

Resettlement Plan

June 2015

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

Prepared by Municipality of Ulaanbaatar for the Asian Development Bank. This is an updated version of the draft originally posted in August 2013 available on <http://www.adb.org/projects/documents/ulaanbaatar-urban-services-and-ger-areas-development-investment-selbe-rp>

CURRENCY EQUIVALENTS

(as of 21 April 2015)

Currency unit	–	togrog (MNT)
MNT1.00	=	\$0.00050765
\$1.00	=	MNT1,969.85

ABBREVIATIONS

ADB	–	Asian Development Bank
AH	–	affected household
ALAGaC	–	Administration of Land Affairs, Geodesy, and Cartography
AP	–	affected person
BIC	–	Business Incubator Center
CAP	–	community action plan
CDC	–	Community Development Council
CHD	–	Chingeltei District
DMS	–	detailed measurement survey
DPLRO	–	District Property and Land Relations Office
EMA	–	External Monitoring Agency
GAF	–	grievance action form
GASR	–	General Authority for State Registration
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.

This updated resettlement plan 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. Your attention is directed to the "terms of use" section of this website.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

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 Selbe sub-center sewer main collector pipes

June 2015

Resettlement Planning Document

Land Acquisition and Resettlement Plan for Selbe Sub-center Sewer Main Collector Pipes

Document Stage: Final

Project Number: MON 7970

June 2015

Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program

Prepared by the Municipality of Ulaanbaatar, Mongolia.

The Land Acquisition and Resettlement Plan for Selbe 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.



TO ARNAUD HECKMANN
URBAN DEVELOPMENT
SPECIALIST, ADB

MAYOR OF ULAANBAATAR

15160 Great Chinggis khaan's square 7,
Chingeltei district, Ulaanbaatar, MONGOLIA
Tel: (976-11) 32-16-95

Date 14.08.2015
Ref. 01./2563

Re: Land acquisition and resettlement plan

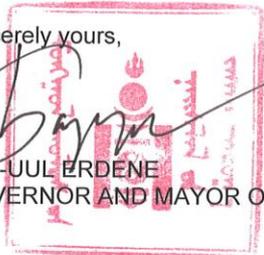
Ulaanbaatar, the capital city of Mongolia, has obtained financial assistance from the Asian Development Bank (ADB) within the Ulaanbaatar Urban Services and Ger Areas Development Investment Program (USGDIP) and has planned to build the Selbe sub-center sewer main collector pipes in 2015 according to the activities of the USGDIP.

Therefore, the Land Acquisition and Resettlement Plan (LARP) for the Selbe sub-center sewer main collector pipes is prepared in accordance with the applicable legislation of Mongolia, 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, business entities 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, business entities and organizations whose land will be acquired.

Sincerely yours,

BAT-UUL ERDENE
GOVERNOR AND MAYOR OF ULAANBAATAR

111020000175



МОНГОЛ УЛС
НИЙСЛЭЛИЙН ЗАСАГ ДАРГА

15160 Улаанбаатар хот, Чингэлтэй дүүрэг,
Их эзэн Чингис хааны нэрэмжит талбай 7,
Утас: 32-71-99, Факс: (976-11) 32-43-31,
<http://www.ulaanbaatar.mn>

2015.08.14 № 01/2584
танай _____-ны № _____-г

Газар чөлөөлөлт, нүүлгэн
шилжүүлэлтийн төлөвлөгөөний тухай

Монгол Улсын нийслэл Улаанбаатар хот нь “Улаанбаатар хотын гэр хорооллыг хөгжүүлэх, хөрөнгө оруулалтыг дэмжих хөтөлбөр”-ийн хүрээнд Азийн Хөгжлийн Банк (АХБ)-наас санхүүгийн дэмжлэг авч байгаа бөгөөд энэ хөтөлбөрийн үйл ажиллагааны дагуу Сэлбэ дэд төвийн бохир ус татан зайлуулах шугамын ажлыг 2015 онд барихаар төлөвлөөд байна.

Иймд, Сэлбэ дэд төвийн бохир ус татан зайлуулах шугамын 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 боловсруулсан 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 эцэслэн гаргана.

НИЙСЛЭЛИЙН ЗАСАГ ДАРГА
БӨГӨӨД УЛААНБААТАР
ХОТЫН ЗАХИРАГЧ

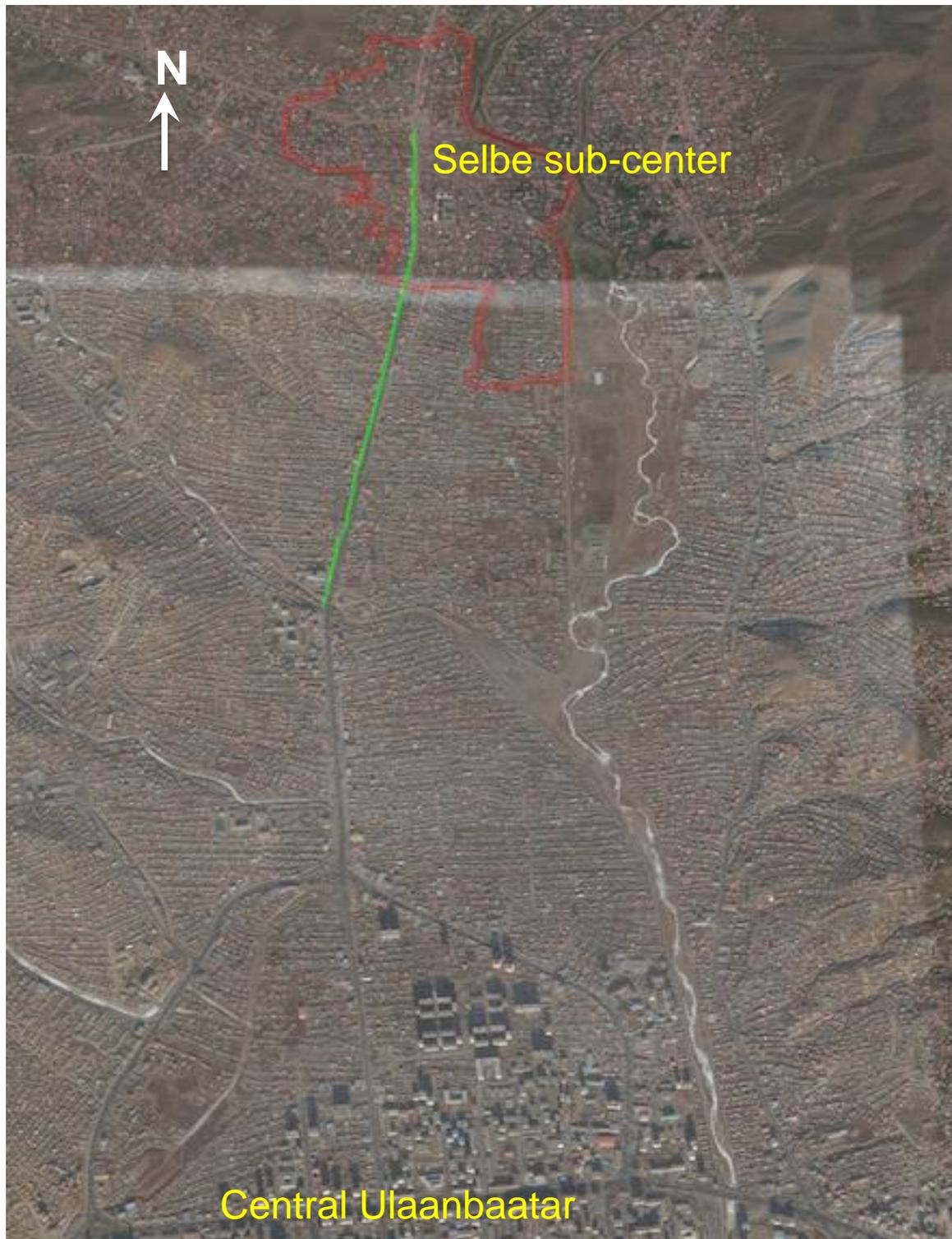


Э. БАТ-ҮҮЛ

111020002493

PROJECT LOCATION MAP

Figure 1. Location map of Selbe Sub-center sewer main collector pipes



-  Boundary of Selbe sub-center
-  Sewer main collector pipes for Selbe sub-center, 2.3 km

ABBREVIATIONS

ADB	–	Asian Development Bank
AH	–	Affected Household
ALAGaC	–	Administration of Land Affairs, Geodesy & Cartography
AP	–	Affected Person
BIC	–	Business Incubator Center
CAP	–	Community Action Plan
CDC	–	Community Development Council
CHD	–	Chingeltei district
DMS	–	Detailed Measurement Survey
DPLRO	–	District Property and Land Relations Office
EMA	–	External Monitoring Agency
GAF	–	Grievance Action Form
GASR	–	General Authority for State Registration
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
LARP	–	Land Acquisition and Resettlement Plan
LARC	–	Land Acquisition and Resettlement Committee
M&E	–	Monitoring and Evaluation
MFF	–	Multi-tranche 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 Committees
SIA	–	Social Impact Assessment
SPS	–	Safeguard Policy Statement
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.

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 various types of agricultural and residential land, crops, trees, and other commodities based on current market rates; the cost of rebuilding houses and structures at current market prices of building materials and labor, 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

CONTENT

LETTER OF CONCURRENCE BY THE MUNICIPALITY OF ULAANBAATAR	Error!
Bookmark not defined.	
PROJECT LOCATION MAP	v
ABBREVIATIONS.....	vi
DEFINITION OF TERMS.....	vii
CONTENT	ix
LIST OF TABLES	x
LIST OF FIGURES.....	xi
EXECUTIVE SUMMARY.....	xii
I. INTRODUCTION	1
A. Project Description.....	1
B. Selbe sub-center Sewer Main Collector Pipes Subproject.....	2
II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT	3
A. Affected Persons.....	5
Vulnerable Affected Households	7
Gender impacts.....	7
Indigenous Peoples.....	7
B. Affected Land	8
C. Affected Structures	12
D. Affected Persons that Need to be Relocated.....	13
E. Affected Businesses and Livelihoods.....	13
III. SOCIO-ECONOMIC INFORMATION AND PROFILE	14
A. Basic demographic information.....	15
B. Education of APs.....	17
C. Employment of APs	18
D. Affected Household income	20
E. Affected Households' Living Conditions	20
IV. LEGAL FRAMEWORK.....	22
A. Mongolian Laws and Regulations	22
The Constitution of Mongolia.....	23
Law on Land	23
Law on Allocation of Land to Mongolian Citizens for Ownership	26
Civil Code	28
Regulation on Taking Over Land for and Releasing Land from State Special Needs	29
Land legislation and LAR related to Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers project.....	29
B. LAR practice for public infrastructure.....	30
C. ADB Safeguard Policy Statement.....	31
D. Gap Analysis	32
V. OBJECTIVES, POLICY FRAMEWORK AND ENTITLEMENTS.....	38
VI. INSTITUTIONAL ARRANGEMENTS	44
VII. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION.....	45

VIII. GRIEVANCE REDRESS MECHANISM.....	46
IX. COMPENSATION POLICIES AND REHABILITATION STRATEGY	48
A. Compensation policies for land.....	48
B. Compensation policies for structures	52
C. Compensation policies for livelihood loss.....	54
D. Compensation policies for transaction costs.....	57
E. Principles for provision of income and livelihood rehabilitation	59
X. BUDGET, FINANCES AND DISBURSEMENT	71
XI. IMPLEMENTATION SCHEDULE	73
XII. MONITORING AND EVALUATION	74
A. Internal Monitoring	74
B. External Monitoring.....	76
ATTACHMENTS	78
Attachment 1. Selbe Sub-center sewer main collector pipes LAR Drawings	79
Attachment 2. Notification of LAR.....	89
Attachment 3. Cut-off date announcement.....	90
Attachment 4. List of Affected Persons, their details	91
Attachment 5. MUB Governor’s Resolution on Establishment of LARC and WG.....	93
Attachment 6. The attendance sheets for AP consultation meetings held in 2015.....	99
Attachment 7. Grievance Action Form	100
Attachment 8. Notary services and fees related to contracts	101
Attachment 9. Summary of appraisal of affected land and structures	102

