected persons.

124. The land is valued and compensated following the Cabinet Resolution 103 from 2003. The attachment 3 to this resolution provides the methodologies to determine the value of land to be privatized to Mongolian citizens. According to this resolution 1m<sup>2</sup> land value in the ger areas of Ulaanbaatar without access to public infrastructure is set to 13,200 Mongolian tugriks (MNT), 1m<sup>2</sup> land in areas with access to public utilities is set to 44,000 MNT. In the cases of road broadening and public infrastructure construction in ger areas 13,200 MNT is provided for m<sup>2</sup> land. Also, there are cases of acquisition of land plots for building public schools and kindergartens, where the land plots are in areas with access close to public infrastructure. In these cases, 44,000 MNT per m<sup>2</sup> land is provided for compensation. Also, there are cases in which 100,000 MNT per m<sup>2</sup> land is provided for compensation. This is in the case of purchasing land or swapping land for apartments within ger area redevelopment projects in Ulaanbaatar and this is contractually agreed between the land owners who are swapping/selling their land and redevelopment companies that are buying land or swapping it with apartments. In few cases, MUB paid 100,000 MNT per m<sup>2</sup> for the compensation for land acquired for heating power plants in a middle ger area close to the city center.

125. The immovable properties on the land are appraised at market value and compensated. The appraisal is carried out by officials-appraisers from the PRD. The depreciation and value of the remaining materials are not deducted from the compensation but the compensation does not include the costs for taking down the immovable property. In some cases, the affected persons do not agree with this compensation appraisal and hire professional appraisers with special permissions (certified appraiser). Then based on the value appraised by the professional appraisers, the affected persons negotiate with the officials in charge of the LAR. As results of the negotiation, the compensation can be 20-30 per cent more. In some cases, the average of

the value offered by the officials and value appraised by professional appraiser is set as the compensation value. In this latter case, sometimes the compensation amount increases substantially. These appraisals are carried out following the Law on Property Appraisal and International Valuation Standards. 50-60 percent of the compensation is paid upon signing of the contract for land acquisition and the remaining part is provided when the land is vacated.

126. In this process, factors such as negotiation skills, informedness and ability/experience to communicate with government officials of the affected persons, as well as their financial possibilities to hire a professional appraiser, play an important role. This shows that current legislation and practice is faulty, as they do not provide equal opportunities and fair treatment and are not based on rule of law, open and transparent procedures and standards. Current system is dependent on the individuals' capacity.

### **C. ADB Safeguard Policy Statement**

127. The LAR activities to be carried out within the Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers subproject, shall comply with the Mongolian legislation and ADB Safeguard Policy Statement (SPS), 2009. The ADB SPS outlines the requirements for involuntary resettlement (IR) for ADB supported projects. The objectives of the ADB safeguards are: (i) avoid IR wherever possible; (ii) minimize IR by exploring project and design alternatives; (iii) enhance, or at least restore, the livelihoods of all affected persons in real terms relative to pre-project levels; and (iv) improve the standards of living of the affected poor and other vulnerable groups.

128. The policy principles and the requirements of ADB SPS for Involuntary Resettlement that should be followed in the LAR activities for the Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers subproject of are as follows:

- Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement cost for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal

or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.

- Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non land assets.
- Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
- Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.



## D. Gap Analysis

129. A comparison of key provisions of Mongolian laws and existing practices and ADB SPS is provided in Table 19 below. It outlines the key provisions of existing Mongolian laws and practices relevant to LAR and indicates their compatibility or inconsistency with the ADB IR safeguard requirements.

Table 19: Comparison of LAR provisions of Mongolian laws with ADB SPS

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
Involuntary LAR	<p>Constitution of Mongolia states that “...If the State and its bodies appropriate private property on the basis of exclusive public need, they shall do so with due compensation and payment”, Article 16.3. Although this article justifies possible involuntary LAR for public need, up to date any law was enacted to exercise the power of eminent domain. Also, there exists no definition of what should be understood under the “(exclusive) public need”.</p> <p>Law on Land and Law on Land Allocation to Mongolian Citizens for Ownership allows acquisition of land under possession and ownership for state special needs by state bodies. However, no power of eminent domain is given. The acquisition must take place based on agreement with the affected persons. Eminent domain cannot be exercised by MUB.</p>	Involuntary LAR is recognized, but subject to requirements aiming at avoiding, where feasible, and minimizing LAR, and enhancing or at least restoring the livelihoods at least at pre-project level, and improving the standards of living of the poor and other vulnerable groups.
Negotiated settlements	<p>Law on Land (article 42, 43) and Law on Land Allocation to Mongolian Citizens for Ownership (article 32, 37) regulates acquisition of land (exchange or taking over land) for state special needs. It is required that the acquisition is implemented based on <i>agreement</i> with the affected persons.</p> <p>In practice LAR for public infrastructure is carried out as “quasi-involuntary acquisition”. In most cases, government officials negotiate and conclude agreement. However, in cases where there are difficulties in reaching agreement, the authorities through administrative measures make the affected persons conclude an agreement eventually.</p> <p>Civil Code of Mongolia provides legal basis for negotiated sales contractual agreements.</p>	Negotiated settlements are encouraged. There should be transparent, consistent and equitable procedures. The income and livelihood status should be maintained or better for those who enter into negotiated settlements.
Eligibility	<p>Lawful land owners, land possessors are eligible for compensation. Land owners are entitled to compensation for both the land and immovable properties on it (article 32, Law on Land Allocation to Mongolian Citizens for Ownership). Land possessors are entitled to compensation for the immovable properties on the land, but not for the land, (article 43, Law on Land).</p> <p>Holders of lawful land use rights are not entitled to any compensation according to Law on Land</p>	<p>Three groups of affected persons are identified:</p> <ul style="list-style-type: none"> <li>i) those who have formal legal rights to land (land owners, possessor and users);</li> <li>ii) those who do not have formal legal rights, but have a claim to such land or assets;</li> <li>iii) those who have no recognizable legal right or claim to the land they are occupying.</li> </ul> <p>Persons under ii and ii are provided compensation for the land and property they</p>

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
	<p>(article 43.6), but Regulation on Taking Over Land for and Releasing Land from State Special Needs, point 24, states that holders of land use rights shall be compensated in the same way as the land possessors. This regulation should be formulated in accordance with the Law on Land, but it conflicts this law. In this case the law will prevail the regulation. However, it is questionable that why a lawful land user is not eligible for compensation.</p> <p>Affected persons who do not have official land tenure are not compensated. However, in some cases replacement land with titles are provided as compensation.</p>	lose, and other assistances. Persons under iii are provided compensation at replacement cost for the non-land properties and all resettlement assistances and benefits. A replacement land with full titles can be provided to improve the living conditions of these persons.
Joint property ownership	<p>The Civil Code recognizes common property ownership and family property rights (Articles 108, and 125-128).</p> <p>Common property ownership requires permission of other owners to dispose of part of the property (108.4).</p> <p>Family property includes 'other properties accrued since the marriage, notwithstanding in which name of spouses or family members the property is registered' (126.2.4). Disposal of immovable (incl. land) family property requires mutual agreement (128.1) and certified written permission from an adult family member (128.2).</p>	No conflict with ADB policy. Joint signatures are encouraged.
Easement (property servitude)	<p>Legal provision for easements or property servitude, allowing the use of another person's property for specific public or private purposes is permitted under local law; (Civil Code, Article 151, Law on Land, Article 48 and Law on Land Allocation to Mongolian Citizens for Ownership, Article 33).</p> <p>For public infrastructure such as sewer main collector pipe, in practice easements are created, but not legalized by contracts and registrations in the title registration.</p>	No conflict with ADB policy.
Rental of land or house	The Civil Code, Chapter 25 regulates the lease of property, including land and houses. If ownership is transferred the new owner incurs all rights and obligations of a lessor (Article 297). No provisions for lessee rights in case of land acquisition for a project, except that termination of a lease requires 3 months notice (Article 294.3)	Lessee is considered a AP and eligible to receive entitlements based on the type and degree of impacts.
Community and public resource losses	<p>Affected community and public assets can be transferred through contractual agreement under the Civil Code.</p> <p>The cost of moving/rebuilding affected infrastructure is included in cost of civil works.</p>	Common property resources or public structures and infrastructure affected by LAR are eligible for compensation.
Compensation	For land possession, the improvements on land should be valued at current rate and provided, 43.2 of Law on Land. Nothing is said about the compensation of the land and in practice no	Compensation for lost assets will be provided at replacement cost Depreciation of structures and assets should not be taken

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
	<p>compensation for the land. However in case of provision of replacement land, the quality and other features of the replacement land should be no worse than the one being acquired (point 14 of the Regulation on Taking Over Land for and Releasing Land from State Special Needs).</p> <p>For ownership, the improvements on land should be valued at current rate and compensated. Also the land value should be provided. It does not specify how to value the land. In case of provision of replacement land, the quality and other features of the replacement land should be not worse than the one being acquired. Moreover, the law specifies that any loss incurred due to land acquisition shall be fully compensated as per Civil Code (37.1.5 of Law on Land Allocation to Mongolian Citizens for Ownership).</p> <p>The laws do not specify what rate shall be applied for the compensation of improvements, i.e. if market rate or other, but in practice the value is usually market value.</p> <p>For both types of land tenure, relocation expenses are to be provided as well. Nothing is said about the depreciation and residual materials.</p> <p>In recent practices, the depreciation is not deducted and affected persons can take their residual materials. No relocation, transitional, restoration and transactions costs are provided. As for land value, it is based on fixed rate set by the government. However, there were few exemptions, in the prime locations, where compensation for land value were close to market value.</p> <p>Provision and payment of compensation is set in the contract terms and conditions.</p>	<p>into account.</p> <p>Cash compensation and/or replacement of assets must be completed before displacement.</p>
Cut-off date	<p>To acquire owned land, a written notice must be served one year prior to the taking of land. This serves as “kind of” the cut-off date. Investments and improvements, including immovable structures, on the land after delivery of this notice are ineligible for compensation. (Law on Land Allocation to Mongolian Citizens for Ownership, Articles 37.2 and Article 37.4)</p> <p>The same applies for land under possession, but it is not set in the Law on Land. It is specified in the Point 15 and 17 of the Regulation on Taking Over Land for and Releasing Land from State Special Needs.</p> <p>In practice these provisions are not implemented and they are rather impractical.</p>	<p>An eligibility cut-off date is to be set when the project is officially notified, the project area is delineated or the census of the affected population is taken, to prevent influx of non-eligible persons and land speculation.</p>
Land acquisition and	No requirements.	Resettlement plan with time bound actions and a budget based on an assessment of

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
resettlement plan		social impacts and property appraisal. The objective of a resettlement plan is to ensure that livelihoods and standards of living of affected persons are improved, or at least restored to pre-project levels and that the standards of living of the displaced poor and other vulnerable groups are improved, not merely restored, by providing adequate housing, security of tenure and steady income and livelihood sources.
Income and Livelihood Restoration	<p>Article 37.1.5 of the Law on Land Allocation to Mongolian Citizens for Ownership, entitles owners to <i>loss due to replacement or taking back of the land based on the special needs of the state to the full extent according to Civil Code and legislation.</i></p> <p>This provision is not practiced, but it can be interpreted favorably to include entitlements to income and livelihood restoration.</p> <p>The Land Law does not address loss of income or livelihood.</p> <p>No provisions in contractual agreements for transfer of property.</p>	Assistance for economic and social rehabilitation due to loss of jobs, incomes and livelihoods, including (i) income compensation or support for the period of interruption of business or employment, and (ii) priority employment in project civil works, especially to poor and vulnerable households.
Vulnerable groups	No requirements.	Specifically take into account any individuals or groups that may be disadvantaged or vulnerable. Vulnerable groups include people who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status may be more adversely affected by displacement than others and who may be limited in their ability to claim or take advantage of resettlement assistance.
Relocation and transaction costs	<p>The Mongolian Law on State Registration of Property Rights and Other Related Rights requires payment of registration stamp duties and service fees for the registration of immovable property with the State Administrative Authority in Charge of State Registration of Property Rights (Article 9).</p> <p>All registration and other fees, as well as cost of relocation, are responsibility of parties to a contract and can be included in a contract.</p> <p>This cost is usually paid by the APs.</p>	Relocation and transfer expenses, including fees for the registration of properties and other administrative charges, are part of the replacement cost of lost assets and included in compensation.
Information disclosure and public consultation	<p>No requirements.</p> <p>In practice, negotiation takes place on the land acquisition contract.</p>	Project affected persons are to be fully informed and closely consulted on compensation and resettlement options. Resettlement planning documentation is disclosed and consulted upon.
Grievance procedure	<p>Grievance procedures as stipulated in ADB policy are not addressed in the laws.</p> <p>The Land Law refers disputes over land to the local governors and eventually the court (Article 60). The Law on Land Allocation to Mongolian</p>	An adequate grievance redress mechanism for affected persons is required as early as possible.

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
	<p>Citizens for Ownership states an aggrieved person is entitled to file a complaint to the respective higher ranking government authority or official (Article 39) and eventually to the court.</p> <p>The Law on Handling Grievances of Citizens Addressed to Government Authority and Government Officials governs grievance and complaints of citizens regarding the decisions and conduct of government authority or officials. Grievances must be resolved within 30 days after it was received (Article 16).</p>	
Right of way	<p>The right of way (ROW) of the sewage collector main pipes has a total width between of 12m (Law of Mongolia on Utilization of Water Supply and Sewage in Urban Areas and Settlements, Article 17.14. This article prohibits <b>constructing</b> buildings, facilities and piped network in area at least 6m, on both sides, from the axis of sewage main collector pipe, but it does not regulate issues related to building a new sewage main collector pipes in urban areas, where there <b>exist</b> buildings, facilities and piped network.</p> <p>In practice, in urban and settlement areas with existing building, facilities and piped network, when there is new sewage main collector pipes are built, the ROW width of 12m is not enforced and it is impossible and not feasible to implement it as it will involve large-scale land takings and demolition of existing buildings. Thus the ROW for sewage collector main pipes is between 6m to 12m, depending the improvements on the ground. More details on this issue are provided in the paragraph 34.</p>	No conflict with ADB policy.
Notification period for vacating property and commencement of civil works	<p>Time period for vacating a property may be defined in contract.</p> <p>Civil works commence in parallel with acquisition of property, but without defined waiting period.</p>	Cash compensation and/or replacement of assets must be completed before displacement. LAR procedures, except for rehabilitation measures, must be completed before commencement of civil works.
Costs and budget	<p>43.3 of Law on Land and 32.6 of Law on Land Allocation to Mongolian Citizens for Ownership specify that the compensation payment to be provided to the land possessor or land owner, respectively, shall be paid from the state budget.</p> <p>In practice the LAR costs are not reflected in the project budget and costs and are not born from the project budget. Often, unavailability of funding for resettlement activities cause delays in the project implementation.</p>	The costs and budget should be estimated, it shall provide the description of the arrangements for funding land acquisition and resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements.
Monitoring and evaluation	<p>Responsibility of Citizen's Representative Khurals of Aimag, capital city and district and soums (11.1.1, 13.1.1 of Law on Land Allocation to Mongolian Citizens for Ownership).</p> <p>Responsibility of Citizen's Representative Khurals</p>	Establish procedures to monitor and evaluate the implementation of land acquisition resettlement plan.

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
	<p>and Governors of Aimag, capital city and district and soums (20.1.1 of Law on Land).</p> <p>The monitoring and evaluation responsibilities of the persons specified above are more general to land related activities and no specific monitoring and evaluation provision exist in the laws.</p>	

130. The analysis of the Mongolian LAR related legislation and practice and their comparison with ADB SPS reveal the following important policy gaps:

- i) Non-titled occupants of land (without ownership or possession license) are not eligible for compensation and rehabilitation entitlements;
- ii) Compensation appraisal for affected land is based on a rate fixed by the government, but, not market value and compensation is provided only for land under ownership rights and no compensation is provided for land under possession and use rights. However, there is a possibility in some cases to negotiate the land value with the holders of land ownership title;
- iii) No need to prepare and disclose an LARP;
- iv) Income and livelihood restoration assistances and measures are not provided;
- v) No compensation payment is made for transaction costs;
- vi) Project internal grievance redress mechanisms do not exist to facilitate dispute resolution before going to governors and the courts;
- vii) Public consultation and information disclosure are not practiced;
- viii) Cut-off date, to determine eligibility and discourage ineligible persons to claim entitlements, is not declared;
- ix) There is no limitation on commencement of civil works until after completion of all land acquisition procedures; and
- x) Project specific safeguard monitoring and evaluation are not conducted.

## V. OBJECTIVES, POLICY FRAMEWORK AND ENTITLEMENTS

131. The objective of this LARP is to stipulate all relevant entitlements, procedures and compensation, relocation and rehabilitation measures due to the affected persons for the acquisition of land under the Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers subproject, while safeguarding their livelihoods. All provisions of this LARP are in accordance with the Resettlement Framework (RF) for the USGDIP. The policy framework and entitlements for the Bayankhoshuu subproject – ger area redevelopment site are based on the applicable Mongolian Laws<sup>15</sup> and the ADB SPS, as detailed in Chapters II and III of the RF. This section of the LARP summarizes the key policy framework provisions of the RF and presents the entitlement framework for the Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers subproject.

<sup>15</sup> Civil Code of Mongolia, 2002; Law of Mongolia on Land, 2002; Law on Allocation of Land to Mongolian Citizens for Ownership, 2003.