LIST OF TABLES

Table 1: Overall LAR impact
Table 2: Affected Persons
Table 3: Affected Land
Table 4: Proportion of land loss relative to total land occupied
Table 5: Affected Structures
Table 6: Affected APs and type of their businesses
Table 7: Number of AHs that took part in the survey
Table 8: Demographic features of AHs
Table 9: Education of APs by age category
Table 10: APs attending kindergarten or certain level school
Table 11: Conditions of the detached houses
Table 12. Use of lighting, heating and fuel by Affected Households
Table 13: Provision of water, disposal of waste water and solid waste and type of toilet
Table 14: Type and number of structures used for business activities
Table 15: Comparison of LAR provisions of Mongolian laws with ADB SPS
Table 16: Entitlement Matrix
Table 17: Grievance mechanism for Selbe Subproject
Table 18: Compensation strategy for affected land
Table 19: Types of losses, quantities and estimated compensation standards
Table 20: Compensation for affected business and employment
Table 21. Compensation strategy for transactions costs
Table 22: Consolidated compensation strategy for APs
Table 23: Budget for LAR for Selbe subproject
Table 24: LARP Implementation Schedule for the Selbe Subproject

Table 25: Internal Monitoring Form

LIST OF FIGURES

Figure 1: Location Map for Selbe Sub-center Sewer Main Collector Pipes

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

Figure 3: Age categories and their weight within the APs

Figure 4. Weight of APs by age categories and sex

Figure 5: Ethnicity of APs

Figure 6: Educational Level of APs

Figure 7: Employment of APs in the last month

Figure 8: The reason for unemployment

Figure 9: AH's total monthly income

Figure 10: Monthly per capity income

Figure 11: The Structure of LARP implementation WG

EXECUTIVE SUMMARY

1. This Land Acquisition and Resettlement Plan (LARP) for the Selbe sub-center sewer main collector pipes 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 Chingeltei 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 Ulaanbaatar (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. **Selbe Sub-center Sewer Main Collector Pipes subproject:** The subproject site is located in Chingeltei district, located in the central northern part of UB city and has an area of 8.9 thousand hectares land, of which 27% is built up areas and urban infrastructure, 30.3% agricultural land, 37.1% is forest and 4.5% is water areas. The district has about 37,900 households and more than 160,000 people. Administratively, it is divided into 19 khoroo. The sewer main collector pipes will be constructed on the 14th and 18th khoroo of Chingeltei district, along very busy main road with different business and service facilities, and which connects Ulaanbaatar city center with the ger areas and summer camp/residence areas in the northern part of the city.

4. The sewer main collector pipes design length is approximately 2.3 km of 400mm nominal diameter (DN400) collector to connect to an existing DN500 main. It is expected to serve population of 20,000 persons within the sub-center and an additional 40,000 persons in adjacent areas. The pipes are located to place it as far off the roadway as possible with the minimum amount of land acquisition and resettlement (LAR). The pipes are Ductile Iron 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. This method will allow narrower excavation width in areas where there are adjacent buildings or roads and thereby avoid or minimize LAR. 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 (i) to maintain access and services for affected residents and businesses during construction and (ii) to restore all roads, services and sidewalks to equal or better condition as soon as the sewers have been laid.

5. **Scope of Land Acquisition and Resettlement:** The draft technical design for the Selbe sub-center, based on a standard 12m width ROW, implied that total of 52 land parcels and properties were to be affected by LAR. To avoid and minimize the LAR impact, the alignment of the sewer pipes was modified to the extent acceptable considering the engineering and technical solution and based on the Law of Mongolia on

Utilization of Water Supply and Sewage in Urban Areas and Settlements, existing practice for construction of sewer main collector pipes and the Mongolian Standard and Rules for Water Supply, External Networks and Structures, BNBD 40-02-06 and its comparable use for Standard and Rules for Sewage, External Networks and Structures, BNBD 40-01-06. Thus the impact was reduced to 28 land parcels and associated properties. Attachment 1 shows the Selbe sub-center sewerage collector (LAR) drawing which provides the details of the affected land parcels.

6. There are total of 45 affected households (AH) and commercial entities in the 28 land parcels affected by the project. Out of these, 23 (46.9%) are households and 22 (53.1%) are business entities. The households have 70 members, 33 male and 37 female. The mean age is 32.5. 4 AHs are considered vulnerable households. Table 2 provides the details of the Affected Persons (APs). There are 30 APs that have different types of businesses, 18 of them are running their businesses on their own land parcel and the rest, 12 APs are operating on rented space. The businesses include a wide variety of activities such as grocery and other household items shop, hotel/bar, car repair service, garage, rent of residential units, banking, notary, pharmacy, fuel station, etc. Table 6 provides the different types of business activities and the number of APs who have businesses.

7. There are 28 affected land parcels in the ROW of Selbe sub-project. Total land area of these land parcels is 17,396 m². All land parcels have land rights. Of these 15,853 m² has official land rights and 1,543 m² does not have official land rights. Out of total land area, 682m² of land with official rights and 546 m² of land without official rights will be acquired, respectively. Thus total land area being acquired is 1,228 m² and the remaining land will only be temporarily occupied during sewer construction. 1 vacant land parcel, without any structures and fences and without any activities on it, will be acquired fully and permanently; the other 27 land parcels are affected partially and temporarily. Table 3 provides the details of the affected land. All land parcels have official land rights, but many of the owners extended their structures or activities into the ROW of the road without permission. There are 5 types of land use as follows: 10 land parcels are for business, 12 are mixed residential and business use, 4 are residential use, 1 for state owned communication company and 1 vacant/unused land. The proportion of land loss relative to total land area for all land parcels is 7.1%. See Table 4 for the details of proportion of land loss relative to total land.

8. There are 14 types of affected structures such as fences, entrances, iron gates, container, brick extension of buildings, cemented/asphalted area, pedestrian sidewalk/path, etc. Total number of the affected objects/structures is 78. Some of the losses are minor, such as small concrete stoop that needs to be taken down when the civil work is in progress and to be rebuilt afterwards. Table 5 provides the details on the type of affected structures and the quantity of the losses, number of total affected objects/structures and the APs who are losing them. No residential and commercial building will be affected entirely and permanently. An extension of AP S28's building will be acquired partially and permanently.

9. AP S23 will have their land fully acquired. The land parcel is vacant and has no fences around. The land is not used and no activity is carried out on this land. Business activities of 30 APs will be affected temporarily for 10 days during the project related civil works. Table 6 provides the number and type of businesses to be affected.

10. In total there will be 40 entities, households/individuals and businesses that will lose land, structures and livelihoods. Attachment 4 provides the details of Affected Persons and their details, including APs ID, name, land parcel, land tenure type and addresses.

11. **Indigenous People and Gender Impact:** Indigenous peoples, i.e. tribal or ethnic communities that are distinct from the cultural and legal mainstream of Mongolian

society, are not present in the Selbe subproject site. Therefore, the ADB policy requirements on Indigenous Peoples will not be triggered by this subproject. Also, no significant adverse differential gender impacts are expected.

12. 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 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 land 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 Selbe subproject are summarized in the Entitlement Matrix in Table 16 of this LARP.

13. 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 5 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. 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 PMO.

14. Information Disclosure, Consultation and Participation: Information, consultation and participation of APs has been ensured through individual and public meetings throughout the LARP preparation and implementation process. A public meeting to prepare the APs for land acquisition and resettlement, introduce ADB SPS policy and principles and impacts caused by USGDIP, and discuss the concerns of the APs was held on 23 March 2015. Individual consultations with the APs were ongoing since the first public meeting.

15. 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. A Grievance action form (GAF) has been prepared to log and follow up APs' grievances, see Attachment 7 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. A four-step grievance mechanism with a clearly defined timeline of six weeks has been established and disclosed.

16. Compensation and Rehabilitation Strategy: Losses of land, 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. All affected land and structures will be compensated at replacement cost based on market value for comparable assets. Land will be compensated for at an average rate of MNT 214,300 (USD 108.80) per m². In one case, AP S23 – where the land is vacant, replacement land will be provided. Table 18 gives the compensation strategy for affected land and provides the details of compensation for each type of affected land. For structures, a detailed account of the types of losses, units, quantities, unit values, number of affected structures and APs are presented in Table 19. 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. The compensation amounts 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 20 gives the compensation strategy and details for affected business and employment. 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 8 shows the notary services and fees related to contracts and 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. Since there will be no permanent economic and physical displacement of vulnerable households, and as the project impacts on APs, including vulnerable households, are expected to be minor, no special rehabilitation measures should be needed. However, to improve the livelihoods of the vulnerable APs, PMO will discuss their needs and problems in cooperation with the officials of Chingeltei District and vulnerable APs to provide livelihood improvement measures such as employment, labor skills and training in cooperation with the Labor/employment intermediation department of the District, or assistance such as inclusion in projects to support household livelihood implemented at the district, free kindergarten services, food card, etc. These are to be provided within the existing state social welfare benefits, assistances and activities and funding.

17. Budget, Finances and Disbursement: The total budget is MNT 223,222,039 (USD 113,319), of which MNT 211,220,854 (USD 107,227) will be funded by the Municipality of Ulaanbaatar (MUB) and 12,001,185 (USD 6,092) for external monitoring will be funded by ADB. There might be changes in the budget due to possible adjustments in unit rates of structures and to include the costs for livelihood loss, which was not provided by some of the APs. Also, the budget is preliminary because the compensation amounts may be adjusted based on the negotiations with the APs. The compensation payment budget is provided by MUB and granted to PMO. PMO will provide the compensation payments to Chingeltei District Governor's Office for disbursement to APs, once the contracts are concluded. Table 23 shows the budget for LAR for Selbe subproject.

18. Implementation Schedule: It is expected that the actual land acquisition and resettlement processes will be implemented from June to September 2015.

19. 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 LARC will be responsible for engaging an EMA with financing from ADB.

I. INTRODUCTION

20. This Land Acquisition and Resettlement Plan (LARP) for the Selbe sub-center sewer main collector pipes 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.

21. This is a new LARP specifically formulated for the Selbe sub-center sewer main collector pipes of USGDIP. No preliminary LAR impacts and socioeconomic study was conducted for the Selbe 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.

22. 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 (AP), (iii) updated legal framework¹, (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 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

23. Ulaanbaatar 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.

24. The Government of Mongolia and ADB signed loan agreement to implement USGDIP through multitranches 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

¹ 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.

inclusive process of urban development in Ulaanbaatar’s Middle Ger Areas². 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.

25. 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.

26. 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.

27. 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 sewer main collectors pipes were 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.

28. The Design of Sewer Collectors for Bayankhoshuu and Selbe Sub-centers, under the USGDIP, includes (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 the 2.3 km sewer main collector pipes for Selbe sub-center, see figure 1. Location map of Selbe Sub-center sewer main collector pipes.

B. Selbe sub-center Sewer Main Collector Pipes Subproject

29. The project site is located on the territory of Chingeltei district. It is located in the central northern part of Ulaanbaatar and has an area of 8.9 thousand hectare land, of which 27% is built up areas and urban infrastructure, 30.3% agricultural land, 37.1% is forest and 4.5% is water areas. The district has about 37,900 households and more than 160,000

² 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.

people. Administratively Chingeltei is divided into 19 khoroos, of which 13 are located in the ger area. The sewer main collector pipes will be constructed on the 14th and 18th khoroos of Chingeltei district, along very busy main road with different business and service facilities, and which connects Ulaanbaatar city center with the ger areas and summer camp/residence areas in the northern part of the city.

30. Selbe sub-center was planned to require approximately 2.5 km of 400mm nominal diameter (DN400) collector to connect to an existing DN500 main, known as the 25th Collector in Khailaast crossroads. The design length is approximately 2.3 km. The planning criteria for the Selbe Collector are based on a service population of 20,000 persons within the Sub-center and an additional 40,000 persons in adjacent areas. The collector will actually serve only the portion of the sub-center that is at a higher elevation than the collector and possible future connections from portions of the Chingeltei and Khailaast ger areas. The routing follows that recommended in the Feasibility Study although the pipe is located to place it as far off the roadway as possible with the minimum amount of resettlement. The pipe is Ductile Iron with cement lining, buried at minimum of 2.8 meters to be below freezing depth. There are concrete manholes installed at approximately 50m intervals to allow connections and maintenance access, and at angle points.

31. 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.

32. 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 residences and businesses during construction and to restore all roads, services and sidewalks to equal or better condition.

II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

33. 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 right of way (ROW) of the 2.3km new sewer main collector pipes 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. This was done based on the following:

- Although the Law of Mongolia on Utilization of Water Supply and Sewage in Urban Areas and Settlements³ 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 new sewer main collector pipes are built, the ROW width of 12m is

³ 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.”

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. The Mongolian Standard and Rules for Sewage, External Networks and Structures, BNBD 40-01-06, is 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 is used by construction practitioners, when building sewer main collector pipes.

34. The draft technical design for the Selbe sub-center, based on a standard 12m width ROW, implied that total of 52 land parcels and properties were to be affected by LAR. To avoid and minimize the LAR impact, the alignment of the sewer pipes was modified to the extent acceptable considering the engineering and technical solution. The associated trench width was reduced to total of 6m in some areas. Thus the impact was reduced to 25 land parcels and properties. However, after checking and comparing the cadastral information with on the ground situation, the actual number of impacted land parcels and properties was 28; see Attachment 1 Selbe sub-center sewer main collector pipes LAR drawing. This was due to the fact that in one case one big plot on the ground was in fact two separate plots and in another case an empty vacant land had a land possession title as per cadastral information provided by the Property Relations Department (PRD). Out of these 28 land parcels, 25 belong to individuals and 3 to companies. There are total of 45 affected households and businesses, of which 23 are households and 22 are business entities. Of the total 45 affected entities, 40 are directly affected, i.e. losing land and structures, and 5 are indirectly affected as they are not losing land and structures, but because they are situated in the land parcel of which some parts are located in the ROW of the pipes their access to and from residences will be restricted temporarily. There are 78 impacted objects and these include wooden and block fences and iron gates; concrete area, entrance doorway structures and steps; structures (relocation of a container and taking down an extension of a building); and 1 fully impacted, but vacant, land parcel without any fences and structures. 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

Affected Persons	Total	45
	Households/members	23
	Business entities	22
Affected Land Parcels	Total	28
	Full	1
	Partial	27
Affected Structures	Total	78
	Full	0
	Partial	78

35. The following assessment of the scope of LAR impact is based on the census and socioeconomic study of the APs, done by a team of researchers-enumerators, detailed measurement surveying and mapping provided by Hydrodesign LLC, company that formulated the technical design of the Selbe sub-center sewer main collector pipes, and cadastral mapping and registration from the Land Acquisition Division (LAD) of the PRD and

land and property valuations carried out by professional certified property appraiser with special permission (property appraiser).

36. The notification of LAR, see Attachment 2, was given to each APs individually, together with the public notification of cut-off date for eligibility for compensation entitlements (cut-off date), see Attachment 3, during March 13 – 14, 2015. The Public notification of cut-off date was posted at all khoroo offices, where the Selbe sub-project will be implemented. These notifications were specially designed for this sub-project and were delivered to the APs by the officials of LAD. The cut-off date is declared to be as 23 March 2015.

37. 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, 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

38. There are total of 45 affected households (AH) and business entities in the project ROW project. However, 40 of them are directly affected by the project and 17 are located on the affected land parcels, but are indirectly affected, i.e. 40 of these 45 affected persons (APs) are losing land, structures and business/livelihood and 5 will experience minor temporary impact by restricted access to their residences, which will be mitigated by the construction contractor by providing access to and from their residences and businesses. Out of these total of 45 APs, 23 (51.1%) are households and 22 (48.9%) are business entities. Attachment 4 shows the list of all 40 directly affected persons and their details.

39. The 23 households live on 18 land parcels. Census of all 23 households was conducted. During the census, 1 land owner, S26, could not be reached for the census and socioeconomic survey, after visiting the household three times (however, compensation for the loss of this land is estimated and budgeted for this AP) Also, 1 possessor of a vacant land parcel, S23, could not take part in the socioeconomic survey, as it was not possible to find the AP (at the time of conducting census and socioeconomic survey the AP could not be found, but this AP was found and contacted later), because there are no structures and fences on that parcel. The inventory of the land and properties of these two APs and estimation of appropriate compensation were carried out. The census and socioeconomic survey included 21 households or 91.3% of all households. There are 70 household members in the 21 households. Out of these 70 persons, 64 are registered residents and 6 are temporary residents. When the survey was conducted, 62 of these registered residents are residing in their homes and 2 are temporarily out of the city. All 6 temporary residents were residing the project area as well. Table 2 provides the detailed breakdown of the different categories of APs.

Table 2: Affected Households, Business Entities and Persons

No.	Categories of APs	Quantity	Percentage
1	Total affected households and business entities. Of which:	45	100.0
	Households	23	51.1
	Business entity	22	48.9
2	Total household APs:	70	100.0

No.	Categories of APs	Quantity	Percentage
	Male	33	47.1
	Female	37	52.9
3	Mean age	32.5 years	
	Median age	27.5 years	
4	Age category:		
	0-15	16	23
	16-59	46	66
	60+	8	11
5	Ethnicity:		
	Khalkha	65	93
	Bayad	5	7
6	No. of household members:		
	1-3	17	24.3
	4	32	45.7
	5-6	21	30.0
7	Disabled person	1	100.0
8	Poor household	3	20.0
9	Women headed household	5	23.8
10	Elderly headed household	4	20.0
11	No. of persons over 3 years of age, Education:	66	100.0
	Non	10	15.2
	Elementary	4	6.1
	Secondary	8	12.1
	High school	26	39.4
	Vocational	3	4.5
	University	15	22.7
12	Vulnerable household, of which:	4	14.3
	Women headed household	2	7.1
	Vulnerable household members	14	20.0
13	AHs and entities with land rights, of which:	28	100.0
	Individuals	25	89.3
	business entities	3	10.7
	Women	8	32.0
14	APs to be relocated	1	3.6

40. Out of 70 APs, 33 (47.1%) are male and 37 (52.9%) are women. 24.3% of the families have 1-3 members, almost half of the families, or 45.7%, has 4 members and the remaining 30% has 5-6 members. None of the AHs has more than 6 members. About half of the APs are under the age of 27.5 and the remaining half is over this age. In terms of ethnicity, Mongolia has sub-ethnicities such as Khalkha, Bayad, Durvud, Buriad, etc. In the project area there are only Khalkha and Bayad, 65 and 5 persons respectively. There is 1 disabled AP, 3 poor, 5 women headed, and 4 elderly headed AHs respectively. There are 4 vulnerable AHs, of which 2 are women headed households. All 28 affected land parcels have land rights, although in many cases the land parcels were extended to the roadside without permission. 8 women or 32% of all APs are the holders of the land right. 1 AP needs to be relocated, due to full acquisition of the land.

41. In the ROW of the Selbe sub-project there are 30 APs that have different types of businesses. In the 30 businesses there are total of 117 employees. 18, out of these 30 APs, are running their businesses on their own land parcel and the remaining 12 are operating on rented space. The businesses include wide variety of activities such as grocery and other household items shop (with permission to sell alcohol), hotel/restaurant/karaoke/bar, car repair service and garage, rent of residential units, banking, notary, pharmacy, fuel station,

etc. Table 6 under the Affected Livelihoods section below provides the different types of business activities and the number of APs who have businesses.

Vulnerable Affected Households

42. Total of 4 AHs are considered vulnerable households. Two households, S02 and S03, are headed by women. Household S10 is considered vulnerable because all three adult members of the household do not have official employment. The fourth AH, S15-2, is considered vulnerable because the adult members do not have steady income. All AHs, except S02, per capita income is lower than poverty line⁴.

43. AH S02 is headed by a woman, the family has an elderly and a child and the per capita income is just above the poverty line. AH S03 is headed by an elderly woman with no income except for benefits such as pension and subsidy, so per capita income is below the poverty line. As for AH S10, the household head and other adult members are unemployed, and one of the members has pension benefits. The household declared that it has a jewelry-making workshop, but the income was not stated. In case that this family has per capita income above poverty line, then the household will not be considered as vulnerable. AH S15-2 has per capita income level lower than poverty line. Both adults are declared sick and therefore cannot find jobs. Two of these households, S03 and S10, rent their land, one household, S02, guards the land parcel on which the household lives and S15-2 lives on the land parcel of a relative. These vulnerable households are not losing land or any property. No significant adverse impact of the project on these vulnerable AHs can be foreseen at this stage.

44. There are AHs such as S04, S05, S09-1, S12-2, S24-1 that would be considered as vulnerable, if facts such as elderly people, woman head of household or disabled person are taken into account. However, the socioeconomic survey reveal that these people have employment or business and their income is well above the poverty line. Also, given the partial and temporary impacts of LAR on these households, no impacts are foreseen that could significantly adversely affect these AHs.

Gender impacts

45. Adverse differential gender impact by the Selbe subproject 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

46. The project does not impact customary land use rights, the socio-economic status, the cultural and communal integrity, the 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 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

⁴ 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.

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.

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

B. Affected Land

48. There are 28 affected land parcels in the ROW of Selbe sub-project. Out of these 28 land parcels, 23 belongs to affected households, 2 to affected persons who do not live on that land (1 is empty land plot and one is used only for business purpose) and remaining 3 land parcels belong to business entities. Total land area of these land parcels is 17,396 m². All land parcels have land rights. All, but 3, land parcels were extended to the roadside without permission. 15,853 m² has official land permission, i.e. land rights, and 1,543 m² does not have official land rights. Out of total land area, 682m² of land with official rights and 546 m² of land without official rights will be acquired, respectively. Thus total land area being acquired is 1,228 m². 1 vacant land parcel, without any structures and fences and without any activities on it, will be acquired fully and the other 27 land parcels are affected partially. Of the 28 affected land parcels, 20 of these land parcels affected land area has both official and unofficial rights and 8 land parcels affected land area is only the area which has official land rights, Table 3 provides the details of the affected land.

49. 21 of the land parcels have land ownership right and the remaining 7 have land possession right. There are 5 types of land use, 10 land parcels are for business, 12 are mixed residential and business use, 4 are residential use and 1 for state owned communication company. Also, there is 1 vacant land without any use.

50. Of the 10 land parcels used for businesses, the impacts on land are partial, 7 have land ownership and 3 have land possession rights. The biggest affected land area is 112 m², or 21.5% of total land area of AP S28, but the majority of the affected land, 96 m², does not have official rights. This impact will not be significant as the remaining land is more than 400 m² and the main structures are located on the land that is not impacted. AP S18's land parcel's 20.2% or 80 m² will be affected, but majority of the land, 66 m², does not have official rights. The impact is minor as the acquisition involves only land area and no structures are affected. The other 8 land parcels used for businesses are affected less than 20% and does not involve major acquisition of land area and structures.

51. The 12 affected land parcels for mixed residential and business purposes are all affected partially, 11 are under land ownership and 1 is under land possession rights. The biggest affected land parcel, AP S4, loses 11.7% of the total land area or 54 m², where 51 m² has no official rights. All the other land parcels does not lose more that 5.7% of total land area or 32 m², and not major loss of structures is anticipated.

52. The 4 affected land parcels for residential use all have land ownership rights and the impacts are partial. The biggest affected land area, AP S15, is 5.6% or 42 m², all of this affected land area does not have official rights. The other 3 land parcels are losing land less than 3% of total land area, which is less than 21 m². No housing is affected. The land parcel of a state owned communication company, AP S20, is to be partially affected. Only vacant part of land within the fences of this company is affected.

53. The proportion of land loss relative to total land area for all land parcels is 7.1%. For most of land parcels, i.e. 21 or 75% of all land parcels, the loss is less than 10% of the total land. There are 4 APs, or 14.29%, that lose less than 20% of their land, and 2 APs, or 7.14%, that lose little bit more than 20% of their total land area. The total area of 1 land parcel, which is being acquired fully is 368 m². Of the partially acquired land parcels, the least amount of land being acquired is 1 m², or 0.1% of the land parcel area, and the biggest amount of land

acquired is 112 m² or 21.5%. See Table 4 for the details of proportion of land loss relative to total land occupied.