132. To bridge the gap between Mongolian Legislation and the ADB SPS, this RP presents the subproject's entitlement provisions, which integrate both. In addition, the following principles guided the development of entitlements.

- i) Design and implementation of the subproject will make every effort to avoid and minimize LAR impacts, including temporary impacts during construction.
- ii) The Bayankhoshuu sub-project – ger area redevelopment site will adopt a negotiated LAR practice involving contractual agreements negotiated between APs and the LAD on the basis of the Civil Code of Mongolia.
  - a) All compensation and allowances will be determined and paid or provided as specified in the contractual agreements.<sup>16</sup>
  - b) All agreements will be certified by a notary and land and property titles registered with the State Administrative Authority in Charge of State Registration of Property Rights. The parties to the contracts will retain their own legal copies.
  - c) Adequate grievance redress mechanisms will be established.
  - d) The APs, regardless of whether they are titled or non-titled, will not be served notices or demand letters regarding claims by the government to their properties.
  - e) All LAR related notification of APs and negotiation of agreements will be carried out by the LAD staff with the support of Project staff in individual as well as in public consultations with the APs.
  - f) Khoroo governors, social workers and land administrators shall assist in identifying, consulting, and formulating with APs and the project staff special measures such as allocation of new plots and income restoration schemes for affected vulnerable persons.
- iii) All APs will be eligible for compensation and rehabilitation entitlements irrespective of their property status, including unlicensed occupants of land, and of the type of use of their property (residential, commercial, public or community<sup>17</sup>).
- iv) Affected land will be compensated either at replacement cost or the applicable government compensation fixed rate, whichever is higher, or, in the case of full loss of a plot of land, with replacement land, including land preparation and restoration of utility services (electricity, water etc.), as applicable. The District Property and Land Administration Office will assist the APs to identify and approve the relocation plot. The loss of 50 percent or more of a plot is considered a full loss eligible for compensation for the entire plot, if the AP so desires.
- v) Unlicensed occupants in case of full loss of land (i.e. greater than 50 percent) will be provided relocation assistance sufficient for them to restore their standard of living at an adequate alternative site with security of tenure (through grant of

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<sup>16</sup> If feasible, the provision of employment in Project civil works to poor and vulnerable APs, if they desire so, will be included in the contracts.

<sup>17</sup> Not applicable if the replacement of public structures (electricity, water supply lines, etc) is covered under civil works contracts.

land possession or land ownership right), as well as compensation at full replacement cost for loss of non-land assets, such as dwellings and other improvements to the land.

- vi) Unlicensed occupants in case of partial loss of less than 50 percent of their land will be awarded a possessor license for remaining contiguous unlicensed land. All taxes and fees associated with grant of possession rights will be covered by the subproject.
- vii) Affected users of land with possession licenses will be provided where possible with replacement plots in similar locations suitable to business operations and new possession licenses or, if possible and desired, with a ownership title, within 3 months of conclusion of a contractual agreement between the MUB and the affected person.
- viii) All APs agreeing to receive replacement land or APs with pending license approval for ownership or possession or APs with possession licenses seeking ownership status, will be provided with ownership licenses prior to displacement, but not exceeding 3 months after conclusion of a contractual agreement between the MUB and the AP and will be registered with the State Administrative Authority in Charge of State Registration of Property Rights.
- x) Affected structures<sup>18</sup> will be compensated at replacement cost without deduction of depreciation. Materials may also be salvaged by the APs.
- xi) In cases of joint property ownership, the written notarized consent of the partners in a common property relationship or of an adult family member will be required.
- xi) Those APs who do not have formal legal rights, but have a claim to such land or assets, i.e. in the process of obtaining land possession or ownership rights, will be compensated for both the lost land and structures.
- xii) Temporary loss of employment income will be compensated for the period of interruption of employment. Permanent loss of employment will be compensated with cash indemnity for 3 months wages for workers/employees that have been engaged for at least 1 year; otherwise entitlement is 1 month salary. The affected persons with permanent loss of employment shall be provided also other labor benefits and retrenchment allowances according to the national labor law, skills development trainings for new employment opportunities, and assistance to find new employment.
- xiii) Temporary loss of business income to the owner will be compensated through cash compensation equivalent to net profit after tax, i.e. for the period of interruption of business based on tax receipts/other valid documents or, if these are not available, based on the average net income of typical businesses in subproject areas.
- xiv) For permanent business loss, compensation shall include also any costs

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<sup>18</sup> Including houses, fences, sheds, latrines, garages and other immovable structures built on affected land.



required for physical and financial reestablishment of business. If the business needs to be relocated, the following options will be provided to the APs: (a) if the relocation is within the existing plot, provide net income and employment loss for 6 months to be required for the reestablishment of the business, (b) government will provide replacement land/shop space prior to relocation; or (c) if an acceptable plot of land/space cannot be agreed upon, net income loss of 1 year will be paid and, in consultation with the affected persons; the replacement land/shop space will be provided within 1 year of displacement.

- xv) Land lessees, including those living in gers, will be provided with a cash refund at rental fee rate and proportionate to duration of remaining lease period.
- xvi) Vulnerable and poor households will be provided preferential employment in Bayankhoshuu subproject related workforce, if available and desired by APs. Depending on nature of impact, other support may include: cash assistance up to a maximum of six months, guaranteed at the rate of minimum wage and assistance in reconstituting affected business or employment; assistance with selecting a replacement plot and with preparation of contracts and administrative process of provisions of replacement plot; and, assistance with house relocation and other construction activities (new construction should meet minimum standards), registration of property titles, relocation expenses, or a minimum housing guarantee.
- xvii) All relocation, transfer and transaction expenses (fees and duties) will either be waived by government or included in the contract price of the affected properties.
- xviii) An eligibility cut-off date will be set for the Bayankhoshuu subproject at the time of the census and detailed measurement of affected land and property.
- xix) Civil works shall not commence unless all compensation and relocation activities, specified in this LARP, have been completed, and short-term financial assistance for loss of income has been paid.
- xx) Cash compensation will not be taxable, and all fees and transaction costs to register property will be paid by the project owner.
- xxi) ADB SPS information disclosure and public consultation provisions will be observed
- xxii) Loss of income will be compensated through short-term financial compensation equivalent to the loss, i.e. for the period of interruption of business or employment. Vulnerable and poor households will also be provided with employment opportunities<sup>19</sup> or other assistance.

133. The application of policies, laws and regulations pertaining to LAR eligibility and compensation and rehabilitation entitlements for this Bayankhoshuu subproject – ger area redevelopment site are summarized in the Entitlement Matrix in Table 20. Each AP may

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<sup>19</sup> If the required skills are not available, the contractor will provide basic training to the employed APs.

experience a combination of the losses indicated in the first column. Each case must be investigated and determined carefully so that all possible losses of the AP are covered.

Table 20: Entitlement Matrix

Type of Loss	Specification	Eligibility	Compensation Entitlements
LAND (residential/ commercial/ public/ community)	Partial loss of plot (<50%) <sup>20</sup>	Owner, Possessor, User <sup>21</sup>	Cash compensation at replacement cost or the government compensation rate, whichever is higher, based on contractual agreement. All taxes, registration and transfer costs are waived or included in compensation price
		Lessee	Cash refund at rental fee rate and proportionate to duration of remaining lease period
		Unlicensed occupant of land	Possession or ownership license and State registration for adjacent unlicensed land will be provided by MUB; All taxes, registration and transfer costs are waived
	Full loss of plot (>=50%)	Owner, Possessor, User	The AP may choose between the following alternatives: Land for land compensation through provision of replacement plot of comparable value and location as lost plot; Ownership license and State registration; OR Cash compensation at replacement cost or the government compensation rate, whichever is higher, based on contractual agreement. All taxes, registration and transfer costs are waived or included in compensation price
		Lessee	The AP may chose between the following alternatives: Allocation of plot with ownership license and State registration All taxes, registration and transfer costs are waived or included in compensation price OR Cash refund at rental fee rate and proportionate to duration of remaining lease period

<sup>20</sup> In the case of this LARP, all land loss is partial and the ROW related to LAR overlaps with the MUB ger area redevelopment project. The LAR for Bayankhoshuu sub-center sewer main collector pipes in the ger area redevelopment site is a special case, as the ROW for the pipes overlaps with the ger area redevelopment area. Therefore, special compensation policy for land in consultation with the AHs, redevelopment company, GD LLC, and MUB is be formulated. The compensation policies and alternatives are proposed in section A. Compensation policy for land in Chapter IX.

<sup>21</sup> If the remaining land is no longer fit for original purpose (e.g. habitation or commerce) the AP may opt to receive a new replacement plot instead of cash compensation and will give up the entire old plot.

Type of Loss	Specification	Eligibility	Compensation Entitlements
		Unlicensed occupant of land	Relocation assistance sufficient to restore standard of living at an adequate alternative site with security of tenure (i.e. possession or ownership license). All taxes, registration and transfer costs are waived or included in compensation price
STRUCTURES (residential/ commercial/ public/ community) <sup>22</sup>	Full loss of structure and/or relocation	Owner, possessor, user, unlicensed occupant of land	Cash compensation for replacement of lost structure at replacement cost without deduction of depreciation, based on contractual agreement, and no deduction for salvaged materials
	Alteration to structure <sup>23</sup>	Owner, possessor, user, unlicensed occupant of land	Cash compensation for lost part of structure and reconstruction of remaining structure at replacement cost without deduction of depreciation, based on contractual agreement, and no deduction for salvaged materials
	Moving back of fences	Owner, possessor, user, unlicensed occupant of land	The AP may choose between the following alternatives: Cash compensation for relocation of fence at replacement cost without deduction of depreciation, based on contractual agreement, and no deduction for salvaged materials OR Replacement/reconstruction of the fence by the subproject owner/contractor
	Moving or relocation of storage containers	Owner, possessor, user, unlicensed occupant of land	Cash compensation for cost of relocating container outside the ROW, including cost of emptying and restocking container; to be included in contractual agreement
	Moving or relocation of ger	Owner, possessor, user, unlicensed occupant of land	Cash compensation for cost of taking down and raising of ger and for transport, as applicable; to be included in contractual agreement
Temporary disturbance	Removal of fence, civil works on land outside ROW, restoration of land and fences	Owner, possessor, user, unlicensed occupant of land	Access to land and residential/commercial/public/community structures shall be provided by civil works contractor. Cash compensation for taking down and rebuilding of fence at replacement cost without deduction of depreciation. No deduction for salvaged materials. Restoration of land by civil works contractor
Businesses	Any business loss due to	All APs persons so	Cash compensation equivalent to the loss, i.e. for the period of interruption of business based

<sup>22</sup> 'Residential' refers to any structure used as a private dwelling, including houses and *gers*. 'Commercial' refers to any structure used for business and manufacturing activities, including small shops, factories, offices, workshops and garages.

<sup>23</sup> Any required alteration to an occupied residential structure will be compensated as full loss.

Type of Loss	Specification	Eligibility	Compensation Entitlements
	LAR or construction activities by subproject	temporarily affected	on tax receipts/other valid documents or, if these are not available, based on the average net income of typical businesses in subproject areas. AND Any costs required for physical and financial reestablishment of business. If the business needs to be relocated, the following options will be provided to the APs: (a) if the relocation is within the existing plot, provide net income and employment loss for 6 months to be required for the reestablishment of the business, (b) government will provide replacement land/shop space prior to relocation; or (c) if an acceptable plot of land/space cannot be agreed upon, net income loss of 1 year will be paid and, in consultation with the affected persons; the replacement land/shop space will be provided within 1 year of displacement.
Employment	Any employment loss due to LAR or construction activities	All temporarily laid-off employees of affected businesses	Compensation for loss of employment income for the period of interruption of employment.
		All permanently laid-off employees of affected businesses	Compensated with cash indemnity for 3 months wages for workers/employees that have been engaged for at least 1 year; otherwise entitlement is 1-month wage. AND Other labor benefits and retrenchment allowances according to the national labor law, Skills development trainings for new employment opportunities Assistance to find new employment.
Vulnerable and/or severely affected APs <sup>24</sup>	Permanent loss of livelihood	All vulnerable and/or severely affected APs	Preferential employment in subproject-related workforce, if available and desired by APs Cash assistance up to a maximum of six months at guaranteed lowest living level and assistance in reconstitution of business or employment
	Loss of land	All vulnerable and/or severely affected APs	Assistance with selecting a replacement plot and with preparation of contracts and administrative process of provisions of replacement plot
	Loss of structure	All vulnerable and/or	Assistance with house relocation and other construction activities (new housing should meet minimum standard), registration of

<sup>24</sup> Vulnerable groups are distinct groups of people (poor, elderly, disabled, and female headed households) who may suffer disproportionately from resettlement. Severely affected APs include those whose remaining landholdings are no longer fit for original purpose.

Type of Loss	Specification	Eligibility	Compensation Entitlements
		severely affected APs	property titles, relocation expenses, minimum housing guarantee.
	Livelihood support	Any household member of a vulnerable AP	Preferential treatment for temporary employment during construction; Employment training (3–6 months).
	Temporary disturbance	All vulnerable and/or severely affected APs	Preferential treatment to avoid, minimize or mitigate disturbance as quickly as possible.
Relocation	Transport/transition costs	All APs to be relocated	Provision of allowances to cover transport costs on actual cost basis at current market rates; to be included in contractual agreement Assistance to find an alternative plot or to find comparable house to rent, as applicable
Unidentified Losses	Unanticipated impacts	All affected persons	To be identified during subproject implementation; measures will be formulated as appropriate according to ADB policy and reported to ADB prior to implementation

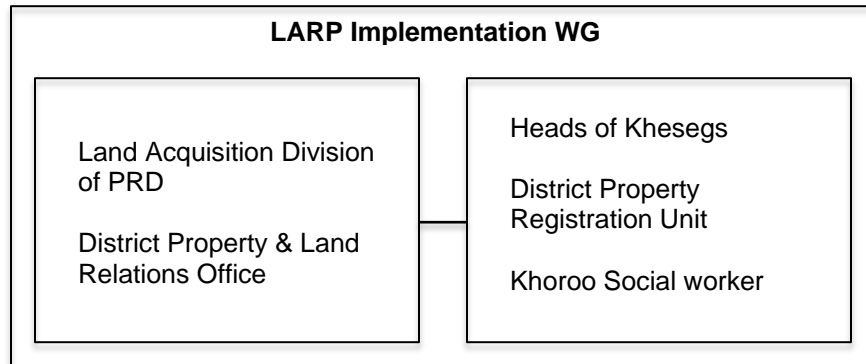
## VI. INSTITUTIONAL ARRANGEMENTS

134. In accordance with the Resettlement Framework (RF) document, Land Acquisition and Resettlement Committee (LARC) for the subproject “Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers was established on 6 Mar 2015 by the Resolution No. A/175 of the Mayor of MUB. With this resolution a Working Group (WG) for the Implementation of the LARP was established as well. See Attachment 3 for the resolution, the composition of the LARC and WG, and full list of the members of these two setups.

135. The LARC is responsible for the overall management and supervision of the LAR activities for both Selbe and Bayankhoshuu subprojects. The Vice Mayor of MUB in charge of urban development and investment and, in the meantime, Director of USGDIP's PMO is the chairman. The secretary is the Resettlement Expert of USGDIP's PMO. The members are comprised of 14 persons including Songinokhairkhan and Chingeltei District and relevant khoroo governors, officials of PRD, municipal water supply, road, title registration, social welfare departments and representatives of APs.

136. The implementation of the LARP will be the responsibility of the Working Group (WG) under the guidance of LARPIC and with close coordination and support of the PMO. The WG is chaired by the head of LAD. The WG has a core group to implement the LARP and it consists of the staff of LAD and respective District Property and Land Relations Office (DPLRO). Then there is a supporting staff of WG, which consists of the staff of respective district's Property Registration Unit, respective khoroo's social workers and heads of khesege. The Structure of LARP implementation Working Group is shown in figure 10.

Figure 10. The Structure of LARP implementation Working Group.



137. The PMO and LAR specialists will ensure that LAR safeguard requirements are met in the formulation and implementation of the LARP. The PMO, with the assistance of the LAR specialists, ensures LAR safeguard compliance and submission of a satisfactory LARP to MUB and ADB for review and approval prior to any LAR and the commencement of civil works.

138. A workshop on “ADB SPS and policy principles” was organized for the members of the LARPIC on 12 March 2015. The participants were trained on the ADB policy objectives and key principles of the SPS requirements for Involuntary Resettlement. Also, general information on the applicable Mongolian legislation, RF and general procedures for LARP preparation and implementation provided to the LARC members.

139. The PMO, with the assistance of LAR specialists, is responsible for adequate monitoring and supervision of the implementation of the LARP and the resulting impacts on APs. The PMO will be responsible for reporting the progress in implementing the LARP to the LARC, MUB and ADB.

140. The LAR for the Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site is carried out on the site where there is a project for redevelopment of ger area. The redevelopment project is implemented by the GD LLC, a development company selected by the MUB within the municipal project on ger area redevelopment. Therefore, in the implementation of the LAR for the sewer main collector pipes, GD LLC will be supporting and collaborating with the WG. Number of meetings were held between the PMO, GD LLC and the chairman of the ger area development project’s Steering Committee, who is in the meantime the chairman of UB city Citizens Representative Khural (UB city Council). The parties agreed that GD LLC will be supporting the LAR activities in the ger area redevelopment site.