Table 2: Affected Land

AP ID	Land tenure type	Land use type	Total land area, m ²			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		
S01	ownership	residential/business	495	15	510		15	15	2.9	partial
S02	ownership	residential	700		700	21		21	3.0	partial
S03	ownership	residential	685	60	745		12	12	1.6	partial
S04	ownership	residential/business	410	51	461	3	51	54	11.7	partial
S05	ownership	residential/business	356	9	365		18	18	4.9	partial
S06	ownership	business	700	149	849		43	43	5.1	partial
S07	possession	residential/business	300	6	306		6	6	2.0	partial
S08	ownership	business	327	225	552		59	59	10.7	partial
S09	ownership	residential/business	431	35	466		2	2	0.4	partial
S10	ownership	residential/business	364	36	400		5	5	1.3	partial
S11	ownership	residential/business	822	68	890		15	15	1.7	partial
S12	ownership	residential/business	188	44	232		7	7	3.0	partial
S13	ownership	residential/business	609	22	631		13	13	2.1	partial
S14	ownership	business	367	137	504		22	22	4.4	partial
S15	ownership	residential	676	77	753		42	42	5.6	partial
S16	possession	residential/business	533	7	540		7	7	1.3	partial
S17	ownership	residential/business	700	47	747		1	1	0.1	partial
S18	ownership	business	330	67	397	14	66	80	20.2	partial
S19	ownership	business	371	35	406	40	35	75	18.5	partial
S20	possession	communications, state owned company	967	39	1006	129	22	151	15.0	partial
S21	ownership	residential	437	3	440	10	2.5	13	2.8	partial
S22	ownership	business	421	25	446	22	6.5	29	6.4	partial
S23	possession	vacant land without fence	368		368	368		368	100.0	full
S24	ownership	residential/business	549	17	566	32		32	5.7	partial
S25	possession	business	227	28	255	2		2	0.8	partial
S26	ownership	business	655		655	16		16	2.4	partial

AP ID	Land tenure type	Land use type	Total land area, m ²			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		
S27	possession	business	2685		2685	9		9	0.3	partial
S28	possession	business	180	341	521	16	96	112	21.5	partial
Total			15853	1543	17396	682	546	1228	7.1	

Table 4: Proportion of land loss relative to total land occupied

Land loss, %	Total affected land parcels		Vulnerable households*	
	#	%	#	%
<10	21	75		
<20	4	14.29		
<30	2	7.14		
<40	0			
<50	0			
50+	1	3.57		
Total	28	100	N/A	N/A

*There are no vulnerable AH that loses land.

C. Affected Structures

54. There are 14 types of affected structures such as fences, entrances, iron gates, container, brick extension of buildings, cemented or asphalted area, latrine, pedestrian sidewalk/path, etc. The affected structures are located on 25 affected land parcels and belong to 22 households and 3 business entities. Total number of the affected objects/structures is 78. Some of the losses are minor, such as small concrete stoop that needs to be taken down when the civil work is in progress and to be rebuilt after the civil works. The biggest loss is loss of an extension of a sizeable building. This needs to be taken down permanently to keep the ROW clear in the future. Table 5 provides the details on the type of affected structures and the quantity of the loss, number of total affected objects/structures and the APs who are losing them.

Table 5: Affected Structures

No.	Type of loss	Unit	Quantity	Unit price (MNT)	Unit price (USD)	No. of affected objects	Affected HH or entity ID #	
1	Fence	Wooden	m ³	10.06	312,500	158.64	7	S02, S03, S15, S20, S22, S24, S25
		Iron	kg	3501.35	2,518	1.28	8	S01, S05, S06, S09, S11, S12, S13, S18
		Block	pc	1773	1,611	0.82	6	S08, S09, S10, S18, S19, S28
		Wooden pole	pc	56.00	8,000	4.06	7	S02, S03, S15, S20, S22, S24, S25
		Brick	m ³	0.75	268,668	136.39	1	S08
2	Structure's foundation	Brick	m ³	0.95	268,668	136.39	1	S01
		Concrete	m ³	19.90	155,500	78.94	10	S06, S08, S09, S10, S11, S12, S13, S18, S19, S28
3	Entrance	Wooden structure 1	m ²	0.35	250,000	126.91	1	S01
		Wooden structure 2	m ²	3.52	274,634	139.42	1	S05
		Brick structures	m ²	11.05	274,634	139.42	2	S01, S05,
		Brick stoop	m ³	2.29	268,668	136.39	2	S07, S09
		Concrete stoop	m ³	9.81	155,500	78.94	4	S07, S16, S17
		Iron steps/stoop	kg	407.20	2,518	1.28	1	S01
4	Iron gate	type 1	set	3.00	350,000	177.68	3	S20, S21, S22,
		type 2	set	5.00	600,000	304.59	6	S02 S03, S08, S09, S11,
		type 3	set	1.00	50,500	25.64	1	S13
5	Pedestrian sidewalk/path	m ²	48.60	25,000	12.69	1	S01	
6	Wooden shed/small structure	m ³	8.16	312,500	158.64	3	S03, S11, S15	
7	Container	Container 20ft	pc	2	400,000	203.06	2	S14, S24
		Container 40ft	pc	1	500,000	253.83	1	S10
8	Wooden latrine	pc	1	221,995	112.70	1	S015	
9	Brick buildings extension	m ²	47.40	274,634	139.42	2	S22, S28	
10	Small shop (iron sheet)	pc	1	400,000	203.06	1	S25	

No.	Type of loss	Unit	Quantity	Unit price (MNT)	Unit price (USD)	No. of affected objects	Affected HH or entity ID #
11	Cemented area	m ³	31.13	198,000	100.52	3	S06,S18,S27,
12	Asphalted area	t	28.30	305,776	155.23	1	S27
13	Curb	pc	34	17,500	8.88	1	S27
14	Concrete structure	pc	2.00	175,000	88.84	1	S27

55. No building, both residential and commercial, will be affected entirely and permanently. An extension of AP S28's building will be acquired partially and permanently.

D. Affected Persons that Need to be Relocated

56. AP S23 needs to be relocated or rather a replacement land needs to be provided. The land parcel is vacant and has no fences around. This impact was possible to be identified only after receiving the cadastral information from PRD. The land is not used, no activity is carried out on this land.

E. Affected Businesses and Livelihoods

57. Business and livelihood activities of 30 APs will be affected temporarily for 10 days during the project related civil works. The project area is located along very important main road and therefore, there are many business activities in the front streets facing the roadside. Many of the APs, S01-1 – S01-2 and S06-1 – S06-10, with businesses are renting space from land and property holders and APs S01 and S06. Table 6 provides the number and type of businesses to be affected. This list below includes both the APs that live and run business on the land parcel and APs that only run businesses on their land parcel and/or rent their land and property to businesses. Compensation equivalent to average daily net income will be provided for the 10 days of disruption anticipated. Also, if there are employees, 10 days salary of the employees will be provided. If the construction works will continue for more than 10 days, any additional days of interruption will be compensated to APs based on the number of days and daily net income and salaries. It is not anticipated that any other businesses or livelihoods will be affected by the LAR.

58. The impacts are temporary and no land and structures that are used for business and livelihood activities are to be affected for more than the anticipated 10 days of interruption.

Table 6: APs and type of their businesses

No.	AP ID	Type of business
1	S01	café, rent of business space
2	S01-1	banking
3	S01-2	notary
4	S04	construction materials production and sales
5	S05	grocery and household items shop, canteen
6	S06	foreign trade, rent of business space
7	S06-1	grocery and household items shop, canteen
8	S06-2	pharmacy
9	S06-3	restaurant/pub/karaoke
10	S06-4	photo studio
11	S06-5	movie renting, computer service

No.	AP ID	Type of business
12	S06-6	hair dresser
13	S06-7	pawnshop
14	S06-8	tailor
15	S06-9	Billiard, table tennis facility
16	S06-10	Morin khuur (musical instrument), piano, guitar training
17	S08	grocery and household items shop, to start operation from Apr 1, 15
18	S09	construction materials production and sales, car spare parts sales
19	S10	handcrafts production - jewelry making workshop
20	S11	textile workshop
21	S12	grocery and household items shop
22	S13	construction materials production and sales, car parking, car repair workshop
23	S14	car repair workshop, rent of small structure
24	S16	grocery and household items shop
25	S17	grocery and household items shop
26	S18	hotel, restaurant, karaoke
27	S19	grocery and household items shop
28	S22	car repair workshop, car wash
29	S24	tire repair
30	S28	printing, rent of residential space

59. There are 4 other APs that have businesses. For two of them, S20 (state owned communications company) and S27 (fuel station) access to their businesses will be arranged by the civil works contractor, so that not to disrupt their businesses. The other two, S25 and S26, are not operating any business on the land. No other business or livelihood impacts are anticipated.

60. This LARP is formulated based on a full socio-economic survey and census of all affected persons. 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 Section III below.

61. In total there will be 40 households/individuals and businesses that will be directly affected by the project and lose land, structures and livelihoods. Attachment 4 provides the list of Affected Persons and their details, including APs ID, name, land parcel, land tenure type and addresses.

III. SOCIO-ECONOMIC INFORMATION AND PROFILE

62. The socioeconomic survey was a conducted during 21 Mar – Apr 15, 2015. The team of surveyors-enumerators 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 APs and inventory of properties on the affected land parcels were conducted together with this socioeconomic survey. The respective khoroo administrations and kheseg heads have greatly supported the survey and census by assisting the surveyors-enumerators.

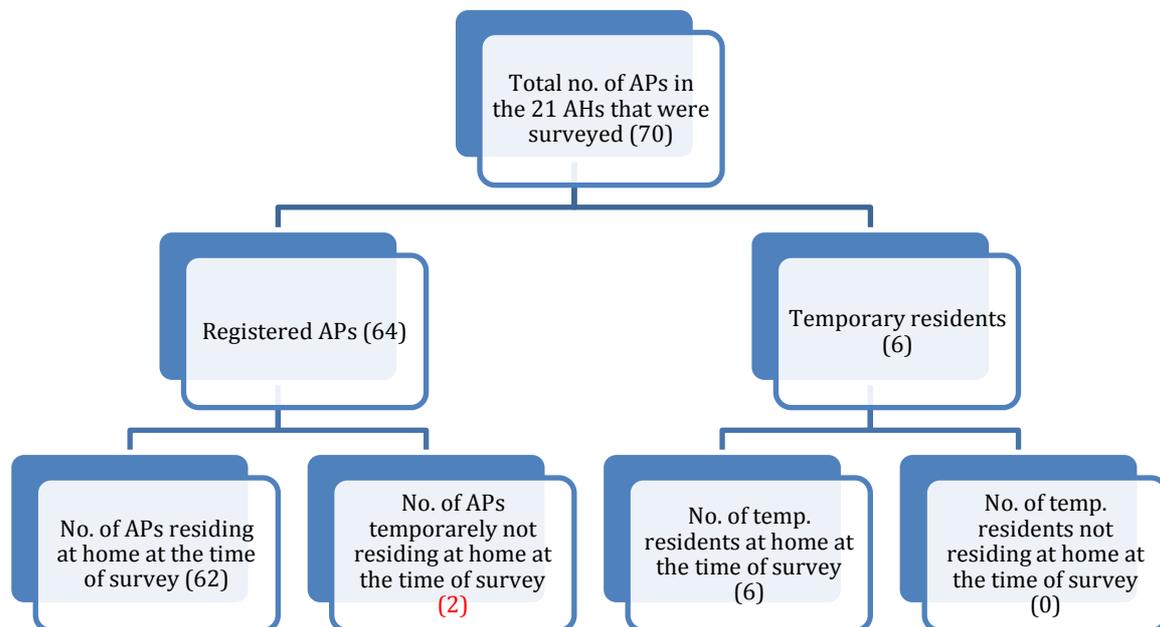
63. There are total of 45 affected households (AH) and commercial entities affected by the project. Out of these, 23 (51.1%) are households and 22 (48.9%) are business entities. The 23 households live on 18 land parcels. Socioeconomic survey of 21 (91.3%) out of 23 households was conducted. During the survey, 1 land owner, S26, could not take part in the census and socioeconomic survey, as this person could not be reached after visiting the household three times. However, this person is affiliated to affected business entity S25 and will be contacted and involved in the LAR negotiations

during the implementation of this LARP. 1 possessor of a vacant land parcel, S23, could not take part in the socioeconomic survey, as it was not possible to find the AP, because there are no structures and fences on that parcel. Later, during the formulation of this LARP this person was contacted and informed on the LAR activities. The inventory of the land and properties of these two APs and estimation of appropriate compensation were carried out. Refer to Table 7 for the number of AHs that took part in the survey. There are 70 household members in the 21 households. Out of these 70 persons, 64 are registered residents and 6 are temporary residents. When the survey was conducted, 62 of these registered residents are residing in their homes and 2 are temporarily out of the city. 6 temporary residents were residing the project area. Figure 2 shows the registered residence status of the AH's members.