## VII. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION

141. APs must be fully informed, closely consulted, and encouraged to participate in any decision making pertinent to LAR for the Bayankhoshuu subproject – ger area redevelopment site, including the final design of sewer main collector pipes, preparation of contractual agreements, determination of prices for assets to be transferred, selection of replacement plots and the restoration of livelihoods. This means that relevant subproject

information must be disclosed in a timely manner, and in accessible formats that allow effective and informed participation. Additionally, affected persons must have sufficient time between the provision of information and the consultative decision making process to reflect upon the input they want to provide.

142. Such disclosure of information to and consultation with affected persons ensures that they can express their opinions, apprehensions and objections. Subproject proponents, including MUB stakeholders, can address the issues raised and, upon careful consideration, incorporate them in subproject design, insofar as they are compatible with applicable local law and the ADB SPS.

143. In Dec 2014, individual consultations have taken place with APs along the Bayankhoshuu subproject – ger area redevelopment site's ROW at the time of field verification and identification of LAR scope based on the detailed technical design of the sewer main collector pipes. APs were involved in discussions about opportunities to avoid and minimize LAR impact.

144. During 1 Apr – May 12, 2015, when the census, socio-economic survey and land and property appraisal were conducted, information on the Bayankhoshuu subproject, ROW, grievance redress mechanism were provided to the APs and consulted on their concerns related to the subproject.

145. The information on USGDIP, Bayankhoshuu subproject and the scope of LAR, Mongolian legislation, RF, ADB SPS were provided and the compensation entitlements for the APs were explained at the public meeting that was held on 12 Sep 2015 at the GD LLC's local office in Khanyin Material in the 5<sup>th</sup> khoroo of Songinokhairkhan district. This public meeting was attended by representatives of the 19 affected households. The venue is conveniently located close to the Bayankhoshuu subproject – ger area redevelopment site allowing easy access for concerned APs. Also, the grievance procedures were reviewed and discussed. The APs were interested whether or not it will be possible to be connected to the sewer main collector pipe. The APs were informed that they will be able to visit the PMO office to obtain more information, raise their questions and lodge grievances.

146. While preparing this LARP, representatives of all directly affected 40 households and businesses were consulted either during the public meeting, census and socioeconomic survey, property appraisal or individual meetings. During these activities and meetings, the PMO resettlement specialist provided detailed information on LAR, their entitlements, the policy and principles of LAR, property appraisal methodologies, grievance redress mechanism and procedures and any other issues and concerns raised by the APs.

147. Additional individual and public consultation meetings will be held to disclose the final LARP and throughout the implementation of the LARP as required to address any issues. The attendance sheet for consultation meeting is provided in Attachment 4.

## **VIII. GRIEVANCE REDRESS MECHANISM**

148. A Grievance Redress Mechanism (GRM) is established at the MUB to facilitate effective and timely settlement of any issues and problems encountered by the APs related to the LAR and any other issues concerning the Bayankhoshuu subproject – ger area redevelopment site.

149. The PMO is the key organization in the grievance redress process. A Grievance action form (GAF) has been prepared to log and follow up APs' grievances, see Attachment 5 for the template of the GAF. APs should lodge their grievances using the GAF and submit it to PMO directly or via MUB's grievance redress procedures, by visiting MUB's office or submitting the grievance by means such as sms, smart UB application, phone and website. In the latter instance, once a grievance is lodged with the MUB redress procedures, the grievance recipient of MUB will convey it to PMO through a web portal, where PMO is registered and has access to its designated window, where the grievances are posted.

150. For the Bayankhoshuu subproject – ger area redevelopment site, the USGDIP's PMO will serve as the initial point for grievance redress and will provide a forum for raising objections and holding discussions to resolve conflicts. The PMO will make every effort to solve the issues of the APs at the early stage with the help of the members of LARC and/or WG and GD LLC as they represent all related administrative units and functional departments of MUB and the private sector involved in the ger area redevelopment. Also, the LAR specialists shall be supporting PMO to redress the grievances.

151. An aggrieved AP shall submit grievances to the Resettlement specialist of the PMO, who will log a complaint in the GAF. Then he/she will contact relevant member of the LARC and/or WG and GD LLC. The grievance will be presented, addressed and resolved within 1 week within the PMO, WG and GD LLC level. The PMO Resettlement Specialist will record its deliberations and inform the concerned parties within the same week of its findings and recommendations and present these to the PMO, WG and GD LLC for action. If the grievance is not resolved within 2 weeks from its lodging, the grievance will be submitted to the related divisions/offices of Songinokhairkhan district and its resolution is recommended to the District Governor for approval and action within 1 more week. If still unresolved within another week the LARC will seek to resolve the issue and make recommendations to the chairman of LARC, who is MUB Deputy Mayor. The Deputy Mayor shall initiate action within another week. If the preceding stakeholders cannot resolve the grievance, it is referred to the courts. Mongolian legislation and the ADB SPS will guide all decisions. APs shall be actively involved in all stages of the grievance redress procedures. The grievance redress mechanism will include the following steps described in Table 21 below:

Table 21: Grievance mechanism for Bayankhoshuu subproject – ger area redevelopment site

Steps	Actors / Actions	Timing
1	AP lodges grievance with PMO, where the PMO director assigns the grievance redress to the Resettlement Specialist	1 week
	PMO Resettlement Specialist addresses grievance, informs AP and proposes resolution with the support of relevant member of LARC, WG and representative of GD LLC	
	PMO and/or WG and GD LLC initiates action for resolution	1 week
If grievance is not resolved		
2	PMO submits grievance to relevant division/office of Songinokhairkhan District, a local government unit	1 week
	Relevant division/office of Songinokhairkhan District addresses grievance, informs AP through PMO and proposes resolution to District Governor	
	District Governor initiates action for resolution with the support of PMO	1 week
If grievance is not resolved		
3	PMO submits grievance to LARC	1 week



	LARC addresses grievance, informs AP and proposes resolution	
	Deputy Mayor of MUB in Charge of Urban Development and Investment initiates action for resolution	1 week
If grievance is not resolved		
4	Grievance is referred to courts	Open

152. Importantly, APs will enjoy the right to use the Governmental grievance redress procedures in accordance with the Law on Handling Grievances of Citizens Addressed to Government Authority and Government Officials, which governs grievance and complaints of citizens regarding the decisions and conduct of government authority or officials, and access the judicial system at any time, i.e. go to the courts, if they feel their grievance or concern is not being adequately addressed through the project GRM.

153. If an AP is still not satisfied and believes they have been harmed due to non-compliance with ADB policy and they have made good faith efforts to solve their problems by working with the ADB Project Team, they may submit a complaint to ADB's Office of Special Project Facility or Office of Compliance Review in accordance with ADB's Accountability Mechanism. The information on how to make a complaint can be found at internet site [www.adb.org/site/accountability-mechanism/main](http://www.adb.org/site/accountability-mechanism/main).

## IX. COMPENSATION AND REHABILITATION STRATEGY

154. This part presents the compensation standards for each type of loss as well as transaction and relocation costs. It also presents the rehabilitation strategy regarding households that may be vulnerable. Moreover, this chapter provides explanations for particular circumstances of some APs. The measurements are based on the detailed measurement surveys and maps provided by the technical design engineers, cadastral mapping and registration information from PRD and the measurements of the certified property appraiser. The compensation rates used for structures are based on the valuation of the certified property appraiser. The compensation rates used for land are based on the valuation of the certified property appraiser and the negotiations between the GD LLC and AHs and affected businesses in the ger area redevelopment site.

155. All affected structures will be compensated at replacement cost estimated by the valuation team including resettlement specialist, certified property appraiser and officials of LAD and to be agreed with AHs and affected businesses.

156. As for the land, the rate agreed between the GD LLC and AHs and affected businesses in the ger area redevelopment site will be used. This rate is higher than the average market price of land in the vicinity of the ger area redevelopment site.

157. The bases of compensation negotiation for key items are presented in the next sections below. These values can be reviewed and finalized based on negotiations with the AHs and affected businesses.

### A. Compensation policy for land

158. In order to protect the interests of the AHs and affected businesses and, in the meantime, allow the ger area redevelopment project to continue in accordance with its

existing procedures, the PMO, GD LLC and the MUB (represented by the Chairman of the ger area redevelopment project) agreed that the affected land area of the AHs and affected businesses will be freed to make land available for the ROW to install the sewer main collector pipes. Then new fences will be put on the land remaining after freeing space for the ROW. However, this will not affect the officially registered area of land parcel, as per the cadastral registration and land title, of the AHs and affected businesses. This means that the AHs and affected businesses will continue their ongoing negotiations, which are being conducted as part of the ger area redevelopment project of MUB and which are not part of the activities and negotiations within this LARP, with GD LLC based on the land area, which is recorded in the cadastral registration and their land title, but not based on the land area that remains after freeing space for the ROW. This, also, means that there will be no cash compensation paid for the land area freed for the ROW, because the AHs and affected businesses will be negotiating with the GD LLC, as if with full land parcel. The redevelopment company, GD LLC, will exchange the land with apartments and/or business facilities or other compensation as per their negotiations with the AHs and affected businesses. This will prevent from a situation where the AHs and affected businesses will receive some amount of money now for the land area freed for ROW and then spend the money. Then when they negotiate with GD LLC, where the remaining land area will not be sufficient for them to exchange it for an apartment and/or business facility or other compensation, due to smaller residual land.

159. Also, it was agreed that GD LLC, when negotiating with the AHs and affected businesses within the ger area redevelopment project, will offer price for the land equal to the price which is offered to the households who are not in the ROW, but who are in the redevelopment site. In any case, the land price, offered to the AHs and affected businesses in the ROW, shall not be less than the price offered to the households who are not in the ROW.

160. In case that GD LLC will not be able to implement the ger area redevelopment project anymore, due to any reason, the loss incurred to the AHs and affected businesses, owing to the Bayankhoshuu sub-center sewer main collector pipes subproject, will be compensated by the MUB. This means that MUB will be responsible to reimburse the compensation for land, which will be lost for the ROW of the sewer main collector pipes. The compensation value shall be equal to or higher than the amount which is being negotiated by GD LLC with the AHs currently, i.e. MNT 80,000 (USD40.61). Moreover, MUB will be responsible for any other losses that may have incurred to the AHs and affected businesses. Such losses and corresponding compensation shall be determined by consultation between AHs, MUB officials and ADB resettlement specialists.

161. The policies and principles defined in paragraphs 158-160 above, shall be included in the contract to be concluded with the AHs and affected businesses for the land acquisitions for ROW of the sewer main collector pipes. The contracts shall be reviewed, and verified, when being concluded, and monitored, when implemented, by the PMO to ensure that the specific land related policies and strategies to safeguard the interests and rights of the AHs and affected businesses are included and followed.

162. In case that AHs and affected businesses, who lose their residential or business buildings, will desire so, their land parcel shall be acquired fully and compensated at the replacement cost stipulated below in paragraph 163.

163. Land: it is currently estimated that land will be compensated for at an average rate of MNT 80,000 (USD 40.61) per m<sup>2</sup> for the affected land. The comparable market rate in the vicinity of the ger area redevelopment site (which is in the ROW) is around MNT 72,000

(USD 36.55) per m<sup>2</sup>. This is lower than MNT 80,000, the highest rate being negotiated and agreed between GD LLC and households that are in the ger area redevelopment project. This rate is applicable, in case that the AHs and affected businesses, who will lose their residential or commercial buildings fully and permanently, will desire that their land parcel is acquired fully. Also, this rate will serve as reference for the purpose of setting the minimum land price for the redevelopment company to negotiate with the AHs and affected businesses, in the ROW of this subproject.

164. The following principles will be applied for compensation of affected land:

- Provide compensation for the affected land area that has land ownership, possession and use certificate, i.e. land title.
- No compensation for the affected land area that does not have land ownership, possession and use certificate, i.e. land title.
- If AHs and affected businesses R02, R08, R17, R24, R27, R29, R33, R34 and R35 desire so, their land parcels shall be acquired fully and permanently, because they are losing either residential or business buildings.
- For all affected land parcels with ownership certificate provide transaction costs for registration of changes.
- For all affected land parcels with *possession certificate* provide transaction costs for registration of land possession *titles with GASR*.
- For individual APs with land possession certificate, issue land ownership decision, if APs desire so.

## **B. Compensation policy for structures**

165. The following strategies will apply for compensation of different types of structures. Detailed account of the losses, units, quantities, unit values, number of affected structures and APs are presented in Table 22: types of losses and their quantities.

- Fences – wooden: it is currently estimated that wooden fences will be compensated for at a rate of MNT 312,500 (USD 158.64) per m<sup>3</sup>.
- Fences – iron: it is currently estimated that iron fences will be compensated for at a rate of MNT 2,518 (USD 1.28) per kg.
- Fences – block: it is currently estimated that block fences will be compensated for at a rate of MNT 1,611 (USD 0.82) per piece.
- Fences – wooden poles: it is currently estimated that wooden poles will be compensated for at a rate of MNT 8,000 (USD 4.06) per piece.
- Fences – cement foundation: it is currently estimated that cement foundation of fences will be compensated for at a rate of MNT 155,500 (USD 78.90) per piece.
- Fences – iron gate (wooden frame with metal sheet): it is currently estimated that iron gate will be compensated for at a rate of MNT 350,000 (USD 177.68)
- Building – residential (brick): it is currently estimated that brick buildings will be compensated for at a rate of MNT 550,026 (USD 279.22) per m<sup>2</sup>.
- Building – entrance part: extensions of structures: it is currently estimated that brick

extensions of structures residential structure will be compensated for at a rate of MNT 274,634 (USD 139.42) per m<sup>2</sup>.

- Building – garage: it is currently estimated that a garage will be compensated for at a rate of MNT 274,634 (USD 139.42) per m<sup>2</sup>.
- Building – unfinished: it is currently estimated that a garage will be compensated for at a rate of MNT 274,634 (USD 139.42) per m<sup>2</sup>.
- Building – shop (brick): it is currently estimated that brick buildings-shop will be compensated for at a rate of MNT 550,026 (USD 279.22) per m<sup>2</sup>.
- Ger relocation: it is currently estimated that ger relocation costs will be compensated for at a rate of MNT 250,000 (USD 126.91) per piece.
- Wooden shed: it is currently estimated that sheds will be compensated for at a rate of USD 250,000 (MNT 126.91) per piece.
- Wooden Latrine: it is currently estimated that latrines will be compensated for at a rate of MNT 221,995 (USD 112.70) each.
- Waste water ditch: it is currently estimated that restoration of waste water ditch will be compensated for at a rate of MNT 10,000 (USD 5.08) per m<sup>3</sup>.
- Iron pole for solar energy: it is currently estimated that iron pole for solar energy with battery will be compensated for at a rate of MNT 2,500,000 (USD 1,269.1) per piece.
- Iron sheet structure: it is currently estimated that iron sheet structure will be compensated for at a rate of MNT 250,000 (USD 126.90) per piece.
- Container: will be relocated within the neighborhood or to another place within the city. Irrespective of the required process, compensation for this is currently estimated at a rate of MNT 400,000 – 500,000 (USD 253.83).

Table 22: Types of losses and their quantities

#	Type of loss		Unit	# of units	No. of affected objects	Unit Price, MNT	APs
1	Fence	Wood	m <sup>3</sup>	67.9	35	312,500	R01, R02, R03, R04, R05, R06, R08, R09, R10, R11, R12, R13, R14, R15, R16, R17, R20, R21, R22, R23, R24, R25, R26, R27, R28, R30, R31, R32, R37, R38, R39, R18, R20, R38, R35, R36, R40
		Iron	kg	163.6	1	2,518	R08
		Block	pc	1,343.0	5	1,611	R01, R02, R07, R35, R40
		Wooden pole	pc	261.0	38	8,000	R01, R02, R03, R04, R05, R06, R08, R09, R10, R11, R12, R13, R14, R15, R16, R17, R20, R21, R22, R23, R24, R25, R26, R27, R28, R30, R31, R32, R37, R38,

#	Type of loss		Unit	# of units	No. of affected objects	Unit Price, MNT	APs
							R39, R18, R20, R38 R35, R36, R40
		Cement foundation	m³	15.3	5	155,500	R1,R1, R2,R7, R36
		Iron gate 1	set	3.0	3	500,000	R3, R7, R26
		Iron gate 2	set	9.0	14	350,000	R6, R21, R25, R27, R30, R33, R36, R38
		Iron gate 3	set	2.0	2	50,000	R16, R35
		Brick	m³	4.7	3	268,668	R1,R6, R8
2	Building	Residential	m²	347.3	8	550,026	R2, R17, R24, R27, R29, R33, R34, R35
		Entrance part	m²	23.0	3	274,634	R2, R34, R35, R36
		Garage block	m²	85.8	4	274,634	R26, R29, R40
		Garage brick	m²	55.9	1	550,026	R29
		Unfinished	m²	127.5	1	274,634	R1
		Shop	m²	127.6	2	550,026	R8, R29
3	Ger relocation		pc	4.0	2	250,000	R20, R33
4	Wooden shed		pc	9.0	10	250,000	R4, R10, R15, R20, R25, R28, R28, R32, R40
5	Wooden latrine		pc	12.0	12	221,995	R2, R3, R4, R5, R11, R12, R13, R14, R15, R18.19, R23, R30
6	Block latrine		pc	1.0	1	451,708	R11
7	Wooden pole-lights		pc	4.0	4	24,000	R33
8	Waste water ditch		m³	16.0	1	10,000	R4
9	Concrete ring		m³	2.0	2	197,900	R29
10	Iron pole for solar energy		pc	1.0	1	2,500,000	R17
11	Iron sheet structure (Төмөр вагончик)		pc	1.0	1	250,000	R5
12	Relocation of a structure		pc	2.0	2	500,000	R20
13	Container		pc	1.0	1	400,000	R5
14	Container		pc	2.0	2	500,000	R5
Total					164		

### **C. Compensation policy for livelihood loss**

166. For the AHs R11-1, R13 and R30-1, temporary business loss during construction works will be compensated for through short term financial compensation equivalent to the net profit after tax for the 10 day period of interruption of business.