Table 7: Number of AHs that took part in the survey

Total No. of households registered on the land they reside		Quantity	Percent (%)
		23	100.0
Of which:	No. AHs that took part in the survey	21	91.4
	No. AHs that could not take part in the survey	1	4.3
	No. AHs that has land rights, but has vacant land and no properties and fences	1	4.3

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



A. Basic demographic information

64. Out of 70 APs, 33 (47.1%) are male and 37 (52.9%) are women. Refer to table 2 under section A. Affected Persons in Chapter II for the breakdown of the demography of the AHs. 24.3 % of the families have 1-3 members, almost half of the families, or 45.7%, has 4 members and the remaining 30% has 5-6 members. None of the AHs has more

than 6 members. As for the age category, 23 % are children between 0-15 years, 66 % are aged between 6-59 years, and 11% has 60 or more years. About 34% are children and elderly. Further breakdown by age categories show that APs aged between 10-14, 30-34 and 65 or more years are the smallest group. The gender ratio in age categories are relatively equal, except ages between 64-69 and 30-34. The mean age is 32.5 and median age is 27.5. About half of the APs are under the age of 27.5 and the remaining half is over this age. 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

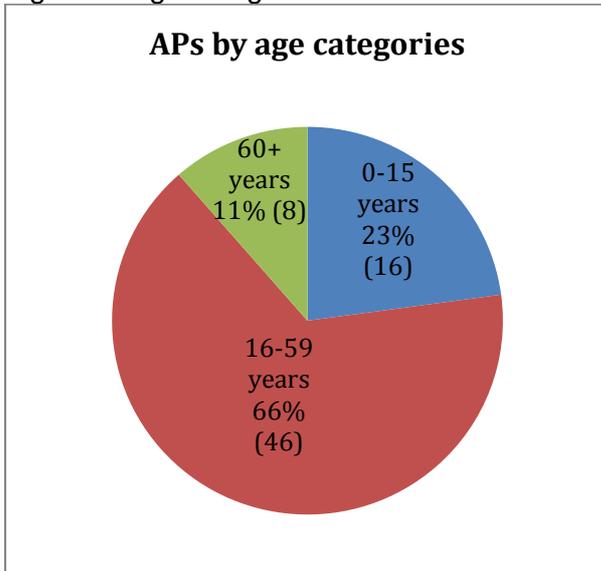
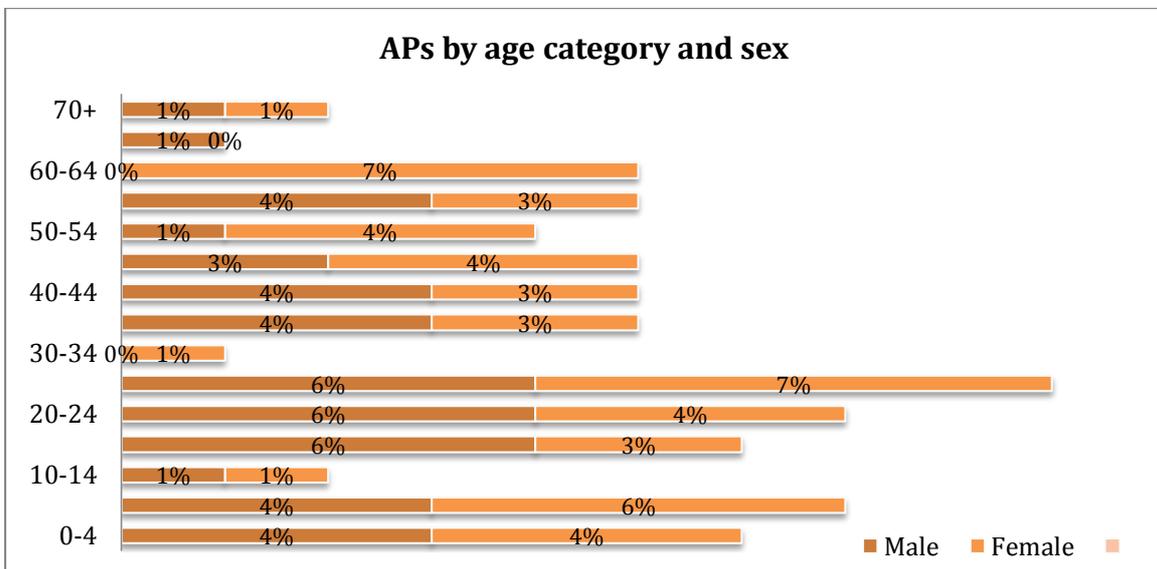


Figure 4: APs by age categories and sex



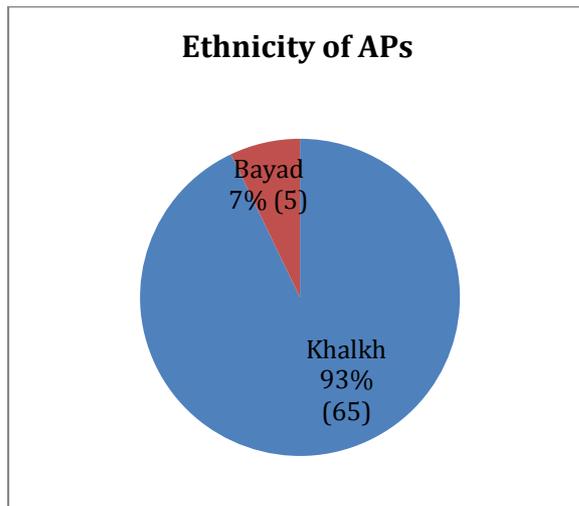
65. Table 7 below provides AHs demographic feature considering disabled persons, children upto 15 years and elderly who are older than 60 years are as follows:

Table 7: Demographic features of AHs

No.	Demographic features	Q'ty	%
1	Household with 1 or more disabled member	1	4.8
2	Household with 1 or more children between 0-15 years	11	52.4
3	Household with 1 or more elderly over 60 years	6	28.6
4	Household with children between 0-15 years and elderly over 60 years	2	9.5
5	Household with children between 0-15 years or elderly over 60 years	13	61.9
6	Household without children between 0-15 years and elderly over 60 years	6	28.6

66. In terms of ethnicity, Mongolia has sub-ethnicities such as Khalkha, Bayad, Durvud, Buriad, Dariganga, Zakhchin, etc. In the project area there are only Khalkha and Bayad, 65 and 5 persons ethnicities, respectively. Figure 5 shows the ethnicity of APs. There is 1 disabled AP, and 3 poor, 5 women headed, 4 elderly headed AHs respectively. There are 4 vulnerable AHs, of which 2 are women headed households. All 28 APs has land rights, although in many cases the land parcels were extended to the roadside without permssion. 8 women or 32% of all APs are the holders of the land right. 1 AP needs to be relocated, due to full acquisition of the land.

Figure 5: Ethnicity of APs



B. Education of APs

67. The educational level of 3 years and older APs (n=66) is as follows: 15.2% non, 18.2% elementary, 8% secondary, 40% high school, 4.5% нь vocational education, and remaining 22.7% has university education. Moreover, 17 or 25.8% of the APs who are 3 years and older are attending a kindergarten or certain level school. Figure 6, Table 9 and 10 provide APs information on their educational level, education by age category and attendance of an educational facility currently.

Figure 6: Educational Level of APs

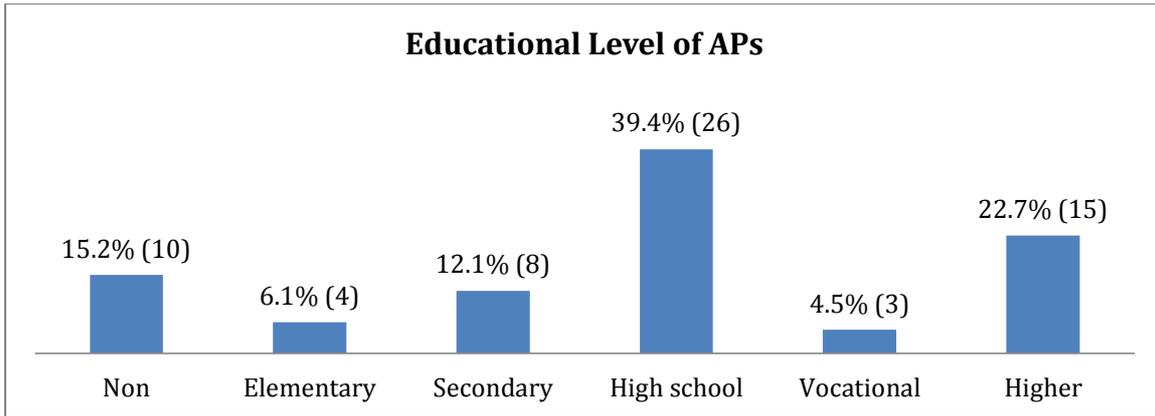


Table 9: Education of APs by age category

Education	Age category								Total	
	3-5		6-16		17-18		19+			
	Q'ty	%	Q'ty	%	Q'ty	%	Q'ty	%	Q'ty	%
Non	3	100	7	70	-	-	-	-	10	15.2
Elementary	-	-	2	20	-	-	2	4	4	6.1
Secondary	-	-	1	10	-	-	7	14	8	12.1
High school	-	-	-	-	3	100	23	46	26	39.4
Vocational	-	-	-	-	-	-	3	6	3	4.5
Higher	-	-	-	-	-	-	15	30	15	22.7
Total	3	100	10	100	3	100	50	100	66	100

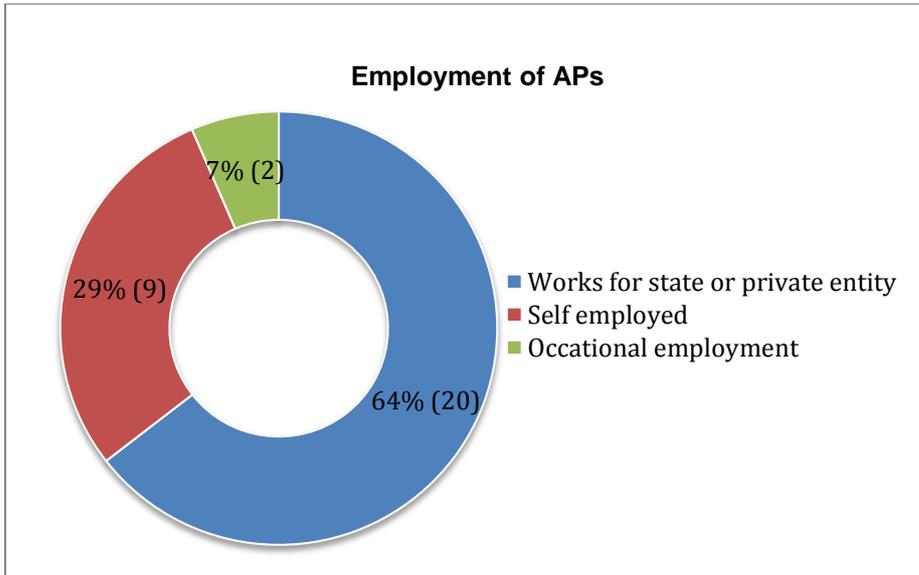
Table 10. APs attending kindergarten or certain level school

attending kindergarten or certain level school	Age category								Total	
	3-5		6-16		17-18		19+			
	Q'ty	%	Q'ty	%	Q'ty	%	Q'ty	%	Q'ty	%
Yes	2	66.7	9	90	3	100	3	6	17	25.8
No	1	33.3	1	10	-	-	47	94	49	74.2
Total	3	100	10	100	3	100	50	100	66	100

C. Employment of APs

68. The employment of APs 16 years or older (n55) were reviewed and considered for the last month. 31 or 56.7% of the APs did have an income earning activity. Out of these, 64% were working in a state or private entity, 29% were self employed and the remaining 7% were able find some occasional jobs. Figure 7 below shows the employment of APs in the last month.

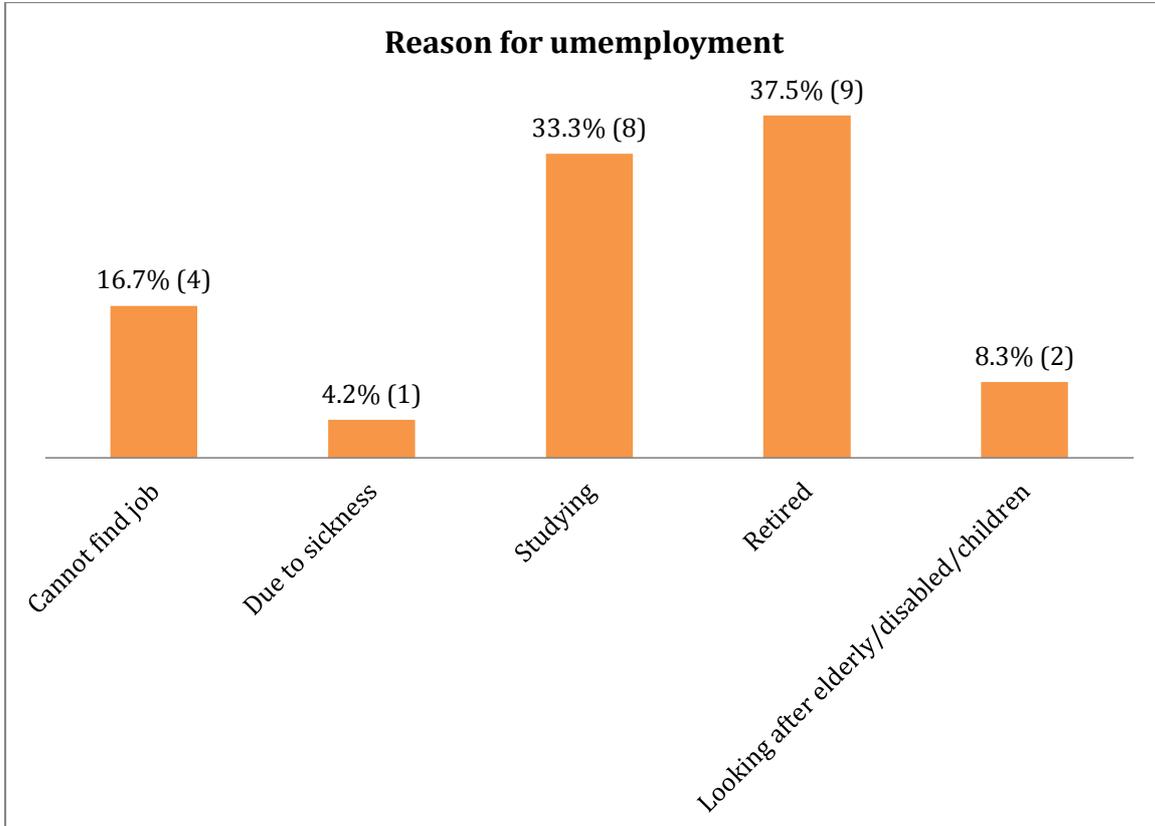
Figure 7: Employment of APs in the last month



69. When asked how much is the monthly income from their employment, the lowest income was MNT100,000 and the highest income was MNT1,500,000, and the average is MNT670,000. The monthly median income of those who are employed is upto MNT600,000 for 50% and above MNT600,000 is for the other half of the employed APs.

70. There are APs who have no employment. The reason for unemployment are i) cannot find a job, ii) due to sickness, iii) studying, iv) retired, v) looking after elderly or small children. This is summarized in the Figure 8 below.

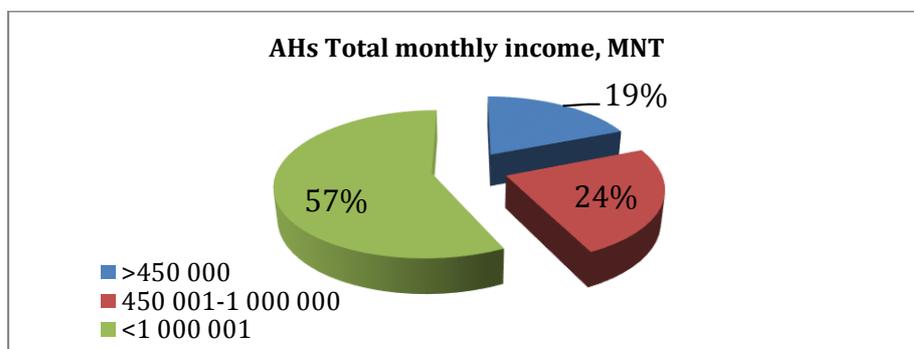
Figure 8: The reason for unemployment



D. Affected Household income

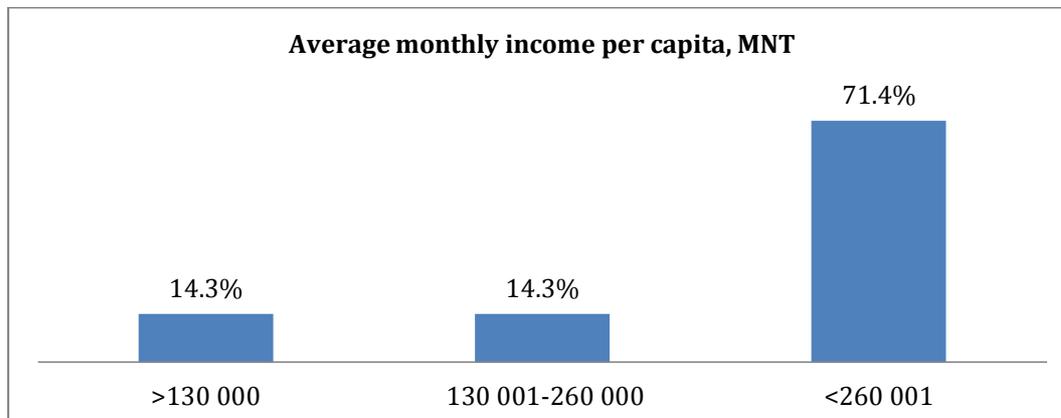
71. The study of the monthly income of the APs reveal that more than half of the AHs, i.e. 57% or 12 households, earn more than MNT1,000,000. Then 24% or 5 households earn between MNT450,000-1,000,000 and the the remaining 4 households (19%) has monthly income upto MNT450,000.

Figure 9: AH's total monthly income



72. As for per capita monthly average income, 71.4% or 15 households have MNT260,000 or higher, 14.3% or 3 households, earn between MNT 130,000-260,000 and the remaining 3 AHs earn MNT130,000 or less, which is less than 70% of the poverty line in UB. 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. Figure 10 shows the average per capita income. This shows that 6 of the AHs are poor and the remaining 17 are not poor.

Figure 10. Monthly per capita income



E. Affected Households' Living Conditions

73. 5 households or 23.8% of the 21 AHs that were surveyed, live in gers and 16 households, 76.2%, live in detached houses. Of these 21 households, 17 (81%) own their dwellings, 3 (14.3%) rent and 1 (4.8%) live in the dwelling of the land owner free of charge. AHs that live in gers, have in average 5 wall gers. The details on the conditions of the detached houses are described in the Table 11 below.

Table 11: Conditions of the detached houses

No.	Conditions of the detached houses	Q'ty	%
1	No. of AHs living in detached houses	16	100.0

2	Wall material of the houses:		
	Brick	9	56.3
	Concrete	2	12.5
3	No. of rooms (excluding kitchen):		
	- No. of rooms of the houses with least No. of rooms (area)		1 (12m ²)
	- No. of rooms of the houses with most No. of rooms (area)		8 (420 m ²)
4	- Average No. of rooms (average area size)		2.75 (105.01 m ²)
	Area of the house (m ²):		
	12-48	7	43.8
	48.01-72	-	-
	72.01-420	9	56.3

74. As for lighting all 21 AHs use electricity. For heating all use coal. 12 households or 57.1% use wood, and 5 households or 23.8% use electricity for heating as well. There are no households that use gas, dung or other types of fuels for heating. 19 households (90.5%) use electricity for cooking. In addition to electricity, different types of fuels such as coal (12 households, 57.1%), wood (8 households, 38.1%), gas (3 households, 14.3%) are used for cooking as well (see Table 12). The fuels are obtained from a nearby fuel selling points, about 100 meters, or from as far as 10 km.

Table 12. Use of lighting, heating and fuel by Affected Households

No.	Use of lighting, heating and fuel	Q'ty	%
1	Type of lighting:		
	Electricity	21	100.0
2	Type fuels used for heating:		
	Coal	21	100.0
	Wood	12	57.1
	Electricity	5	23.8
3	Type of fuel used for cooking:		
	Coal	12	57.1
	Wood	8	38.1
	Electricity	19	90.5
	Gas	3	14.3

75. The details related to the provision of water, disposal of waste water and solid waste and type of toilet is given in the Table 13.

Table 13: 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	18	85.7
	Well on own land	1	4.8
	Mobile water source	1	4.8
	Other	1	4.8
2	Waste water disposal		
	Pit on own land	16	76.2
	Open space on own land	1	4.8
	Facility on own land with pumping	4	19
3	Solid waste disposal		
	Designated waste disposal point	21	100

4	Toilet	15 6	71.4 28.6
	Pit latrine Inside the house, local solution		

76. 57.1% of the AHs consider that the living conditions of their dwellings are good, 38.1% consider them average, and remaining 4.8% consider them poor. More than 90% or 19 households obtain medical services from the family clinics/state hospitals, 1 household or 4.8% obtains medical services from private hospital. The remaining 1 household serves itself with necessary medical services. 11 AHs, almost half of the households, responded that there are almost no crimes in the neighborhood. 2 respondents informed that there are frequent crimes, whereas 8 households or about 40% responded that there are very few crimes in the vicinity. To the AHs, the closest family clinic is about 100 m and the furthest one is about 4 km. As for schools, the closest one to the AHs is at a distance of 100 m and the furthest school is located about 2 km away from the AHs.

77. There are cases, where AHs have some business activities on their land parcels for income generation. The following table provides information on the type of structures that are used for business activities.

Table 14: Type and number of structures used for business activities

Business activity in a dwelling						
Ger	House		Open space (m ²)	Container	Block Garage	Iron Garage
	Q'y	area (m ²)				
3	12	2035	10	5	1	1

IV. LEGAL FRAMEWORK

78. 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

79. 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

80. The Constitution of Mongolia (1992)⁵ 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 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.

81. 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

82. The Law on Land (2002)⁶ 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

⁵ 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 accessed on 27 Mar 2015.

⁶ 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.

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 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.

83. 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.

84. 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 state⁷;
- 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.

85. 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”.

86. The law sets that *central* state administrative organization in charge of land affairs⁸ 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.

87. 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 entity 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.

88. 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

⁷ 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.

⁸ 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.

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.

89. 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.

90. 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 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.

91. 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

92. The Law on Allocation of Land to Mongolian Citizens for Ownership (2002)⁹ 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. Lands, which are already held under ownership rights by individuals, are freely traded and transferred on the market.

93. 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

⁹ 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.

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.

94. “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.

95. 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 observations; and iii) land for national scale roads, lines and network, and other constructions and facilities¹⁰.

96. 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 affairs¹¹ 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.

97. Further the law provides that land acquisition should take place after certain measures were taken. This includes 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 immovable 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

¹⁰ 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.

¹¹ 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.

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 entity and state organizations cannot reach an agreement, the dispute shall be settled by court.

98. 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 immovable 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 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

99. In the absence of legal provisions regulating LAR in the context of local scale public infrastructure facilities, including sewage pipes, the Civil Code (2002)¹² 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.

100. 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.

101. 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.

¹² 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.

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

102. 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. lands 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 Land¹³.

103. 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 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.

104. The regulation *assumes* that the affected entity and the respective Governor will reach consensus on the land acquisition and conclude an agreement. Further, it regulates that if the affected entity 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 entity. 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.

105. 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”.

106. 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 entity 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

107. 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.

¹³ 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.

108. 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.

109. 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.

110. 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

111. 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.

112. 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.

113. 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, 1m² land value in the ger areas of Ulaanbaatar without access to public infrastructure is set to 13,200 Mongolian tugriks (MNT), 1m² 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 m² 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 m² land is provided for compensation. Also, there are cases in which 100,000 MNT per m² 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 m² for the compensation for land acquired for heating power plants in a middle ger area close to the city center.

114. 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.

115. 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

116. 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 ADBSPS 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.

117. 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 value 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

118. A comparison of key provisions of Mongolian laws and existing practices and ADB SPS is provided in Table 15 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 15: 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>	<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.</p>
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>	<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.</p>
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 (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</p>	<p>Three groups of affected persons are identified:</p> <ul style="list-style-type: none"> i) those who have formal legal rights to land (land owners, possessor and users); ii) those who do not have formal legal rights, but have a claim to such land or assets; iii) those who have no recognizable legal right or claim to the land they are occupying. <p>Persons under i and ii are provided compensation for the land and property they lose, and other assistances. Persons</p>

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
	<p>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>	<p>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.</p>
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>	<p>No conflict with ADB policy. Joint signatures are encouraged.</p>
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 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>	<p>No conflict with ADB policy.</p>
Rental of land or house	<p>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)</p>	<p>Lessee is considered an AP and eligible to receive entitlements based on the type and degree of impacts.</p>
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>	<p>Common property resources or public structures and infrastructure affected by LAR are eligible for compensation.</p>
Compensation	<p>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 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>Compensation for lost assets will be provided at replacement cost, usually calculated as the market value of the assets plus the transaction costs related to restoring such assets (registration and transfer taxes, fee) and transitional and restoration costs. Depreciation of structures and assets should not be taken into account.</p> <p>Cash compensation and/or replacement</p>

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
	<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.</p> <p>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>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 resettlement plan	<p>No requirements.</p>	<p>Resettlement plan with time bound actions and a budget based on an assessment of 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</p>

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
		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 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 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</p>	An adequate grievance redress mechanism for affected persons is required as early as possible.