167. For the calculation of the business loss of AHs R11-1, R13 and R20-1, the 10 day income and salaries of the employees were calculated from the 1 month (30 days) income.

168. For the AH R08 and affected business R29, their buildings used for their businesses will be taken down as these buildings are in the ROW of the sewer main collector pipes. Therefore, compensation for their business and employment loss for 6 months will be provided, within which the businesses shall be reestablished on the remaining land.

169. Table 23 Compensation strategy for affected business/livelihood and employment provides detailed account of compensation for the loss for each AHs and affected business. The business losses and salaries of the employees were reflected in the Table 23 as indicated by the AHs and affected businesses during the census and socioeconomic survey. These need to be checked and finalized against the tax payments, financial statements or other comparable documents when providing the compensation.

Table 23: Compensation strategy for affected business/livelihood and employment

No	AP ID	Type of business/livelihood activity	Business/livelihood loss		Loss of Employment		Total for business/livelihood losses		Comment
			MNT	USD	MNT	USD	MNT	USD	
1	R08	grocery, small household items shop	30,000,000	15,229.59		-	30,000,000	15,229.59	provide compensation for business and employment loss for 6 months, within which the business shall be reestablished on the remaining land
2	R11-1	handcraft production	200,000	101.53			200,000	101.53	provide compensation for 10 days of interruption of the business activity
3	R13	grocery, small household items shop	333,333	169.22		-	333,333	169.22	provide compensation for 10 days of interruption of the business activity
4	R29	grocery, small household items shop, vehicle - electricity repair service	30,000,000	15,229.59	30,000,000	15,229.59	60,000,000	30,459.17	provide compensation for business and employment loss for 6 months, within which the business shall be reestablished on the remaining land
5	R30-1	car repair service, garage	666,667	338.44		-	666,667	338.44	provide compensation for 10 days of interruption of the business activity
<b>Total</b>			<b>61,200,000</b>	<b>31,068.36</b>	<b>30,000,000</b>	<b>15,230</b>	<b>91,200,000</b>	<b>46,297.94</b>	

#### **D. Compensation policy for transaction costs**

170. All transaction costs will be covered by the subproject. This means that where households are being supported in the formalization of their land title, or where they are relocating to a new plot, or where there is a change in their land parcels all the fees associated with these processes will be provided. This includes any fees for notary services, the preparation of cadastral maps, issuance of cadastral maps, issuance of land possession certificates, issuance of land title certificate or other required service fees. Rates for these fees are dependent on the characteristics of individual transactions. The following will apply:

- For the contracts with APs the notary fees will be paid as per the Resolution No. 123 of the Minister for Justice and Internal Affairs from 2011<sup>25</sup>. Appendix 8: Notary services and fees related to contracts provides the types of contracts and the fees to be paid for each type of contract.
- For cadastral surveying and mapping MNT 50,000 (USD25.38) will be paid.
- For cadastral map issuance fee MNT 2,500 (USD 1.27) will be paid.
- For land certificate by PRD - possession MNT 20,000 (USD 10.15) for individuals and MNT 70,000 (USD 35.53) for companies.
- For registration of the land titles by GASR for possession right MNT 10,000 (USD 5.08) will be paid.
- For registration of the land titles by GASR for ownership right no fee, if this first time registration and MNT 8,000 if the registration is to make changes (change of size, address, additional information etc.) to the land ownership title then MNT 8,000 (USD 4.06) will be paid.

171. At this moment, it is not foreseen that there will be a need for carrying out cadastral surveying and mapping, as all the AHs and affected businesses have official permission, i.e. land rights, and because the affected land parcels' area need not to be changed in the cadastral registration, refer to paragraph 158 under the section A. Compensation policy for land. If, at a later stage of the implementation of this LARP, it will be necessary to perform cadastral surveying and mapping, then it shall follow the compensation policy set in paragraph 170 above.

172. Table 24 Compensation strategy for transactions costs provides detailed account of transactions costs to be compensated to each APs.

173. Where necessary, the PMO with the support of the LAD and General Authority for State Registration (GASR) in Songinokhairkhan District will organize the issuance of land possession certificates and land ownership decision with PRD and land title certificates for ownership and possession with GASR. This will be organized by collecting all the application documents from AHs at the PMO office for a period of 2 weeks to be determined by PMO in coordination with the LARP implementation. APs shall be notified the time period for collection of the documents at least 2 weeks prior to the start of the collection. All documents collected at the PMO during the 2 weeks period will be consolidated and provided to PRD for issuance of land possession certificates and ownership decisions. Once the land possession certificates and ownership decisions are made, these will be collected and consolidated by LAD and submitted to PMO. PMO will organize the application

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<sup>25</sup> This resolution was obtained from the official government website for unified legal information system at [www.legalinfo.mn](http://www.legalinfo.mn).



procedures together with the APs and submit the application to Songinokhairkhan District GASR. Songinokhairkhan District GASR reviews the documents and issues land title certificates for land possession and ownership. These will be collected by the APs. If APs do not submit the required documents and applications to PMO on timely manner within the 2 weeks or if APs choose to apply to PRD and GASR on their own, then APs will complete the procedures themselves.

Table 24. Compensation strategy for transactions costs

AP ID	Notary fee	Cadastral map issuance fee	Fee for land certificate issuance by PRD	Fee for land title certificate by GASR	Total	
					MNT	USD
R01	50,000	2,500		8,000	60,500	30.71
R02	50,000	2,500		8,000	60,500	30.71
R03	10,000	2,500	20,000		32,500	16.50
R04	10,000	2,500	20,000		32,500	16.50
R05	10,000	2,500		8,000	20,500	10.41
R06	10,000	2,500		8,000	20,500	10.41
R07	10,000	2,500		8,000	20,500	10.41
R08	50,000	2,500	20,000		72,500	36.80
R09	10,000	2,500		8,000	20,500	10.41
R10	25,000	2,500		8,000	35,500	18.02
R11	25,000	2,500		8,000	35,500	18.02
R11-1	10,000	2,500	20,000		32,500	16.50
R12	25,000	2,500		8,000	35,500	18.02
R13	10,000	2,500		8,000	20,500	10.41
R14	25,000	2,500		8,000	35,500	18.02
R15	10,000	2,500		8,000	20,500	10.41
R16	10,000	2,500	20,000		32,500	16.50
R17	50,000	2,500		8,000	60,500	30.71
R18	10,000	2,500		8,000	20,500	10.41
R19	10,000	2,500	20,000		32,500	16.50
R20	25,000	2,500		8,000	35,500	18.02
R21	10,000	2,500	20,000		32,500	16.50
R22	10,000	2,500	20,000		32,500	16.50
R23	25,000	2,500	20,000		47,500	24.11
R24	50,000	2,500		8,000	60,500	30.71
R25	25,000	2,500		8,000	35,500	18.02
R26	25,000	2,500		8,000	35,500	18.02
R27	50,000	2,500	20,000		72,500	36.80
R28	10,000	2,500		8,000	20,500	10.41
R29	100,000	2,500		8,000	110,500	56.10
R30	10,000	2,500		8,000	20,500	10.41
R30-1	3,333				3,333	1.69
R31	10,000	2,500		8,000	20,500	10.41

AP ID	Notary fee	Cadastral map issuance fee	Fee for land certificate issuance by PRD	Fee for land title certificate by GASR	Total	
					MNT	USD
R32	10,000	2,500		8,000	20,500	10.41
R33	50,000	2,500		8,000	60,500	30.71
R34	25,000	2,500		8,000	35,500	18.02
R35	25,000	2,500		8,000	35,500	18.02
R36	4,400	2,500	20,000		26,900	13.66
R37	4,202	2,500		8,000	14,702	7.46
R38	10,000	2,500		8,000	20,500	10.41
R39	10,000	2,500		8,000	20,500	10.41
R40	25,000	2,500		8,000	35,500	18.02
<b>Total</b>	<b>936,935</b>	<b>102,500</b>	<b>220,000</b>	<b>240,000</b>	<b>1,499,435</b>	<b>761</b>

## E. Principles for provision of income and livelihood rehabilitation

174. MUB will ensure that no physical or economic displacement will occur until compensation at full replacement cost and other entitlements have been provided to each affected person and a comprehensive income and livelihood rehabilitation program is in place to help AHs to improve, or at least restore, their incomes and livelihoods.

175. AHs whose livelihood is impacted by the project will get preference in jobs associated with the subproject's construction and implementation. Those who are unskilled will be employed in civil works as desired and as feasible (e.g. construction, restoring fences, and other project derived work, as applicable).

176. In order to improve the livelihoods of the vulnerable AHs, PMO will discuss the needs and problems of the vulnerable households, listed in Table 4: Affected vulnerable households, in cooperation with the officials of respective khoros of Songinokhairkhan District and APs.

177. Based on the needs and demand of the vulnerable households, the administration of the respective khoros of Songinokhairkhan District will provide one of the following or combination of the following within the existing state and/or social welfare project activities and funding:

- Provide employment in cooperation with the Labor/employment intermediation department of the District
- Provide labor skills and training in cooperation with the Labor/employment intermediation department of the District
- Include in projects, implemented at the district, to support household livelihood
- Free kindergarten services for the children
- Provide food cards
- Provide school dress and stationary for the pupils
- Any other services and supports available at the district and set by law.

178. When updating this LARP after negotiations and discussions with the AHs on LAR activities, compensation and specific measures to improve the livelihoods of the vulnerable AHs, these measures and status of activities carried out will be included in this LARP. This will be monitored to ensure that appropriate livelihood improvement measures are planned and implemented accordingly.

179. PMO will be following up with the respective khoroo Governors, whether or not the above measures were taken. In case that there will be difficulties in providing the livelihood improvement activities for the vulnerable households, the matter will be discussed and resolved at the LARC.

180. Another element of reducing and eliminating subproject-induced vulnerability will be the careful consideration of the specific needs of female affected persons. To safeguard their livelihoods, the following gender sensitive provisions will be adopted for the subproject:

- Women will receive compensation pertaining to their economic activities in their name.
- Female heads of households will be registered as the recipients of compensation and rehabilitation measures due to their households.
- Where land lost to the subproject was legally owned by women, and titles for replacement land will be registered in the name of women.
- Women will be included in the participation process in all consultation meetings alongside male affected persons.
- Due consideration will be given to complaints and grievances lodged by women.
- Access for women to subproject related employment opportunities and targeted needs based special assistance will be guaranteed in cases of livelihood impacts.

## **F. Consolidated compensation policy**

181. Table 25 Consolidated compensation policy for affected persons provides detailed account of affected structures, land, livelihood – business and employment losses and required transactions costs. The table shows the compensation estimates for each type of losses and the total compensation to be provided to the APs. The summary of the appraisal of affected land and properties from the certified property appraiser is provided in the Attachment 7.

Table 25: Consolidated compensation strategy for affected persons

AP	Compensation items	Unit	Q'ty	Unit cost		Total cost	
				MNT	USD	MNT	USD
R01	Unfinished building	m2	93.5	274,634	139.42	25,678,284	13,035.65
	Fence - wooden pole	pc	15	8,000	4.06	120,000	60.92
	Fence - wooden	m3	1.88	312,500	158.64	587,500	298.25
	Structure's foundation - concrete	m3	4.39	155,500	78.94	682,645	346.55
	Fence - brick	m3	2.53	268,668	136.39	679,729	345.07
	Structure's foundation - concrete	m3	0.74	155,500	78.94	115,070	58.42
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>27,923,728</b>	<b>14,175.56</b>
R02	Building - timber/brick	m2	26.65	550,026	279.22	14,658,193	7,441.27
	Entrance - wooden	m2	4.6	274,634	139.42	1,263,317	641.33
	Fence - wooden	m3	1.19	312,500	158.64	371,875	188.78
	Fence - wooden pole	pc	11	8,000	4.06	88,000	44.67
	Fence - block	pc	96	1,611	0.82	154,675	78.52
	Base of ger - concrete	m3	5	155,500	78.94	777,500	394.70
	Concrete ring	m3	2	197,900	100.46	395,800	200.93
	Structure's foundation - concrete	m3	0.61	155,500	78.94	94,855	48.15
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>18,086,710</b>	<b>9,181.77</b>
R03	Fence - wooden	m3	1.79	312,500	158.64	559,375	283.97
	Fence - wooden pole	pc	6	8,000	4.06	48,000	24.37
	Iron gate - type 1	set	1	500,000	253.83	500,000	253.83
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	<b>Sub-total</b>					<b>1,401,870</b>	<b>711.66</b>
R04	Fence - wooden	m3	1.8	312,500	158.64	562,500	285.55
	Fence - wooden pole	pc	9	8,000	4.06	72,000	36.55
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Waste water ditch	m3	16	15,000	7.61	240,000	121.84
	Unfinished building	m2	34	274,634	139.42	9,337,556	4,740.24
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	<b>Sub-total</b>					<b>10,756,551</b>	<b>5,460.59</b>
R05	Fence - wooden	m3	2.75	312,500	158.64	859,375	436.26
	Fence - wooden pole	pc	12	8,000	4.06	96,000	48.73
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70

AP	Compensation items	Unit	Q'ty	Unit cost		Total cost	
				MNT	USD	MNT	USD
	Container - vagonchik	pc	1	250,000	126.91	250,000	126.91
	Land	m2	0	80,000	40.61	-	-
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,487,870	755.32
R06	Relocation of a structure	pc	2	500,000	253.83	1,000,000	507.65
	Fence - block	pc	328	1,611	0.82	528,474	268.28
	Fence - brick	m3	1.43	268,668	136.39	384,195	195.04
	Iron gate - type 3	pc	1	50,000	25.38	50,000	25.38
	Fence - wooden pole	pc	2	8,000	4.06	16,000	8.12
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					2,039,168	1,035.19
R07	Fence - block	pc	711	1,611	0.82	1,145,563	581.55
	Structure's foundation - concrete	m3	3.45	155,500	78.94	536,475	272.34
	Iron gate - type 2	set	1	350,000	177.68	350,000	177.68
	Block latrine	pc	1	451,708	229.31	451,708	229.31
	Fence - block	pc	120	1,611	0.82	283,344	143.84
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					2,827,590	1,435.43
R08	Building (shop) - timber/brick	m2	84.8	550,026	279.22	46,642,205	23,678.05
	Container	pc	1	500,000	253.83	500,000	253.83
	Fence - wooden	m3	1.85	312,500	158.64	578,125	293.49
	Fence - wooden pole	pc	10	8,000	4.06	80,000	40.61
	Fence - iron	kg	163.5	2,518	1.28	411,611	208.96
	Structure's foundation - brick	m3	0.22	268,668	136.39	59,107	30.01
	Business/livelihood	set	1	30,000,000	15,229.59	30,000,000	15,229.59
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	Sub-total					78,343,548	39,771.33
R09	Fence - wooden	m3	3.62	312,500	158.64	1,131,250	574.28
	Fence - wooden pole	pc	11	8,000	4.06	88,000	44.67
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,279,750	649.67
R10	Fence - wooden	m3	2.82	312,500	158.64	881,250	447.37
	Fence - wooden pole	pc	9	8,000	4.06	72,000	36.55
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Transaction cost	set	1	60,500	30.71	60,500	30.71

AP	Compensation items	Unit	Q'ty	Unit cost		Total cost	
				MNT	USD	MNT	USD
	Sub-total					1,263,750	641.55
R11	Fence - wooden	m3	2.37	312,500	158.64	740,625	375.98
	Fence - wooden pole	pc	12	8,000	4.06	96,000	48.73
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,119,120	568.12
R11-1	Business/livelihood	set	1	200,000	101.53	200,000	101.53
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	Sub-total					272,500	138.34
R12	Fence - wooden	m3	2.46	312,500	158.64	768,750	390.26
	Fence - wooden pole	pc	7	8,000	4.06	56,000	28.43
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,107,245	562.10
R13	Fence - wooden	m3	1.77	312,500	158.64	553,125	280.80
	Fence - wooden pole	pc	7	8,000	4.06	56,000	28.43
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Business/livelihood	set	1	333,333	169.22	333,333	169.22
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,224,953	621.85
R14	Fence - wooden	m3	2.39	312,500	158.64	746,875	379.15
	Fence - wooden pole	pc	7	8,000	4.06	56,000	28.43
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,085,370	550.99
R15	Fence - wooden	m3	1.66	312,500	158.64	518,750	263.34
	Fence - wooden pole	pc	6	8,000	4.06	48,000	24.37
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,099,245	558.03
R16	Fence - wooden	m3	1.89	312,500	158.64	590,625	299.83
	Fence - wooden pole	pc	9	8,000	4.06	72,000	36.55
	Iron gate - type 2	set	1	350,000	177.68	350,000	177.68
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	Sub-total					1,085,125	550.87
R17	Fence - wooden	m3	1.69	312,500	158.64	528,125	268.10
	Fence - wooden pole	pc	8	8,000	4.06	64,000	32.49
	Building - timber	m2	35	550,026	279.22	19,250,910	9,772.78