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
	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).	
Right of way	<p>The right of way (ROW) of the sewage collector main pipes has a total width of 12m (Law of Mongolia on Utilization of Water Supply and Sewage in Urban Areas and Settlements, Article 17.14. This article prohibits constructing 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 exist 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 33.</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 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</p>	Establish procedures to monitor and evaluate the implementation of land acquisition resettlement plan.

LAR Issues	Provisions of Mongolian Law	ADB SPS Requirements
	general to land related activities and no specific monitoring and evaluation provision exist in the laws.	

119. 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

120. 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 Selbe subproject are based on the applicable Mongolian Laws¹⁴ 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.

121. To bridge the gap between Mongolian Legislation and the ADB SPS, this LARP 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.

¹⁴ Civil Code of Mongolia, 2002; Law of Mongolia on Land, 2002; Law on Allocation of Land to Mongolian Citizens for Ownership, 2003.

- ii) The Selbe sub-project 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.¹⁵
 - 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).¹⁶
- iv) Affected land will be compensated either at replacement cost based on market rates for comparable land 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 possession license), 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

¹⁵ 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.

¹⁶ Not applicable if the replacement of public structures (electricity, water supply lines, etc.) is covered under civil works contracts.

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 entity.

- (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.
- (ix) Affected structures¹⁷ will be compensated at replacement cost based on prevailing market rates for comparable types of structures without deduction of depreciation. Materials may also be salvaged by the APs.
- x) 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) 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 wage. 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.
- xii) 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 road businesses in subproject areas.
- xiii) For permanent business loss, compensation shall include also 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) government will provide replacement land/shop space prior to relocation; or (b) 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.
- xiv) Land lessees, including those living in gers, will be provided with a cash refund at rental fee rate for duration of remaining lease period.
- xv) Vulnerable and poor households will be provided preferential employment in Selbe 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

¹⁷ Including houses, fences, sheds, latrines, garages and other immovable structures built on affected land.

construction should meet minimum standards), registration of property titles, relocation expenses, or a minimum housing guarantee.

- xvi) 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.
- xvii) An eligibility cut-off date will be set for the Selbe subproject at the time of the census and detailed measurement of affected land and property. This was set as 23 March 2015.
- xviii) Civil works shall not commence unless all compensation and relocation activities have been completed, and short-term financial assistance for loss of income has been paid.
- xix) Cash compensation will not be taxable, and all fees and transaction costs to register property will be paid by the project owner.
- xx) ADB SPS information disclosure and public consultation provisions will be observed.
- xxi) 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 opportunities¹⁸ or other assistance.

122. The application of policies, laws and regulations pertaining to LAR eligibility and compensation and rehabilitation entitlements for this Selbe subproject are summarized in the Entitlement Matrix in Table 16. Each AP may 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 16: Entitlement Matrix

Type of Loss	Specification	Eligibility	Compensation Entitlements
LAND (residential/ commercial/ public/ community)	Partial loss of plot (<50%)	Owner, Possessor, User ¹⁹	Cash compensation at market rates 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 for 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

¹⁸ If the required skills are not available, the contractor will provide basic training to the employed APs.

¹⁹ 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. Or if the major part of the remaining land is no longer fit for original purpose, due to circumstances such as introduction of servitude, but a smaller part is still usable, the AP may retain remaining part, but may opt to receive a new replacement plot as well.

Type of Loss	Specification	Eligibility	Compensation Entitlements
			location as lost plot; Ownership license and State registration; OR Cash compensation at market rates 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 choose 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 for duration of remaining lease period
		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) ²⁰	Full loss of structure and/or relocation	Owner, possessor, user, unlicensed occupant of land	Cash compensation for replacement of lost structure at market rate without deduction of depreciation, based on contractual agreement, and no deduction for salvaged materials
	Alteration to structure ²¹	Owner, possessor, user, unlicensed occupant of land	Cash compensation for lost part of structure and reconstruction of remaining structure at market rate 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 market rate 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,	Cash compensation for cost of taking down and raising of ger and for transport, as applicable; to be included in contractual

²⁰ '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.

²¹ Any required alteration to an occupied residential structure will be compensated as full loss.

Type of Loss	Specification	Eligibility	Compensation Entitlements
		unlicensed occupant of land	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 market rate without deduction of depreciation. No deduction for salvaged materials. Restoration of land by civil works contractor
Businesses	Any business loss due to LAR or construction activities by subproject	All APs persons so temporarily affected	Cash compensation equivalent to the loss, 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 road 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) government will provide replacement land/shop space prior to relocation; or (b) 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 affected APs ²²	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	Assistance with selecting a replacement plot and with preparation of contracts and

²² 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
		and/or severely affected APs	administrative process of provisions of replacement plot
	Loss of structure	All vulnerable and/or severely affected APs	Assistance with house relocation and other construction activities (new housing should meet minimum standard), registration of 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

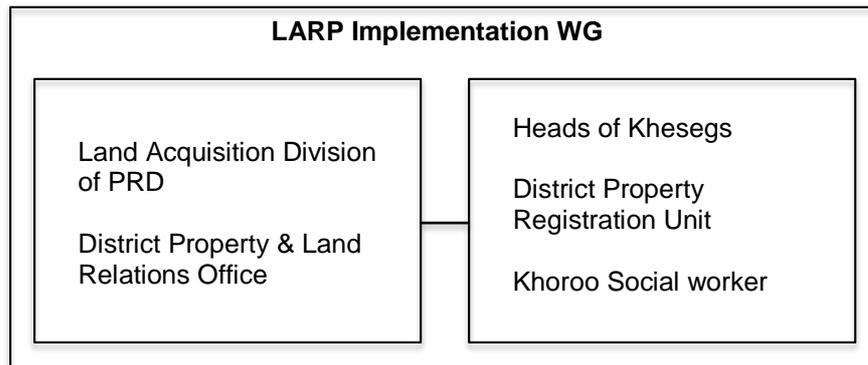
VI. INSTITUTIONAL ARRANGEMENTS

123. In accordance with the Resettlement Framework (RF) document, 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 5 for the resolution, the composition of the LARC and WG, and full list of the members of these two setups.

124. 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 Chingeltei and Songinokhairkhan District and relevant khoroo governors, officials of PRD, municipal water supply, road, title registration, social welfare departments and representatives of APs.

125. 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 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 kheseqs. The Structure of LARP implementation WG is shown in figure 11.

Figure 11. The Structure of LARP implementation WG.



126. 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.

127. A workshop on “ADB SPS and policy principles” was organized for the members of the LARC 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.

128. Trainings on Mongolian LAR related legislation, ADB SPS and policy principles, LAR activities and procedures, including the LARP preparation and implementation will be organized for the LARP Implementation WG and PMO in July 2015.

129. 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.

VII. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION

130. APs must be fully informed, closely consulted, and encouraged to participate in any decision making pertinent to LAR for the Selbe subproject, 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.

131. 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.

132. In Dec 2014, individual consultations have taken place with APs along the Selbe subproject’s ROW at the time of field verification and identification of LAR scope based on the detailed technical design of the sewage main collector pipes. APs were involved

in discussions about opportunities to avoid and minimize LAR impact. Most of the APs expressed their appreciation of the subproject.

133. During 13-16 Mar 2015, when the notification for LAR and cut-off date were delivered and during 21-23 Mar 2015, when the census and socio-economic survey was conducted, information on the Selbe subproject, ROW, grievance redress mechanism were provided to the APs and consulted on their concerns related to the subproject.

134. The information on USGDIP, Selbe subproject and the scope of LAR, Mongolian legislation, RF, and ADB SPS were provided and the compensation entitlements for the APs were explained at the public meeting that was held on 23 Mar 2015 at the Citizens Hall of the 14th khoroo of Chingeltei district. This public meeting was attended by representatives of the 15 affected households. This venue is conveniently located in the middle of the Selbe subproject site allowing easy access to all 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 and how the civil works will be carried out in places where the ROW is close to the structures and expressed concerns that the structures might be affected as results of the construction works. These concerns were conveyed to the PMO for further discussions with the relevant parties and response at the next meetings. The APs were informed that they will be able to visit the PMO office to obtain more information, raise their questions and lodge grievances.

135. While preparing this LARP, representatives of all directly affected 40 households, business entities and organizations were consulted either during the public meeting, census and socioeconomic survey, property appraisal or individual meetings at the PMO office. During these activities and meetings, the PMO resettlement specialist and LAR specialists provided detailed information on LAR, their entitlements, the policy and principles of for LAR, property appraisal methodologies, grievance redress mechanism and procedures and any other issues and concerns raised by the APs. Most of the individual meetings were held after the public consultation meeting, held on 23 Mar 2015.

136. Additional individual and public consultation meetings will be held to disclose the draft and final LARP, and throughout the implementation of the LARP as required to address any issues. The attendance sheet for public consultation meeting is provided in Attachment 6.

VIII. GRIEVANCE REDRESS MECHANISM

137. 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 Selbe subproject.

138. 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 7 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.

139. For the Selbe subproject, 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 as they represent all related administrative units and functional departments of MUB. Also, the LAR specialists shall be supporting PMO to redress the grievances.

140. 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. The grievance will be presented, addressed and resolved within 1 week within the PMO and WG 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 and WG 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 Chingeltei 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 steps for grievance redress mechanism are presented in Table 17 below.

Table 17: Grievance mechanism for Selbe Subproject

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 and WG	
	PMO and/or WG initiates action for resolution	1 week
If grievance is not resolved		
2	PMO submits grievance to relevant division/office of Chingeltei District, a local government unit	1 week
	Relevant division/office of Chingeltei 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

141. 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, i.e. go to the courts, at any time, if they feel their grievance or concern is not being adequately addressed through the project GRM.

142. 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.

IX. COMPENSATION POLICIES AND REHABILITATION STRATEGY

143. 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 and those that are seriously affected (i.e., need to physically relocate or lose most of their land or livelihood). Moreover, this chapter provides explanations for particular circumstances of some APs. The measurements are based on the detailed measurement surveys and technical drawings provided by the technical design company, cadastral mapping and registration information from PRD and the measurements of the certified property appraiser. The compensation rates used for land and structures are based on the valuation of the certified property appraiser.

144. All affected land and structures will be compensated at replacement cost based on market value for comparable assets estimated by the valuation team including resettlement specialist, certified property appraiser and officials of LAD and to be agreed with APs.

145. The basis of compensation negotiation for key items is presented in the next paragraphs below. These values can be reviewed and finalized during LARP finalization based on negotiations with the APs.

A. Compensation policies for land

146. Land: it is currently estimated that land will be compensated for at an average rate of MNT 214,300 (USD 108.80) per m². 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.
- No compensation for the affected land area that does not have land ownership, possession and use certificate.
- For all affected land parcels there will be a change in the cadastral information, therefore it will be necessary to do cadastral surveying and mapping and record the changes in the cadastral database of PRD.
- When doing cadastral surveying and mapping, formalize the land area without permission if this will comply with existing planning and procedures. Decision on the legalization shall be made by PRD.
- For three affected land parcels, S06, S27 and S28, create servitude on licensed land area. Provide one time compensation for the land area on which servitudes will be created for S06 and S28. No compensation is required on land area where servitude is created for S27, as this will not negatively impact the value of land.
- For AP S23 the land parcel will be acquired fully and permanently. This land parcel is not used and vacant without any structures, even a fence. For this affected land a comparable replacement land will be offered.
- 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.

147. Table 18 presents the detailed account for compensation for each affected land parcels based on the estimated unit rates and policies above; the actual negotiated amounts may differ.