AP	Compensation items	Unit	Q'ty	Unit cost		Total cost	
				MNT	USD	MNT	USD
	Solar power device	pc	1	2,500,000	1,269.13	2,500,000	1,269.13
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>22,403,535</b>	<b>11,373.22</b>
R18	Fence - wooden	m3	2.8	312,500	158.64	875,000	444.20
	Fence - wooden pole	pc	9	8,000	4.06	72,000	36.55
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>1,229,495</b>	<b>624.16</b>
R19	Container	pc	1	400,000	203.06	400,000	203.06
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	<b>Sub-total</b>					<b>472,500</b>	<b>239.87</b>
R20	Fence - wooden	m3	1.87	312,500	158.64	584,375	296.66
	Fence - wooden pole	pc	8	8,000	4.06	64,000	32.49
	Ger relocation	pc	1	250,000	126.91	250,000	126.91
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>1,208,875</b>	<b>613.69</b>
R21	Fence - wooden	m3	1.56	312,500	158.64	487,500	247.48
	Fence - wooden pole	pc	8	8,000	4.06	64,000	32.49
	Iron gate	set	1	350,000	177.68	350,000	177.68
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	<b>Sub-total</b>					<b>974,000</b>	<b>494.45</b>
R22	Fence - wooden	m3	2.46	312,500	158.64	768,750	390.26
	Fence - wooden pole	pc	9	8,000	4.06	72,000	36.55
	Wooden pole - lights	pc	1	24,000	12.18	24,000	12.18
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	<b>Sub-total</b>					<b>937,250</b>	<b>475.80</b>
R23	Fence - wooden	m3	2.35	312,500	158.64	734,375	372.81
	Fence - wooden pole	pc	9	8,000	4.06	72,000	36.55
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	<b>Sub-total</b>					<b>1,100,870</b>	<b>558.86</b>
R24	Fence - wooden	m3	1.36	312,500	158.64	425,000	215.75
	Fence - wooden pole	pc	1	8,000	4.06	8,000	4.06
	Fence - wooden pole -гэрлийн	pc	1	24,000	12.18	24,000	12.18
	Iron gate - type 1	set	1	500,000	253.83	500,000	253.83
	Building - timber/brick	m2	42	550,026	279.22	23,101,092	11,727.34
	Transaction cost	set	1	60,500	30.71	60,500	30.71

AP	Compensation items	Unit	Q'ty	Unit cost		Total cost	
				MNT	USD	MNT	USD
	Sub-total					24,118,592	12,243.87
R25	Fence - wooden	m3	1.22	312,500	158.64	381,250	193.54
	Fence - wooden pole	pc	5	8,000	4.06	40,000	20.31
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Iron gate - type 2	set	1	350,000	177.68	350,000	177.68
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,081,750	549.15
R26	Fence - wooden	m3	1.42	312,500	158.64	443,750	225.27
	Fence - wooden pole	pc	6	8,000	4.06	48,000	24.37
	Iron gate - type 2	set	1	350,000	177.68	350,000	177.68
	Garage - block	m2	28	274,634	139.42	7,689,754	3,903.73
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					8,592,004	4,362
R27	Fence - wooden	m3	0.86	312,500	158.64	268,750	136.43
	Fence - wooden pole	pc	6	8,000	4.06	48,000	24.37
	Iron gate - type 2	set	1	350,000	177.68	350,000	177.68
	Building - timber/brick	m2	57.6	550,026	279.22	31,681,498	16,083.20
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	Sub-total					32,420,748	16,458.49
R28	Fence - wooden	m3	2	312,500	158.64	625,000	317.28
	Fence - wooden pole	pc	7	8,000	4.06	56,000	28.43
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,241,500	630.25
R29	Building - (shop) block	m2	42.78	550,026	279.22	23,530,112	11,945.13
	Building - timber	m2	70.98	550,026	279.22	39,040,845	19,819.20
	Garage - block	m2	55.9	550,026	279.22	30,746,453	15,608.53
	Business/livelihood	set	1	60,000,000	30,459.17	60,000,000	30,459.17
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					153,377,911	77,862.74
R30	Fence - wooden	m3	1.25	312,500	158.64	390,625	198.30
	Fence - wooden pole	pc	4	8,000	4.06	32,000	16.24
	Iron gate - type 2	set	1	350,000	177.68	350,000	177.68
	Wooden latrine	pc	1	221,995	112.70	221,995	112.70
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	Sub-total					1,055,120	535.63



AP	Compensation items	Unit	Q'ty	Unit cost		Total cost	
				MNT	USD	MNT	USD
R30-1	Business/livelihood	set	1	666,667	338.44	666,667	338.44
	Transaction cost	set	1	3,333	1.69	3,333	1.69
	<b>Sub-total</b>					<b>670,000</b>	<b>340.13</b>
R31	Fence - wooden	m3	1.85	312,500	158.64	578,125	293.49
	Fence - wooden pole	pc	6	8,000	4.06	48,000	24.37
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>686,625</b>	<b>348.57</b>
R32	Fence - wooden	m3	1.62	312,500	158.64	506,250	257.00
	Fence - wooden pole	pc	7	8,000	4.06	56,000	28.43
	Ger relocation	pc	2	250,000	126.91	500,000	253.83
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>1,372,750</b>	<b>696.88</b>
R33	Fence - wooden	m3	1.62	312,500	158.64	506,250	257.00
	Iron gate - type 2	pc	1	350,000	177.68	350,000	177.68
	Building - timber/brick	m2	63.22	550,026	279.22	34,772,644	17,652.43
	Ger relocation	pc	1	250,000	126.91	250,000	126.91
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>35,939,394</b>	<b>18,244.74</b>
R34	Fence - wooden	m3	1.62	312,500	158.64	506,250	257.00
	Building - timber	m2	20.16	550,026	279.22	11,088,524	5,629.12
	Entrance - wooden	m2	8.36	274,634	139.42	2,295,941	1,165.54
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>13,951,215</b>	<b>7,082.37</b>
R35	Fence - wooden	m3	2.17	312,500	158.64	678,125	344.25
	Fence - wooden pole	pc	9	8,000	4.06	72,000	36.55
	Structure's foundation - concrete	m3	0.43	155,500	78.94	66,865	33.94
	Building - block	m2	31.68	550,026	279.22	17,424,824	8,845.76
	Entrance - wooden	m2	10.23	274,634	139.42	2,809,506	1,426.25
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>21,111,820</b>	<b>10,717.48</b>
R36	Iron gate - type 1	set	1	500,000	253.83	500,000	253.83
	Wooden pole - lights	pc	1	24,000	12.18	24,000	12.18
	Fence - block	pc	90	1,611	0.82	144,990	73.60
	Transaction cost	set	1	72,500	36.80	72,500	36.80
	<b>Sub-total</b>					<b>741,490</b>	<b>376.42</b>
R37	Fence - wooden	m3	2.35	312,500	158.64	734,375	372.81

AP	Compensation items	Unit	Q'ty	Unit cost		Total cost	
				MNT	USD	MNT	USD
	Fence - wooden pole	pc	7	8,000	4.06	56,000	28.43
	Iron gate - type 3	pc	1	50,000	25.38	50,000	25.38
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>900,875</b>	<b>457.33</b>
R38	Fence - wooden	m3	2.19	312,500	158.64	684,375	347.42
	Fence - wooden pole	pc	7	80,000	40.61	560,000	284.29
	Iron gate - type 2	set	1	350,000	177.68	350,000	177.68
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>1,654,875</b>	<b>840.10</b>
R39	Fence - wooden	m3	1.68	312,500	158.64	525,000	266.52
	Fence - wooden pole	pc	6	8,000	4.06	48,000	24.37
	Wooden pole - lights	pc	1	24,000	12.18	24,000	12.18
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>657,500</b>	<b>334</b>
R40	Fence - wooden	m3	1.68	312,500	158.64	525,000	266.52
	Fence - wooden pole	pc	8	8,000	4.06	64,000	32.49
	Wooden shed	pc	1	250,000	126.91	250,000	126.91
	Garage - block	m2	28.9	274,634	139.42	7,936,924	4,029.20
	Garage - shpal	m2	28.9	274,634	139.42	7,936,924	4,029.20
	Transaction cost	set	1	60,500	30.71	60,500	30.71
	<b>Sub-total</b>					<b>16,773,348</b>	<b>8,515</b>

## X. BUDGET, FINANCES AND DISBURSEMENT

182. The total cost of LAR including the cost of compensation, rehabilitation administration and monitoring is an integral part of the subproject cost. Table 26: Budget for LAR for Bayankhoshuu subproject – ger area redevelopment site presents the budget for this subproject. The budget was calculated based on the Compensation strategy set in the chapter IX. Compensation and Rehabilitation strategy.

183. For land there will be no cash compensation within this LARP as the ROW of this part of the Bayankhoshuu subproject sewer main collector pipes overlaps with the site for ger area redevelopment project. Refer to paragraphs 158-160 in section A. Compensation policy for land under Chapter IX for more details on this matter.

184. For structures, it provides the unit rates applied in MNT and USD and the subtotals. This was done based on the DMS, measurements and valuation carried out by certified property appraiser, see Attachment 7 for the summary of appraisal of affected land and structures. The valuation of land is based on market rates. The valuation of structures is based on replacement cost, i.e. market rates for material, labor, transport and without depreciation for the age of structures. The business and employment temporary disruption for 10 days and annual livelihood earnings were calculated based on the information provided by the APs during the census and socio-economic survey. This needs to be double

checked by LAD, DPLRO and PMO against taxation or other relevant documents and finalized. The transactions costs were calculated based on the rate set by the Minister for Justice, Attachment 6, and information from PRD and GASR. The cost of administration (stationary, computer consumables, secretarial services, etc.) has been determined at 10 percent of the cost of compensation measures (items 1-4, Table 26). The contingency cost at 20 percent of the cost of items 1 to 5 is intended to cover unanticipated impacts and costs arising during LARP implementation.

185. The MUB is responsible for timely allocation of funds needed to implement LAR activities of this subproject. The funds for LAR activities were granted by the MUB to PMO. The Grand Subtotal, item 6 of Table 26, will be funded by MUB. The costs of external monitoring, item 7 of Table 26 will be funded by the ADB.

186. The budget in this LARP presented below remains preliminary, as the compensation amounts may be adjusted based on the negotiations with the APs. The budget is to be finalized based on negotiations with the APs.

Table 26: Budget for LAR for Bayankhoshuu subproject – ger area redevelopment site

No.	Type of loss		Unit	# of units	Unit Price, MNT	Costs	
						MNT	USD
1	Structures						
1.1	Fence	Wood	m <sup>3</sup>	67.9	312,500	21,231,250	10,778
		Iron	kg	163.6	2,518	411,945	209
		Block	pc	1,343.0	1,611	2,163,573	1,098
		Wooden pole	pc	261.0	8,000	2,088,000	1,060
		Concrete foundation	m <sup>3</sup>	15.3	155,500	2,379,150	1,208
		Iron gate1	set	3.0	500,000	1,500,000	761
		Iron gate2	set	9.0	350,000	3,150,000	1,599
		Iron gate3	set	2.0	50,000	100,000	51
		Brick	m <sup>3</sup>	4.7	268,668	1,262,740	641
1.2	Building	Residential	m <sup>2</sup>	347.3	550,026	191,018,530	96,971
		Entrance part	m <sup>2</sup>	23.0	274,634	6,316,582	3,207
		Garage block	m <sup>2</sup>	85.8	274,634	23,563,597	11,962
		Garage brick	m <sup>2</sup>	55.9	550,026	30,746,453	15,609
		Unfinished	m <sup>2</sup>	127.5	274,634	35,015,835	17,776
		Shop	m <sup>2</sup>	127.6	550,026	70,172,317	35,623
1.3	Ger relocation		pc	4.0	250,000	1,000,000	508

1.4	Wooden shed	pc	9.0	250,000	2,250,000	1,142
1.5	Wooden latrine	pc	12.0	221,995	2,663,940	1,352
1.6	Block latrine	pc	1.0	451,708	451,708	229
1.7	Wooden pole-lights	pc	4.0	24,000	96,000	49
1.8	Waste water ditch	m <sup>3</sup>	16.0	10,000	160,000	81
1.9	Concrete ring	m <sup>3</sup>	2.0	197,900	395,800	201
1.10	Iron pole for solar energy	pc	1.0	2,500,000	2,500,000	1,269
1.11	Iron sheet structure (Төмөр вагончик)	pc	1.0	250,000	250,000	127
1.12	Relocation of a structure	pc	2.0	500,000	1,000,000	508
1.13	Container	pc	1.0	400,000	400,000	203
1.14	Container	pc	2.0	500,000	1,000,000	508
<b>Subtotal</b>					<b>403,287,420</b>	<b>204,730</b>
<b>2</b>	<b>Temporary business and employment description</b>					
2.1	Business	lump sum	1.0	61,200,000	61,200,000	31,068
2.2	Employment	lump sum	1.0	30,000,000	30,000,000	15,230
<b>subtotal</b>					<b>91,200,000</b>	<b>46,298</b>
<b>3</b>	<b>Transaction costs</b>					
3.1	Notary fee	lump sum	1.0	936,935	936,935	476
3.2	Cadastral map issuance fee	lump sum	1.0	102,500	102,500	52
3.3	Land certificate fee for PRD	lump sum	1.0	220,000	220,000	112
3.4	Land title certificate for GASR	lump sum	1.0	240,000	240,000	122
<b>subtotal</b>					<b>2,615,833</b>	<b>761</b>
<b>Subtotal for Compensation Measures, 1-3</b>					<b>497,103,253</b>	<b>251,790</b>
<b>4</b>	<b>Administration &amp; supervision, 10% of 1-3</b>				<b>49,710,325</b>	<b>25,179</b>
<b>5</b>	<b>Contingency, 20% of 1-4</b>				<b>54,681,358</b>	<b>27,697</b>
<b>6</b>	<b>Grand Subtotal (MUB), 1-5</b>				<b>601,494,936</b>	<b>304,665</b>

7	External Monitoring (ADB), 7.5% of 1-3	37,282,744	18,884
GRAND TOTAL		638,777,680	323,550

187. The LAD and DPLRO with the support of PMO will manage the process of formal contractual agreements with the APs and disbursement of compensations. Once the final LARP is in place, PMO will provide the full budget to Songinokhairkhan District Governor's Office. Then Songinokhairkhan District Governor's Office, after LAD and DPLRO having concluded contractual agreements about the LAR with the APs, will transfer the compensation to the APs.

188. Payment of 60% of the compensation will be made at the time of signing agreement or within 1 month of the time of conclusion of contractual agreements related to LAR. The remaining payment will be paid at the time of vacating the affected land and/or assets. Disbursement of compensations and entitlements will be carried out via bank transfer to the bank account of the APs. No land will be acquired by the MUB or handed over to the PMO for commencing construction works prior to implementation of approved LARP, and full payment of due compensation and other LAR entitlements to the AP. PMO will be supervising the whole LAR process, which is implemented by LAD and DPLRO.

189. In the cases of full and permanent LAR, the ratio of payment 60% and 40%, indicated in the preceding paragraph, can be changed by the request of APs and upon considering the grounds for such request by DPLRO, LAD and PMO. This may include cases such as, among others, APs purchasing replacement land and housing and therefore in need of obtaining higher percentage of the compensation in order to purchase the replacement land and housing.

## XI. IMPLEMENTATION SCHEDULE

190. The implementation schedule indicating the timeline for activities in the design and implementation of the Bayankhoshuu subproject LARP – ger area redevelopment site is shown in Table 27.

Table 27: LARP Implementation Schedule

LARP ACTIVITIES	2014	2015												2016									
	11-12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
Identification of LAR scope																							
Field verification and modification of technical design																							
Formation and meetings of LARC and WG																							
Approval of technical design																							

LARP ACTIVITIES	2014	2015												2016									
	11-12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
Notification of individual APs and of cut-off date																							
Land and property measurements and valuation surveys																							
Census and socio-economic survey, and identification of vulnerable persons/HHs																							
Preparation of draft LARP																							
AP consultation & disclosure of draft LARP																							
Revision of LARP																							
Endorsement of final LARP by MUB																							
ADB review and approval																							
Disclosure of approved LARP on ADB website and in AP community																							
Funding for LAR compensation																							
Conclusion of contractual agreements																							
AP consultation: modalities / timing																							
Disbursement of compensation																							
Acquisition of land and other assets																							
Commencement of civil works																							
Internal Monitoring																							
External monitoring and evaluation																							

## XII. MONITORING AND EVALUATION

191. Monitoring of compliance with the LARP during implementation will be carried out by the PMO, as well as by an External Monitoring Agency (EMA) which may be a local consulting firm or NGO, or a qualified individual. Monitoring will be conducted with both internal and external indicators.

### A. Internal Monitoring

192. The PMO will conduct internal monitoring and supervision of LARP implementation and submit monthly reports to the MUB and LARC. The PMO will also include the results of internal monitoring in its quarterly reports to the ADB. These reports will also serve as input into the subproject's mid-term review, which will have a focus on the progress of LARP implementation. Internal monitoring reports will also inform the completion audit that will be conducted upon completion of the subproject's LAR activities. The PMO will prepare this resettlement completion report for submission to the ADB.

193. The objectives of internal monitoring will be to ensure: (i) proper execution of the responsibilities of key stakeholders; (ii) protection of the rights of APs under Mongolian laws, the ADB Safeguard Requirements, RF and this LARP; (iii) adequate and prompt payment of compensation; and (iv) timely grievance redress. Table 28 below provides a template form for internal monitoring.

Table 28: Internal Monitoring Form

<b>Subproject site</b>							
<b>Total no. of AP households (HH)</b>							
<b>LAR Activities</b>	<b>Month</b>						<b>Comments</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	
	<b>Part A. Preparation/Procedural steps</b>						
Identification of LAR scope	✓						
Field verification and modification of technical design		✓					
Formation and meetings of LARC and WG			✓				
Approval of technical design							
Notification of individual APs and of cut-off date			✓				
Land and valuation surveys			✓				
Census (no. AP HH)			✓				
Socio-economic survey (no. AP HH)			✓				
Preparation of draft LARP			✓	✓			
AP consultation: Information on			✓				

Bayankhoshuu subproject, ADB SPS and policy principles, Mongolian legislation, GRM							
AP consultation: disclosure of draft LARP (no. AP HH)							
Finalization of LARP							
AP consultation: disclosure of final LARP (no. AP HH)							
Endorsement by MUB							
ADB review and Approval							
Disclosure of approved LARP on ADB website and in AP community							
<b>Part B. Implementation</b>							
Conclusion of contractual agreement (no. AP HH)							
Payment of compensation price for assets (no. AP HH)							
Acquisition of land and other assets (no. AP HH)							
Provision of new plots for AHs (no.)							
Construction of new houses (no. and m <sup>2</sup> )							
Relocation of AHs to new house (no. and timing)							
Commencement of civil works and provision of preferential employment (no. of APs and days of work)							

194. In addition, the Audit Department of the MUB will independently audit and monitor the agencies involved in the LAR process, based on Law of Mongolia on State Audit. The PMO will periodically review audits, and report any irregularities to the ADB, to allow for the early identification and resolution of problems encountered.

195. The following are some of the internal monitoring key indicators:

- Number of displaced persons
- Number of information sessions and other consultation activities conducted with affected persons
- Status of land acquisition, compensation payment and entitlement delivery
- Status of income restoration activities and impact of these activities on displaced persons
- Provision of replacement land
- Number of and length of time taken to redress grievances.

## B. External Monitoring



196. External monitoring and evaluation will be conducted to provide independent concurrent and ex-post evaluation of the subproject's LAR activities. External monitoring will (i) assess the effectiveness, impact and sustainability of resettlement measures, (ii) determine whether safeguard compliance has been met, and (iii) learn strategic lessons for future policy formulation and planning. The ADB and PMO will be responsible for engaging an EMA with ADB financing.

197. External monitoring will be carried out semi-annually during LARP implementation and results reported to the PMO, MUB, LARC and ADB in semi-annual reports. The ADB LAR specialists, WG members will review and discuss the external monitoring design with the EMA. The external monitoring process will include the following: (i) review and verification of the internal monitoring reports and resettlement completion report of the PMO; (ii) identification and selection of impact indicators; (iii) impact assessment (e.g. restoration of incomes and living conditions) through quantitative and qualitative surveys; (iv) consultation with APs; (v) assessment of compliance with Mongolian legislation, the ADB SPS's IR policy requirements, LARF and LARP; (vi) recommendation of land acquisition process modification and adaptation measures; (vii) lessons learned for future resettlement policy formulation and planning; (viii) effectiveness of the GRM; and (ix) all data collection and analysis will be disaggregated by gender.

198. The following are some of the external monitoring key indicators:

- Economic status of affected households, including employment, income and household assets.
- Status of vulnerable persons, in terms of food security, household demographics, livelihoods and health in relation to project impacts.
- Impact of land acquisition on women, children, elderly, the poor and other vulnerable groups.
- Degree of support for and post land acquisition status of affected vulnerable and severely affected households.
- Perceptions of affected persons regarding the implementation of the land acquisition process.
- Impact on affected businesses (permanent and temporary)
- Participation and involvement of affected persons in LARP implementation.
- Effectiveness and fairness of valuation, compensation, assessment and disbursement measures.
- Implementation and effectiveness of income restoration measures.
- Effectiveness and fairness of GRM processes.
- Level of satisfaction among affected persons in the post-resettlement period.
- Adequacy of resettlement funds and results of financial audits.
- Performance of project implementing agencies (LARC, PMO, WG).

199. The EMA will carry out post-implementation evaluation on the basis of the socioeconomic tracer surveys 1 and 2 years after the completion of LAR activities in Bayankhoshuu – ger area redevelopment site to ascertain whether the subproject was able to implement the objectives and provisions of the LARP. If the objectives have not been achieved, the EMA will recommend remedial measures for follow up by the MUB and PMO.

## **ATTACHMENTS**

- Attachment 1.** Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site LAR drawing
- Attachment 2.** List of Affected Persons, their details
- Attachment 3.** MUB Governor’s Resolution on Establishment of LARPIC and WG
- Attachment 4.** The attendance sheets for AP consultation meetings held in Sep 2015
- Attachment 5.** Grievance Action Form
- Attachment 6.** Notary services and fees related to contracts
- Attachment 7.** Summary of appraisal of affected land and structures

Attachment 1. Bayankhoshuu sub-center sewer main collector pipes – ger area redevelopment site LAR drawing


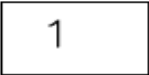
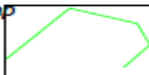


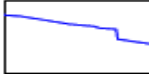

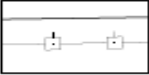



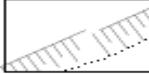
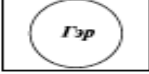



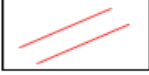

27-1

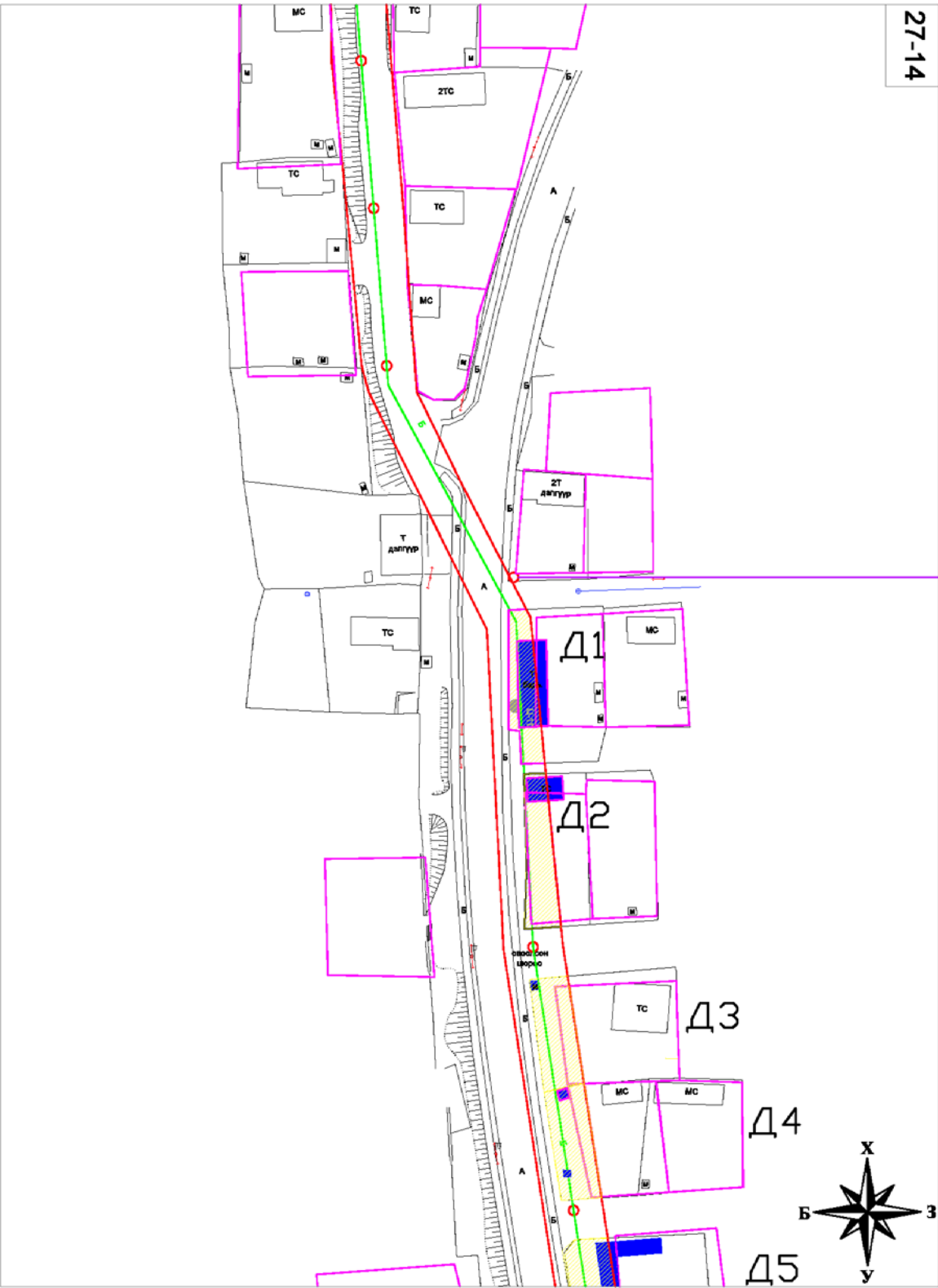
Баянхошуу дэд төвийн бохирын ус татан зайлуулах шугамын ГЧНШ-н зураг  
Bayankhoshuu sub-center sewer main collector LAR drawing

Масштаб: М1:1000

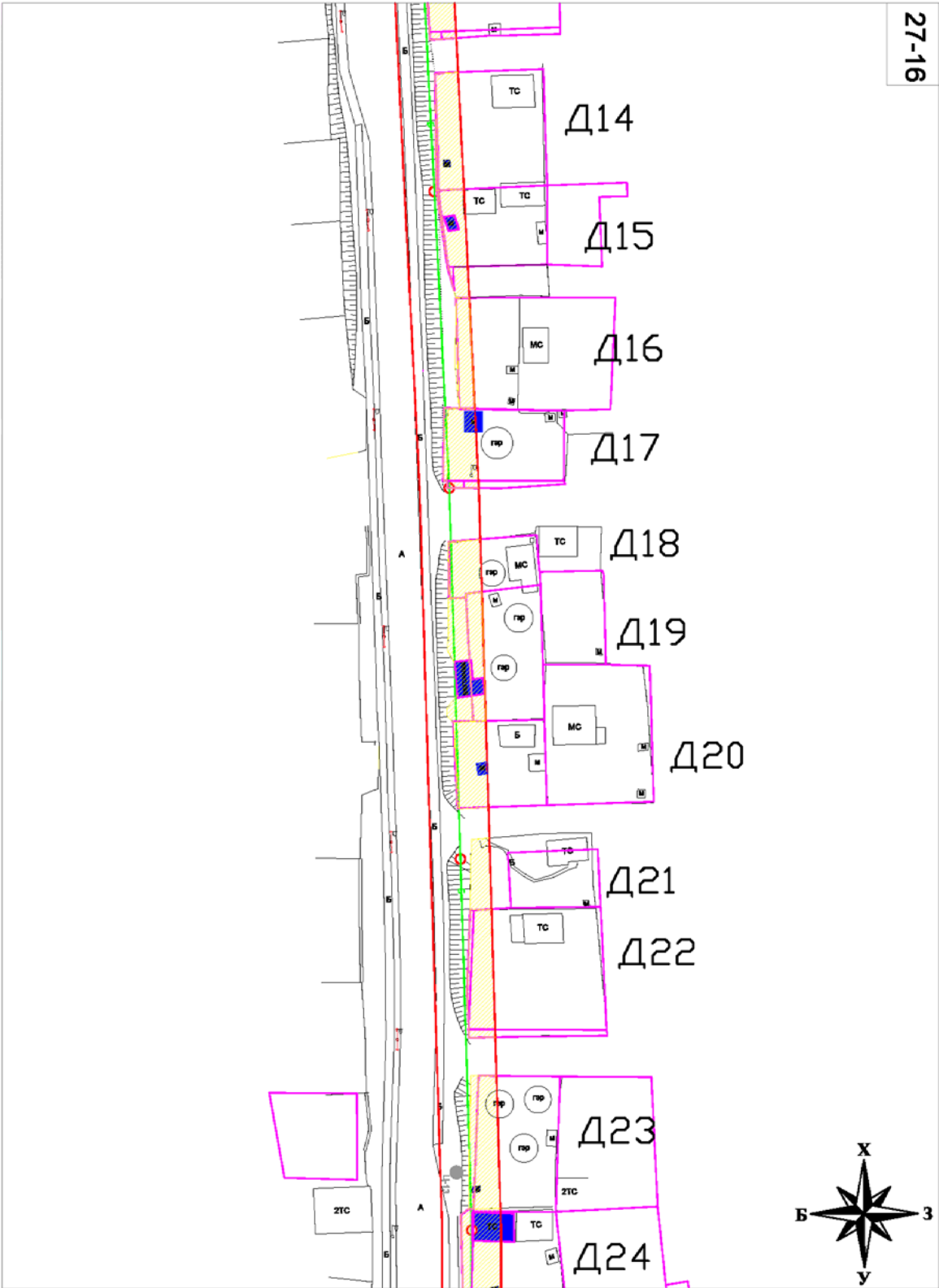
Scale: M1:1000

ТАНИХ ТЭМДЭГ  
LEGEND

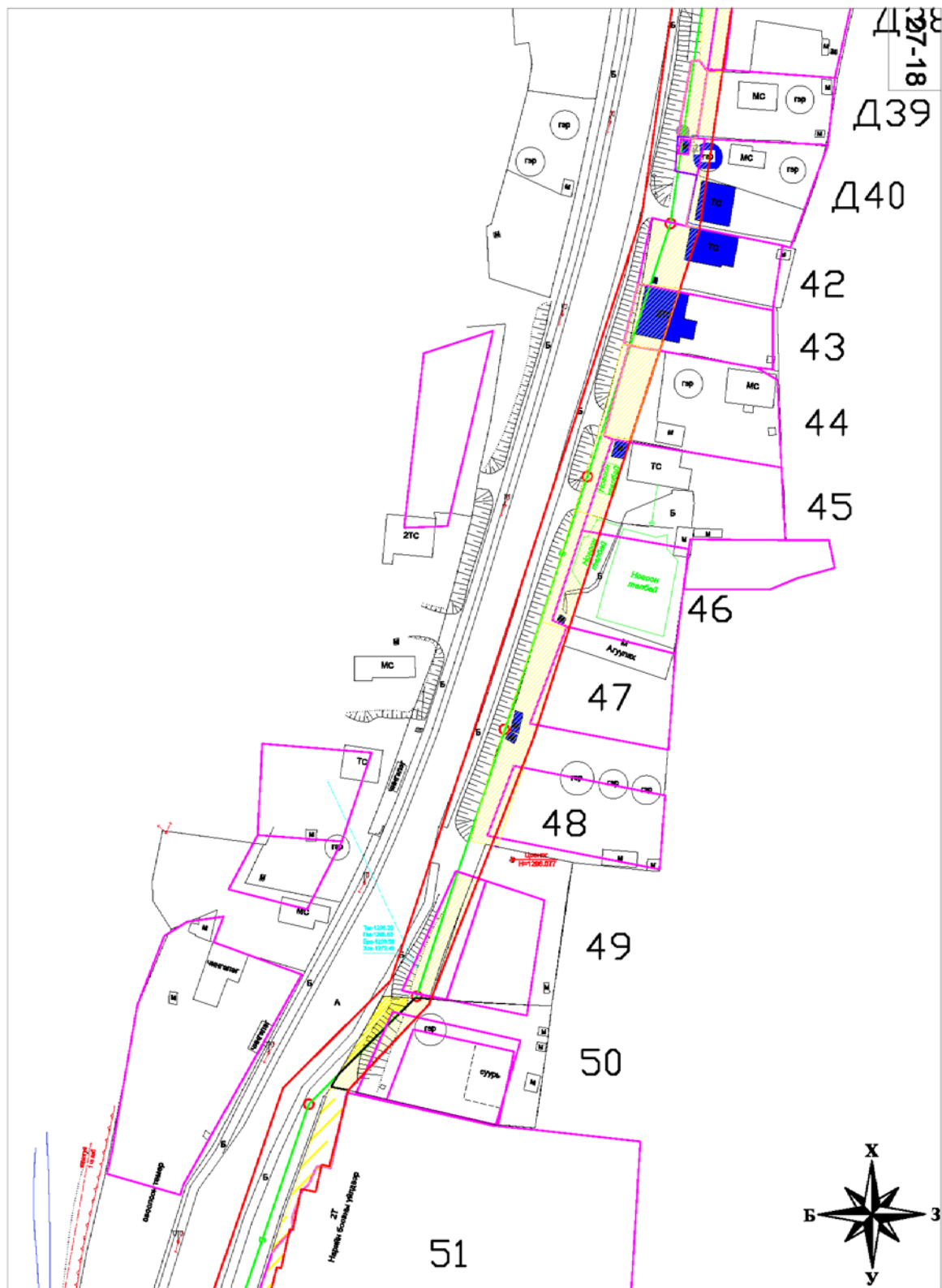
	Төлөвлөж буй бохирын шугам Planned sewer pipe		Нөлөөлөлд өртсөн газар болон барилгын дугаар Number of affected land area and house		Ногооны талбай Green area
	Байнгын нөлөөлөлд өртсөн нэгж талбар Permanent affected parcel		Бетон хашаа Concrete fence		Газар доорх цэвэр усны шугам Underground water supply pipeline
	Байнгын нөлөөлөлд өртсөн байшин Permanent affected house		Төмөр хашаа Metal fence		Цахилгааны шугам Electrical line
	Түр нөлөөлөлд өртсөн байшин Temporary affected house		Модон хашаа Wooden fence		Далан (ирмэг, ёроол) Embankment
	Гэр Ger		Авто зам Paved road		
	Барилга Building		Төмөр зам Railroad		
	Зурвас газар ROW		Бетон зам Concrete road		














### Attachment 2. List of Affected Persons, their details

No	AP ID	Surname	Name	ID No.	Land Parcel No.	Address	Land tenure type	Land use type
1	R01	Lodoikhuu	Batkishig	ЧО75112678	18635313323140	5-r khoroo,Bayangol 36 street 10 toot	ownership	residential
2	R02	Enkh-Amgalan	Delgermaa	᠋᠋᠋79101363	18635313320102	5-r khoroo,Bayangol 35 street 9a toot	ownership	residential
3	R03	Dogsom	Batzaya	ЧД76051010	18635313332067	5-r khoroo,Bayangol 35 street 10a toot	possession	residential
4	R04	Baldan	Terbish	НБ86112670	18635313333045	5-r khoroo,Bayangol 34 street,10a toot	use	residential
5	R05	Purevdorj	Radnaa		18635313364014	5-r khoroo,Bayangol 34 street,11a toot	ownership	residential
6	R06	Ravdan	Oyunbileg	Ц361012363	18635312342989	5-r khoroo,Bayangol 33 street,10a toot	ownership	residential
7	R07	Dashdeleg	Chuluuntsetseg	ЧБ58022368	18635312345958	5-r khoroo,Bayangol 33 street,11a toot	ownership	residential
8	R08	Tsogbadrakh	Battur	УП93032019	18635312360936	5-r khoroo,Bayangol 32street,11 toot	possession	residential/business
9	R09	Damdinsuren	Batkhuяag	НХ73032019	18635312359896	5-r khoroo,Bayangol 31street,11 toot	ownership	residential
10	R10	Banzragch	Tserenjamts	᠋᠋᠋55042018	18635312356859	5-r khoroo,Bayangol 30street,12 toot	ownership	residential
11	R11	Shar	Jambalsuren	ЗЖ75051312	18635312362827	5-r khoroo, Bayangol 30 street, 11toot	ownership	residential
12	R11-1	Myagmardorj	Munkhjargal	НЦ71053161		5-r khoroo, Bayangol 30 street, 11toot		residential
13	R12	Tumurbaatar	Munkhjargal	ЧД68102663	18635312359803	5-r khoroo,Bayangol 29 street,9 toot	ownership	residential/business
14	R13	Jamsran	Erdenekhuu	ЧБ63030817	18635312366774	5-r khoroo, Bayangol 28 street, 12toot	ownership	residential/business
15	R14	Taasam	Uranchimeg	ЧЙ60100804	18635312365746	5-r khoroo,Bayangol 27 street, 24a toot	ownership	residential
16	R15	Rentsendagva	Ariunaa	᠋᠋᠋75010607	18635312366726	5-r khoroo,Bayangol 27 street,25 toot	ownership	residential

No	AP ID	Surname	Name	ID No.	Land Parcel No.	Address	Land tenure	Land use type
17	R16	Chuluunbat	Erdenebayar	НЦ91123014	18635312375700	5-r khoroo,Bayangol 27 street,11b toot	possession	residential
18	R17	Ayurzana	Bayaraa	О975101778	18635312368681	5-r khoroo,Bayangol 27 street,11a toot	ownership	residential
19	R18	Davaa	Bat-Evlel	BB83052606	18635312367657	5-r khoroo,Bayangol 27 street,67b toot	ownership	residential
20	R19	Danzan	Ganbat	ÄË75061912	18635312369639	5-r khoroo,Bayangol 27 street,53 toot	possession	residential
21	R20	Oidov	Sumiya	AB68071305	18635312368617	5-r khoroo Bayangol 27 street,54 toot	ownership	residential
22	R21	Daram	Otgonbor	MX66021310	18635312379594	5-r khoroo Bayangol 27 street,59 toot	ownership	residential
23	R22	Nyam-Ochir	Doljinsuren	ЧA57120518	18635312375576	5-r khoroo Bayangol 27 street, 60 toot	possession	residential
24	R23	Chalkhaajav	Galmandakh	Âp91110517	18635312371540	5-r khoroo Bayangol 26 street, 25 toot	possession	residential
25	R24	Khuvtsagaan	Togookhuu	×À64100511	18635312371518	5-r khoroo Bayangol 26 street, 26 toot	ownership	residential
26	R25	Suriya	Doljinsuren	M370010900	18635312372499	5-r khoroo,Bayangol 26 street, 27toot	ownership	residential
27	R26	Avirmed	Enkhbaatar	НД63042577	18635312375481	5-r khoroo,Bayangol 26 street, 14a toot	ownership	residential
28	R27	Tsegmed	Dambajantsan	Ч341032114	18635312376465	5-r khoroo,Bayangol 26 street, 14b toot	possession	residential
29	R28	Sharavdorj	Tuul	ХЛ68060205	18635312375443	5-r khoroo,Bayangol 26 street,13 toot	ownership	residential
30	R29	Shar	Nyamjav	X370090168	18635312375425	5-r khoroo,Bayangol 26 street,13a toot	ownership	business
31	R30	Mijee	Jantsan	Â072033114	18635312377410	5-r khoroo,Bayangol 26 street,12 toot	ownership	residential/business
32	R30-1	Dima	Ganbaatar			5-r khoroo,Bayangol 26 street,12 toot		residential/business
33	R31	Delgerdalai	Erdenebat	ΠЮ80090817	18635312378393	5-r khoroo,Bayangol 26 street, 11 toot	ownership	residential
34	R32	Banzragch	Khasbaatar	ΠМ55050817	18635312379376	5-r khoroo,Bayangol 26 street,10 toot	ownership	residential
35	R33	Sanjaajamts	Enkhbaatar	УΠ92101011	18635312381359	5-r khoroo,Bayangol 26 street,9a toot	ownership	residential

No	AP ID	Surname	Name	ID No.	Land Parcel No.	Address	Land tenure	Land use type
36	R34	Tunj	Byambaa	ПМ54102100	18635312382342	5-r khoroo,Bayangol 26 street,9 toot	ownership	residential
37	R35	Gombodorj	Munkhbat	ᠳᠠ66031711	18635312382326	5-r khoroo,Bayangol 26 street,8 toot	ownership	residential
38	R36	Munkhbat	Chinbat	ЧЙ83632613	18635312383308	5-r khoroo,Bayangol 26 street,7toot	possession	residential
39	R37	Davaasuren	Oyungerel	ЦД63041185	18635312382288	5-r khoroo,Bayangol 26 street,6 toot	ownership	residential
40	R38	Tsevelmaa	Munkhbat	УХ64110618	18635312376261	5-r khoroo,Bayangol 26 street,5toot	ownership	residential
41	R39	Genden	Tuvshinbayar	ЧА71032812	18635312370241	5-r khoroo,Bayangol 26 street,4toot	ownership	residential
42	R40	Gombojav	Tsetsgee	ÓÊ66032805	18635312368224	5-r khoroo,Bayangol 26 street,3toot	ownership	residential

Attachment 3. MUB Governor's Resolution on Establishment of LARC and WG

  
**НИЙСЛЭЛИЙН ЗАСАГ ДАРГЫН  
ЗАХИРАМЖ**

2015 оны 03 сарын 06 өдөр  
Дугаар А/175  
Улаанбаатар хот

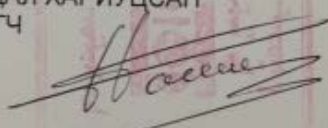
Нүүлгэн шилжүүлэлтийн  
төлөвлөгөөг хэрэгжүүлэх Хороо,  
ажлын хэсэг байгуулах тухай

Монгол Улсын Засаг захиргаа, нутаг дэвсгэрийн нэгж, түүний удирдлагын тухай хуулийн 29.1.4 "а", 29.2 дахь хэсгийг үндэслэн ЗАХИРАМЖЛАХ нь:

1. Азийн хөгжлийн банкны МОН 3098 зээл/3099-МОН (тусгайлсан) болон МОН 0380 Буцалтгүй тусламжийн хүрээнд хэрэгжүүлж буй "Улаанбаатар хотын гэр хорооллыг хөгжүүлэх, хөрөнгө оруулалтыг дэмжих хөтөлбөр"-ийн зээлийн 1 дүгээр үе шатанд хэрэгжүүлэх "Сэлбэ, Баянхошуу дэд төвийн ариутгах татуургын шугам"-ын газар чөлөөлөх, нүүлгэн шилжүүлэх ажлын төлөвлөгөөний хэрэгжилтийг удирдан зохион байгуулах Хорооны бүрэлдэхүүнийг 1 дүгээр хавсралтаар, Чингэлтэй, Сонгинохайрхан дүүрэгт Газар чөлөөлөх, нүүлгэн шилжүүлэх төлөвлөгөөг хэрэгжүүлэх Ажлын хэсгийн бүрэлдэхүүнийг 2 дугаар хавсралтаар байгуулсугай.

2. Захирамжийн хэрэгжилтэд хяналт тавьж, Нийслэлийн удирдлагын зөвлөлд танилцуулж ажиллахыг Нийслэлийн Засаг даргын Хот байгуулалт, хөрөнгө оруулалт хариуцсан орлогч /С.Очирбат/-д даалгасугай.

НИЙСЛЭЛИЙН ЗАСАГ ДАРГЫН  
САНХҮҮ, ЭДИЙН ЗАСГИЙН  
АСУУДАЛ ХАРИУЦСАН  
ОРЛОГЧ



Н.БАТАА

111020000650

Нийслэлийн Засаг даргын 2015 оны  
03 дугаар сарын 06-ны өдрийн  
1/118 дугаар захирамжийн 1 дүгээр  
хавсралт

ГАЗАР ЧӨЛӨӨЛӨЛТ, НҮҮЛГЭН  
ШИЛЖҮҮЛЭЛТИЙН ХОРОО

Дарга	Нийслэлийн Засаг даргын хот байгуулалт, хөрөнгө оруулалт хариуцсан орлогч
Нарийн бичгийн дарга	"Улаанбаатар хотын Гэр хорооллыг хөгжүүлэх, хөрөнгө оруулалтыг дэмжих хөтөлбөр" төслийн нэгжийн Нүүлгэн шилжүүлэлтийн мэргэжилтэн
Гишүүд	Чингэлтэй дүүргийн Засаг дарга  Сонгинохайрхан дүүргийн Засаг дарга Нийслэлийн Өмчийн харилцааны газрын дарга  Нийслэлийн Авто замын газрын дарга  Нийслэлийн Гэр хорооллын хөгжлийн газрын дарга  Ус сувгийн удирдах газрын дарга  "Гэр хорооллыг орон сууцжуулах төсөл" НӨҮГ-ын дарга  Чингэлтэй дүүргийн Бүртгэлийн хэлтсийн дарга Сонгинохайрхан дүүргийн Бүртгэлийн хэлтсийн дарга  Чингэлтэй дүүргийн Нийгмийн халамж, үйлчилгээний хэлтсийн дарга  Сонгинохайрхан дүүргийн Нийгмийн халамж, үйлчилгээний хэлтсийн дарга  Холбогдох хороодын Засаг дарга нар  Нөлөөлөлд өртсөн иргэдийн төлөөлөгчид (дүүрэг тус бүрээс 1 хүн)

Нийслэлийн Засаг даргын 2015 оны  
03 дугаар сарын 06-ны өдрийн  
А/125 дугаар захирамжийн 2 дугаар  
хавсралт

ГАЗАР ЧӨЛӨӨЛӨЛТ, НҮҮЛГЭН ШИЛЖҮҮЛЭЛТИЙН  
ТӨЛӨВЛӨГӨӨГ ХЭРЭГЖҮҮЛЭХ АЖЛЫН ХЭСЭГ

Дарга: Нийслэлийн Өмчийн харилцааны газрын Газар  
чөлөөлөх хэлтсийн дарга

Гишүүд: Нийслэлийн Өмчийн харилцааны газрын Газар  
чөлөөлөх хэлтсийн мэргэжилтэн

Сонгинохайрхан дүүргийн Бүртгэлийн хэлтсийн  
мэргэжилтэн

Чингэлтэй дүүргийн Бүртгэлийн хэлтсийн  
мэргэжилтэн

Сонгинохайрхан дүүргийн Өмч,газрын харилцааны  
албаны мэргэжилтэн

Чингэлтэй дүүргийн Өмч,газрын харилцааны албаны  
мэргэжилтэн

Холбогдох хороодын нийгмийн ажилтнууд

Холбогдох хороодын хэсгийн ахлагч нар

## **ORDER OF THE GOVERNOR OF THE CAPITAL CITY**

March 6, 2015

Ulaanbaatar

No. A/175

To establish resettlement plan implementation committee and working group

Based on the article 29.1.4 “a” and 29.2 of the Law on Mongolian Administrative and Territorial Unit and Its Administration, it is ordered that:

1. Establish the Land Acquisition and Resettlement Committee to manage and organize implementation of the land acquisition and resettlement plan of the “Selbe and Bayankhoshuu Subcenters sewer main collector pipes” to be implemented within the first tranche of the “Ulaanbaatar Urban Services and Ger Area Development Investment Program”, which is being implemented within the Asian Development Bank loan MON 3098/3099-MON (special) and MON 0380 technical assistance, as per Attachment 1; and establish Working Groups in Chingeltei and Songinokhairkhan Districts to implement land acquisition and resettlement plan as per Attachment 2.

2. The Deputy Governor in charge of Urban Development and Investment /S. Ochirbat/ shall oversee the implementation of this order and present the progress to the Management Council of the Capital city.

DEPUTY GOVERNOR IN CHARGE  
OF FINANCE AND ECONOMY

N. BATAA

LAND ACQUISITION AND RESETTLEMENT COMMITTEE

Chairman	Deputy Governor in charge of Urban Development and Investment
Secretary	Resettlement specialist of “Ulaanbaatar Urban Services and Ger Area Development Investment Program”
Members	Governor of Chingeltei District
	Governor of Songinokhairkhan District
	Head of Property Relations Department of UB city
	Head of Road Department of UB city
	Head of Ger Area Development Agency of UB city
	Head of Water Supply and Sewerage Authority
	Director of “Ger area housing project”, UB city owned enterprise
	Head of Registration Division of Chingeltei District
	Head of Registration Division of Songinokhairkhan District
	Head of Social welfare and services division of Chingeltei District
	Head of Social welfare and services division of Songinokhairkhan District
	Governors of the respective khoroos
	Representatives of the affected persons (1 person from each district)



LAND ACQUISITION AND RESETTLEMENT WORKING GROUP

Chairman: Head of Land Acquisition Division of the Property Relations  
Department of UB city

Members: Specialist of the Land Acquisition Division of the Property  
Relations Department of UB city

Specialist of the Registration Division of Songinokhairkhan  
District

Specialist of the Registration Division of Chingeltei District

Specialist of the Property and Land Relations Division of  
Songinokhairkhan District

Specialist of the Property and Land Relations Division of  
Chingeltei District

Social workers of the respective khorooos

Heads of the kheseqs of respective khorooos

**Attachment 4. The attendance sheet for AP consultation meeting held in September 2015**

**ULAANBAATAR URBAN SERVICES AND GER AREAS  
DEVELOPMENT INVESTMENT PROGRAM**

Bayankhoshuu sub-center sewer main collector pipes subproject – ger area redevelopment site

**ATTENDANCE SHEET FOR INFORMATION DISCLOSURE AND CONSULTATION**

**Venue:** GD LLC Khanyin Material local office in the 5<sup>th</sup> khoroo of Bayankhoshuu district

**Date:** September 12, 2015

**No. Name Address Telephone Signature**

УЛААНБААТАР ХОТЫН ГЭР ХОРООЛЛЫГ ХӨГЖҮҮЛЭХ,  
ХӨРӨНГӨ ОРУУЛАЛТЫГ ДЭМЖИХ ХӨТӨЛБӨР  
Баянхөшуу дэд төвийн ариутгах татуургын шугамын зураг төсөл дэд төсөл  
МЭДЭЭЛЭЛ ӨГӨХ, ЗӨВЛӨЛДӨХ УУЛЗАЛТЫН БҮРТГЭЛИЙН ХУУДАС

Уулзалт зохион байгуулах газар: СХД дүүргийн 5-р хорооны ЖИДИ ХХК-ийн Хангын материал дахь оффис  
Он, сар, өдөр: 2015 оны 9 дугаар сарын 12-ны өдөр 12цагт болно.

№	Овог, нэр	Хаяг	Утасны дугаар	Гарын үсэг
1	Э.Дэлгэрмаа	61-35-1567 61-35-9a	95721010	
2	Т.Гандулам	61-35-10a 1054090562 488304194	99071286	
3	Д.Чулуунцацэг	61-33-11a 466021167	96021377	
4	Ш.Жамбалсүрэн	82-70-1362 61-30-11	96623341	
5	О.Отгонбаяр <i>Зарсан</i>	46575020174 88305206 61-27-675	91004049 91770649	
6	О.Сумъяа	4819071504 61-27-84	99703691	
7	Ч.Галмандах			
8	С.Должинсүрэн	61-26-27 24370010900	90959645	
9	А.Энхбаатар	61-26-11a 4863082522	91677768	
10	Ш.Туул	61-26-13 46-67060205	99117214	
11	Ш.Нямжав	61-26-13a 4370030168	96654446	
12	Б.Уранцацэг			
13	Б.Хасбаатар			
14	Г.Мөнхбат	61-26-5 460110678	99980807	
15	Ц.Мөнхбат	61-26-5 460110678	99980801 98116307 98116307	
16	Г.Завиисрэн Г.Завиисрэн	61-34-11 1366010134	99160465	
17	С.Завиисрэн			
18	Д.Завиисрэн			
19	У.Урхимсүрэн	4860100804	93049674 88689988	

## Attachment 5. Grievance Action Form

### ULAANBAATAR URBAN SERVICES AND GER AREAS DEVELOPMENT INVESTMENT PROGRAM

#### GREAVANCE ACTION FORM

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Date: \_\_\_\_\_

District: \_\_\_\_\_

Name and position of recipient: \_\_\_\_\_

Category of grievance (to be filled by recipient):

<input type="checkbox"/> Legal	<input type="checkbox"/> Financial	<input type="checkbox"/> Administrative, related to an official
<input type="checkbox"/> Technical	<input type="checkbox"/> Social	<input type="checkbox"/> Other

Item	Description	Name, position and signature of person(s) responsible:
Grievance		AP:
		Date:
		Recipient:
		Date:
Resolution		Officer in charge:
		Date:
Action taken		Officer in charge:
		Date:
Follow up		Officer in charge:
		Date:
Comments, observations		Officer in charge:
		Date:

## Attachment 6. Notary services and fees related to contracts

The type of services and fees below were approved by the Resolution No. 123 of the Minister for Justice and Internal Affairs in 2011.

Type of Notary Service		Service Fees
<b>1. Contracts with undefined contract value</b>	Company right, land possession and use rights, mineral resource exploration and exploitation license	10,000
	Other rights /intellectual property right, contracts on guarantee, warranty etc./	8,000
<b>2. Contracts for property rent</b>		8,000
<b>3. Contracts with defined value, payment:</b>		
3.1 Contract with value up to 1million		0.5% of the contract value
3.2 Contract with value more than 1 mission, as per the following rates:		
3.2.1. 1,000,001 – 10,000,000		10,000
3.2.2. 10,000,001 – 25,000,000		25,000
3.2.3. 25,000 001 – 100 000 000		50,000
3.2.4. 100,000,001 – 300,000,000		100,000
3.2.5. 300,000,001 – 500,000,000		200,000
3.2.6. more than 500,000,001		300,000
<b>4. Additions, changes, prolongation and cancellation of contract and legal entity establishment document</b>		3,000
<b>5. Inheritance, testament, protection of inheritance property, family members joint and individual ownership matters.</b>		1% of the value

## **Attachment 7. Summary of appraisal of affected land and structures**

The following are the summary of the appraisal of land and structures that was carried out by the professional certified property appraiser with special permission from the Minister for Finance, together with his assistant. The copy of complete appraisal report can be obtained from the PMO by contacting Ms. N. Bolormaa, Resettlement Specialist, tel. 7000 3098, address: Ulaanbaatar Urban Services and Ger Area Development Investment Program, #415, Central Cultural Building, Sukhbaatar District, 8<sup>th</sup> khoroo, Baga toiruu 1, Amar street 2, Ulaanbaatar.

### **Valuation of land ownership and possession rights using “Market sales price comparison method”**

For the valuation of the land ownership and possession rights, the market sales prices of land parcels, in the vicinity of the affected land parcels, with ownership and possession rights used of residential, production and services (business) purposes, were studied. Based on these comparative market sales prices the value of land was determined using market sales price comparison method.

The cost and income methods for the valuation of the land ownership and possession rights were not used, because information related to the income generated by the land, income capitalization percentage, costs for acquiring the land etc. cannot be collected sufficiently and as there are no sufficient information to be used for the required estimation.

Also, during the last years in Ulaanbaatar, the selling and buying of land possession and use rights are becoming common among the business entities as the availability of land, which are close to the public infrastructure, is decreasing. The costs for acquiring land possession rights can be considered for the market sales price comparison method used in this valuation.

When conducting the valuation of the real property (land possession right) the prices of sold or expected to be sold real properties with similar size and location were studied. The factors such as location, ownership right, negotiation, finance and physical condition of the property, were determined and required adjustments were made.

For the study of comparative property prices, the websites of the real property sales agents and weekly advertisement newspapers etc. were used as sources for information.

The following four sales prices of properties, sold or expected to be sold properties, in the vicinity of the land parcels being valuated and close to the valuation date (from 1 April – 31 July 2015), were selected as comparative prices.

These selected price information are the most suitable information for determining the current and realistic prices and which need minimum adjustment factors.

Table 1: Study of land ownership and possession rights prices

No.	Location	Size		Source, telephone	Date	Total price
		Land	Structures			
1	Songinokhairkhan district, 5 <sup>th</sup> khoroo, in the west of Khangai market, 100m from the main road	700m <sup>2</sup>	House 10x10m, log/timber house	<a href="http://zar.barilga.mn/ads.php/zar/show/17609#.VZs-YhtViko">http://zar.barilga.mn/ads.php/zar/show/17609#.VZs-YhtViko</a> 95880025	2015.05.26	80,000,000
2	Songinokhairkhan district, 5 <sup>th</sup> khoroo, Bayangol street,	298m <sup>2</sup>	198 m <sup>2</sup> , 11 room rent house, start of use from 2013,	<a href="http://unegui.mn/advs/view/4550985/Niitiin-bairtai-hashaa-baishin-zarna">http://unegui.mn/advs/view/4550985/Niitiin-bairtai-hashaa-baishin-zarna</a> 94843355	2015.07.06	140,000,000
3	Songinokhairkhan district, 5 <sup>th</sup> khoroo, Bayangol 27 <sup>th</sup> street, along main road, located on site of ger area redevelopment, close to water station, shop	400m <sup>2</sup>	5x7m log/timber house	<a href="https://www.facebook.com/OrganicUrguu/posts/522335521250539">https://www.facebook.com/OrganicUrguu/posts/522335521250539</a> 91929000 76028094	2015.06.04	40,000,000
4	Songinokhairkhan district, 5 <sup>th</sup> khoroo, located along the new road from the District office, close to the water station and bus station, and to the shops	600 m <sup>2</sup>	6x7m log/timber house	<a href="http://www.shuurkhaizar.mn/z/i/15363.html">http://www.shuurkhaizar.mn/z/i/15363.html</a> 89404242 99733717	2015.07.01	50,000,000

These reference prices were checked using interviewing methods and the residual reference market value of unit of land will be as follows:

Table 2: Calculation of the unit price of land, residual method

No	Location	Size of structure m <sup>2</sup>	Unit price budget method	Costs of the structure	Residual land value	Size of land, m <sup>2</sup>	Unit Price land, m <sup>2</sup>
1	Songinokhairkhan district, 5 <sup>th</sup> khoroo, in the west of Khangai market, 100m from the main road	100	513,500	46,215,200	33,785,800	700	48,624
2	Songinokhairkhan district, 5 <sup>th</sup> khoroo, Bayangol street,	198	513,500	101,673,200	38,327,000	298	128,614
3	Songinokhairkhan district, 5 <sup>th</sup> khoroo, Bayangol 27 <sup>th</sup> street, along main road, located on site of ger area redevelopment, close to water station, shop	35	513,500	16,175,250	23,824,750	400	59,662
4	Songinokhairkhan district, 5 <sup>th</sup> khoroo, located along the new road from the District office, close to the water station and bus station, and to the shops	42	513,500	19,410,300	30,589,700	600	50,982
<b>Average price</b>							<b>71,946</b>

For determining the land value using residual land value method, first the value of land improvements, i.e. the buildings, on the land were valued using the cost methods. The buildings budgeted cost per unit,  $m^2$ , was calculated by using the “Rules for using building’s budgeted unit cost and budget reference valuation” as a guiding document, which was approved by the resolution 29, dated 1 Feb 2011, of the Minister for road, transportation, construction and urban development. The budgeted cost of houses with log walls with brick facade and with insulation was calculated as MNT 513,000 per  $m^2$ . The value of the total land area was calculated by deducting the value of the building from the total price. Then this total value of the land was divided by the land area to obtain the reference market price of land per  $m^2$ .

As can be seen from the table 2 above, the market price of the  $1m^2$  reference land parcels is between 48,624 to 128,614. The reference value of the land parcels is very different. This shows that the land value is dependent on the improvements on it. The average value of land on the territory of 5th khoroo of Songinokhairkhan district (redevelopment site) thus can be set as MNT 71,946. However, our studies show that there is not enough reference market sales prices in the affected area, affected households from D1 to D40, close to the redevelopment site of the project area. This is due to the fact that the land transactions are slowed down in the redevelopment areas. Thus, in order to determine the reference market rate, the compensation rate of redevelopment companies were studied. In the 5th khoroo of Songinokhairkhan district (Bayangol area), the redevelopment company provides MNT 65,000 to 80,000 per  $m^2$  of land and this is based on the soil analysis results (the area is swampy and wet area).

Therefore, the market rate per  $m^2$  of the affected land in the 5<sup>th</sup> khoroo of Songinokhairkhan district (affected households from D1 to D40) was determined at the rate of MNT 80,000 per  $m^2$ .

### **Determination and valuation of land improvements (buildings and other real properties)**

There are 14 different types of land improvements in the affected land parcels. The total number of objects is 164. The following table shows the types of objects and their numbers.

Table 3: Type and quantity of objects being valued

#	Type of loss		Unit	# of units	No. of affected objects	APs
1	Fence	Wood	$m^3$	67.9	35	R01, R02, R03, R04, R05, R06, R08, R09, R10, R11, R12, R13, R14, R15, R16, R17, R20, R21, R22, R23, R24, R25, R26, R27, R28, R30, R31, R32, R37, R38, R39, R18, R20, R38, R35, R36, R40
		Iron	kg	163.6	1	R08
		Block	pc	1,343.0	5	R01, R02, R07, R35, R40



		Wooden pole	pc	261.0	38	R01, R02, R03, R04, R05, R06, R08, R09, R10, R11, R12, R13, R14, R15, R16, R17, R20, R21, R22, R23, R24, R25, R26, R27, R28, R30, R31, R32, R37, R38, R39, R18, R20, R38 R35, R36, R40
		Cement foundation	m³	15.3	5	R1,R1, R2,R7, R36
		Iron gate 1	set	3.0	3	R3, R7, R26
		Iron gate 2	set	9.0	14	R6, R21, R25, R27, R30, R33, R36, R38
		Iron gate 3	set	2.0	2	R16, R35
		Brick	m³	4.7	3	R1,R6, R8
2	Building	Residential	m²	347.3	8	R2, R17, R24, R27, R29, R33, R34, R35
		Entrance part	m²	23.0	3	R2, R34, R35, R36
		Garage block	m²	85.8	4	R26, R29, R40
		Garage brick	m²	55.9	1	R29
		Unfinished	m²	127.5	1	R1
		Shop	m²	127.6	2	R8, R29
3	Ger relocation		pc	4.0	2	R20, R33
4	Wooden shed		pc	9.0	10	R4, R10, R15, R20, R25, R28, R28, R32, R40
5	Wooden latrine		pc	12.0	12	R2, R3, R4, R5, R11, R12, R13, R14, R15, R18.19, R23, R30
6	Block latrine		pc	1.0	1	R11
7	Wooden pole-lights		pc	4.0	4	R33
8	Waste water ditch		m³	16.0	1	R4
9	Concrete ring		m³	2.0	2	R29
10	Iron pole for solar energy		pc	1.0	1	R17
11	Iron sheet structure (Төмөр вагончик)		pc	1.0	1	R5
12	Relocation of a structure		pc	2.0	2	R20
13	Container		pc	1.0	1	R5
14	Container		pc	2.0	2	R5
Total					164	

The measurement of these 164 objects was carried out by the property appraisers individually on site and the make, structures, size and quantities were determined.

#### Full replacement cost calculation

Full replacement cost of the affected properties were calculated. In determining the full replacement cost, the make, structure, quantity and size of the properties were determined by physical measurements and studies. Then cost method, based on the market prices, was used to determine the full replacement cost per unit of the property. The full replacement costs were calculated as follows:

Table 4: Full replacement cost per unit of properties

No.	Type of loss		Unit	Unit price (MNT)	Explanation to unit cost estimation
1	Fence	Wooden	m3	312,500	The price for 1m3 of plank with 2.5 cm width at Khangai and Tsaiz markets is MNT 230,000. Transportation cost, Porter car (commonly used cars to transport construction materials), is MNT 30,000, labor cost – construction assistant workers wage is 30,000 a day and 1.75 person/day rate is used. This includes the costs for taking down and re-building.
		Concrete foundation	m3	155,500	The cost of 1m3 concrete mix m100 mark costs MNT126,000, including the transportation costs. The labor costs for cement molding is MNT29,500
		Iron	kg	2,518	1 ton iron materials cost MNT 1,250,000 or 1 kg is MNT1,250. The labor cost is calculated as 52% of the materials costs and the income of the contractor is 95% of the labor cost.
		Block	pc	1,611	Block with holes for fences is MNT1,200 per piece. Labor cost is MNT 20,000 per 1m3, as per information from <a href="http://www.barilga.mn">www.barilga.mn</a> , a site for prices and rates for construction works and materials. Other materials and transportation costs were calculated as 28% of the labor cost.
		Wooden pole	pc	8,000	1 piece of wooden pole of 2-2.8 meters is MNT 5,000. The labor and transportation cost is calculated from the construction workers daily wage of MNT 30,000
		Brick	m3	268,668	A piece of brick is MNT 200 or 1m3 is 580 pieces. For labor cost, taking down and re-building of 1m3 is MNT 35,000. The transportation cost is MNT30,000. The cost of equipment/machinery and other materials is calculated as 24.4%.
2	Iron gate	Iron gate type 1	set	500,000	2mm metal sheet 5 pieces x MNT 50,000, metal materials 50mm with 10m long x MNT 8,500, pole 4 m x 2 pieces x MNT14,500, transportation cost MNT 30,000, paint and other materials 29,000, labor cost MNT 90,000
		Iron gate type 2	set	350,000	2x1 meter metal sheet – 4 pieces and per sheet the cost is MNT 28,000, frame plank – 8 pieces x MNT 10,000, transportation cost 30,000, timber pole 2 pieces x MNT 25,000, labor cost MNT 60,000, paint and other materials 18,000

No.	Type of loss	Unit	Unit price (MNT)	Explanation to unit cost estimation
	Iron gate type 3	set	50,500	Metal sheet 1 piece x MNT 28,000, pole 1 piece MNT 12,500, labor cost MNT 10,000
3	Wooden shed/small structure	m3	250,000	The price for 1m3 of plank with 2.5 cm width at Khangai and Tsaiz markets is MNT 190,000. Transportation cost, Porter car (commonly used cars to transport construction materials), is MNT 30,000, labor cost – construction assistant workers wage is 30,000 a day and 1.75 person/day rate is used. This includes the costs for taking down and re-building.
5	Brick buildings/houses main part	m2	550,026	The cost for unit of brick structure based on the resolution 29 of the Minister for road, transportation, construction and urban development is MNT 550,026. Adjustments considering the price increase, heating, make and size were made.
	Brick building's entrance	m2	274,635	The cost for unit of wooden structure based on the resolution 29 of the Minister for road, transportation, construction and urban development is MNT 500,700. Adjustments considering the price increase, heating, make and size were made.
6	Ger relocation	pc	250,000	This is the market reference price of moving companies
7	Wooden latrine	pc	221,995	Labor cost for 6m3 earth work x MNT 15,000, wooden structure 0.42m3 is MNT 131,995
8	Block latrine	pc	451,708	The cost for unit of wooden structure based on the resolution 29 of the Minister for road, transportation, construction and urban development is MNT 500,700. Adjustments considering the price increase, make and size were made.
9	Waste water ditch	m3	10,000	Calculated based the rates for earth work
10	Garage block	m3	274,634	The cost for unit of wooden structure based on the resolution 29 of the Minister for road, transportation, construction and urban development is MNT 500,700. Adjustments considering the price increase, heating, make and size were made.
11	Garage brick	m3	550,026	The cost for unit of brick structure based on the resolution 29 of the Minister for road, transportation, construction and urban development is MNT 550,026. Adjustments considering the price increase, heating, make and size were made.
12	Relocation of structures	pc	500,000	The rate from transportation company for cars with load capacity of 2-3.5 tons
13	Container	pc	400,000	Crane MNT 300,000 and truck MNT100,000
14	Container	pc	500,000	Crane MNT 300,000 and truck MNT200,000

When calculating the full replacement cost the price of wooden materials were calculated based on the average prices at the Tsaiz and Khangai markets, costs of metal materials based on the prices of Ulaanbaatar Management LLC and Gan Khiits LLC. Also, these prices were double checked with the prices at [www.barilga.mn](http://www.barilga.mn) website, which provides that studies of construction materials frequently.

The labor costs for construction works and other required works were determined by interviewing contractors that provides similar works and were compared with existing construction norms and standards documents.

The full replacement costs calculated above are based on market prices to re-build the objects of the valuation and the depreciation of the objects were not deducted and therefore, it can be considered that the full replacement cost will be higher than the market prices of the objects.