Table 18: Estimated Compensation for affected land

AP ID	Total land area, m ²			Affected land area, m ²			Type of impact	Estimated Unit price MNT	Estimated Unit price USD	Total Compensation for land MNT	Total compensation for land USD	Comments
	with permission	without permission	Total	with permission	without permission	Total						
S01	495	15	510		15	15	partial	214,300	108.79	-	-	
S02	700		700	21		21	partial	214,300	108.79	4,500,300	2,285	
S03	685	60	745		12	12	partial	214,300	108.79	-	-	
S04	410	51	461	3	51	54	partial	214,300	108.79	642,900	326	
S05	356	9	365		18	18	partial	214,300	108.79	-	-	
S06	700	149	849		43	43	partial	214,300	108.79	-	-	pay one time compensation for the affected land area with permission and create servitude
S07	300	6	306		6	6	partial	214,300	108.79	-	-	
S08	327	225	552		59	59	partial	214,300	108.79	-	-	
S09	431	35	466		2	2	partial	214,300	108.79	-	-	
S10	364	36	400		5	5	partial	214,300	108.79	-	-	
S11	822	68	890		15	15	partial	214,300	108.79	-	-	
S12	188	44	232		7	7	partial	214,300	108.79	-	-	
S13	609	22	631		13	13	partial	214,300	108.79	-	-	
S14	367	137	504		22	22	partial	214,300	108.79	-	-	
S15	676	77	753		42	42	partial	214,300	108.79	-	-	
S16	533	7	540		7	7	partial	214,300	108.79	-	-	
S17	700	47	747		1	1	partial	214,300	108.79	-	-	
S18	330	67	397	14	66	80	partial	214,300	108.79	3,000,200	1,523	
S19	371	35	406	40	35	75	partial	214,300	108.79	8,572,000	4,352	
S20	967	39	1006	129	22	151	partial	214,300	108.79			No compensation for the affected land area with permission, as this is state owned company
S21	437	3	440	10	2.5	13	partial	214,300	108.79	2,143,000	1,088	
S22	421	25	446	22	6.5	29	partial	214,300	108.79	4,714,600	2,393	
S23	368		368	368		368	full	214,300	108.79			Provide comparable replacement land
S24	549	17	566	32		32	partial	214,300	108.79	6,857,600	3,481	

AP ID	Total land area, m ²			Affected land area, m ²			Type of impact	Estimated Unit price MNT	Estimated Unit price USD	Total Compensation for land MNT	Total compensation for land USD	Comments
	with permission	without permission	Total	with permission	without permission	Total						
S25	227	28	255	2		2	partial	214,300	108.79	428,600	218	
S26	655		655	16		16	partial	214,300	108.79	3,428,800	1,741	
S27	2685		2685	9		9	partial	214,300	108.79			create servitude, no compensation for the land, LAR does not have impact on land value
S28	180	341	521	16	96	112	partial	214,300	108.79	3,428,800	1,741	pay one time compensation for the affected land area with permission and create servitude
Total	15853	1543	17396	682	546	1228				37,716,800	19,147	

B. Compensation policies for structures

148. The following policies and standards 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 19.

- Fences – wooden: it is currently estimated that wooden fences will be compensated for at a rate of MNT 312,500 (USD 158.64) per m³.
- 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 – brick: it is currently estimated that brick fences will be compensated for at a rate of MNT 268,668 (USD 136.39) per m³.
- Structure's foundation – brick: it is currently estimated that brick structure's foundation will be compensated for at a rate of MNT 268,668 (USD 136.39) per m³.
- Structure's foundation – concrete: it is currently estimated that concrete structure's foundation will be compensated for at a rate of MNT 155,500 (USD 78.94) per m³.
- Entrance – wooden structure 1: it is currently estimated that steps made of wood will be compensated for at a rate of MNT 250,000 (USD 126.91) per m³.
- Entrance – wooden structure 2: it is currently estimated that doorway building made of wood will be compensated for at a rate of MNT 274,634 (USD 139.42) per m².
- Entrance – brick structure: it is currently estimated that doorway building made of brick will be compensated for at a rate of MNT 274,634 (USD 139.42) per m².
- Entrance – brick stoop: it is currently estimated that stoop made of brick will be compensated for at a rate of MNT 268,668 (USD 136.39) per m³.
- Entrance – concrete stoop: it is currently estimated that stoop made of concrete will be compensated for at a rate of MNT 155,500 (USD 78.94) per m³.
- Entrance – iron step/stoop: it is currently estimated that step/stoop made of iron will be compensated for at a rate of MNT 2,518 (USD 1.28) per kg.
- Iron gate – type 1 (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) per set.
- Iron gate – type 2 (iron bars): it is currently estimated that iron gate will be compensated for at a rate of MNT 600,000 (USD 304.59) per set.
- Iron gate – type 3 (small): it is currently estimated that iron gate will be compensated for at a rate of MNT 50,500 (USD 25.64) per set.
- Pedestrian road: it is currently estimated that pedestrian road made of tiles will be compensated for at a rate of MNT 25,000 (USD 48.60) per m².
- Wooden shed/small structure: it is currently estimated that sheds will be compensated for at a rate of USD 312,500 (MNT 158.64) per m².
- 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 500,000 (USD 253.83) for 40t, and MNT 400,000 (USD 203.06) for 20t.

- Latrine: it is currently estimated that latrines will be compensated for at a rate of MNT 221,995 (USD 112.70) each.
- Brick 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 m².
- Small shop (metal sheet): will be relocated within the land parcel, it is currently estimated that relocation cost will be compensated for at a rate of MNT 400,000 (USD 203.06) per piece.
- Cemented area: it is currently estimated that cemented area restoration costs will be compensated for at a rate of MNT 198,000 (USD 100.52) per m³.
- Asphalted area: it is currently estimated that asphalted area restoration costs will be compensated for at a rate of MNT 350,776 (USD 155.23) per ton.
- Curb: it is currently estimated that roadside curb restoration costs will be compensated for at a rate of MNT 17,500 (USD 8.88) per piece.
- Concrete structure: it is currently estimated that concrete structure-plate relocation will be compensated for at a rate of MNT 175,000 (USD 88.84) per piece.

Table 19: Types of losses, quantities and estimated compensation standards

No.	Type of loss	Unit	Quantity	Unit price (MNT)	Unit price (USD)	No. of affected objects	APs	
1	Fence	Wooden	m ³	10.06	312,500	158.64	7	S02, S03, S15, S20, S22, S24, S25
		Iron	kg	3501.35	2,518	1.28	8	S01, S05, S06, S09, S11, S12, S13, S18
		Block	pc	1773	1,611	0.82	6	S08, S09, S10, S18, S19, S28
		Wooden pole	pc	56.00	8,000	4.06	7	S02, S03, S15, S20, S22, S24, S25
		Brick	m ³	0.75	268,668	136.39	1	S08
2	Structure's foundation	Brick	m ³	0.95	268,668	136.39	1	S01
		Concrete	m ³	19.90	155,500	78.94	10	S06, S08, S09, S10, S11, S12, S13, S18, S19, S28
3	Entrance	Wooden structure 1	m ³	0.35	250,000	126.91	1	S01
		Wooden structure 2	m ²	3.52	274,634	139.42	1	S05
		Brick structures	m ²	11.05	274,634	139.42	2	S01, S05,
		Brick stoop	m ³	2.29	268,668	136.39	2	S07, S09
		Concrete stoop	m ³	9.81	155,500	78.94	4	S07, S16, S17
		Iron	kg	407.20	2,518	1.28	1	S01

No.	Type of loss	Unit	Quantity	Unit price (MNT)	Unit price (USD)	No. of affected objects	APs	
	steps/stoop							
4	Iron gate	type 1	set	3.00	350,000	177.68	3	S20, S21, S22,
		type 2	set	5.00	600,000	304.59	6	S02 S03, S08, S09, S11,
		type 3	set	1.00	50,500	25.64	1	S13
5	Pedestrian road	m ²	48.60	25,000	12.69	1	S01	
6	Wooden shed/small structure	m ³	8.16	312,500	158.64	3	S03, S11, S15	
7	Container	Container 20t	pc	2	400,000	203.06	2	S14, S24
		Container 40t	pc	1	500,000	253.83	1	S10
8	Wooden latrine	pc	1	221,995	112.70	1	S015	
9	Brick buildings extension	m ²	47.40	274,634	139.42	2	S22, S28	
10	Small shop (iron sheet)	pc	1	400,000	203.06	1	S25	
11	Cemented area	m ³	31.13	198,000	100.52	3	S06,S18,S27,	
12	Asphalted area	t	28.30	305,776	155.23	1	S27	
13	Curb	pc	34	17,500	8.88	1	S27	
14	Concrete structure	pc	2.00	175,000	88.84	1	S27	

C. Compensation policies for livelihood loss

149. Business 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.

150. Employment loss will be compensated for through short term financial compensation equivalent to the salary for the 10 day period of interruption of employment. Table 20 provides detailed account of compensation for the loss for each APs.

151. Some of the APs with businesses did not provide their information on their net profits, if they have employees, or what is the salary for their employees, etc. Also, some of the APs with businesses did not run any business at the time of census and socioeconomic survey. Also, the business losses and salaries of the employees were reflected in the Table 20 as indicated by the APs during the census and socioeconomic survey. There are couple of businesses such as S20 (state owned company for Information, Communication Network) and S27 (fuel station), for which there will be no impact on business and employment and thus no need to compensate for losses. Access to the business or office for these two businesses will be provided so that their businesses are not interrupted during construction.

Table 20: Compensation for affected business and employment

No.	AP ID	Business loss, MNT		Loss of Employment, MNT		Total for livelihood losses, MNT		Type of business
		1 day	10 day	1 day	10 day	1 day	10 day	
1	S01	93,333	933,333			93,333	933,333	café, rent of business space
2	S01-1	1,000,000	10,000,000	296,667	2,966,667	1,296,667	12,966,667	banking
3	S01-2		-		-	-	-	notary
4	S04	50,000	500,000		-	50,000	500,000	construction materials production and sales
5	S05	1,000,000	10,000,000		-	1,000,000	10,000,000	grocery and household items shop, canteen
6	S06	333,333	3,333,333	33,333	333,333	366,667	3,666,667	foreign trade, rent of business space
7	S06-1	83,333	833,333	40,000	400,000	123,333	1,233,333	grocery and household items shop
8	S06-2		-	23,333	233,333	23,333	233,333	pharmacy
9	S06-3		-	33,333	333,333	33,333	333,333	restaurant/pub/karaoke
10	S06-4	30,000	300,000		-	30,000	300,000	hair dresser
11	S06-5	23,333	233,333	33,333	333,333	56,667	566,667	table tennis facility
12	S06-6	16,667	166,667		-	16,667	166,667	movie renting
13	S06-7	165,333	1,653,333		-	165,333	1,653,333	tailor
14	S06-8	66,667	666,667	133,333	1,333,333	200,000	2,000,000	cell phone repair service
15	S06-9	40,000	400,000		-	40,000	400,000	pawnshop
16	S06-10	50,000	500,000	53,333	533,333	103,333	1,033,333	Morin khaar (musical instrument) training
17	S08		-		-	-	-	grocery and household items shop, to start operation from Apr 1, 15
18	S09		-		-	-	-	construction materials production and sales, car spare parts sales
19	S10		-		-	-	-	handcrafts production - jewelry making workshop
20	S11	66,667	666,667		-	66,667	666,667	textile workshop
21	S12	50,000	500,000		-	50,000	500,000	grocery and household items shop
22	S13	100,000	1,000,000		-	100,000	1,000,000	construction materials production and sales, car parking, car repair workshop
23	S14	50,000	500,000		-	50,000	500,000	car repair workshop, rent of small structure
24	S16	55,000	550,000		-	55,000	550,000	grocery and household items shop
25	S17	133,333	1,333,333		-	133,333	1,333,333	grocery and household items shop
26	S18	266,667	2,666,667	166,667	1,666,667	433,333	4,333,333	hotel, restaurant, karaoke

No.	AP ID	Business loss, MNT		Loss of Employment, MNT		Total for livelihood losses, MNT		Type of business
		1 day	10 day	1 day	10 day	1 day	10 day	
27	S19	666,667	6,666,667	93,333	933,333	760,000	7,600,000	grocery and household items shop
28	S22	50,000	500,000	33,333	333,333	83,333	833,333	car repair workshop, car wash
29	S24	10,000	100,000		-	10,000	100,000	tire repair
30	S28	66,667	666,667	60,000	600,000	126,667	1,266,667	printing, rent of residential space
Total		4,467,000	44,670,000	1,000,000	10,000,000	5,467,000	54,670,000	
Total USD							27,753	

D. Compensation policies for transaction costs

152. 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 2011²³. Appendix 8 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 - possession MNT 20,000 (USD 10.15) for individuals and MNT 70,000 (USD 35.53) for companies.
- For registration of the land titles for possession right MNT 10,000 (USD 5.08) will be paid.
- For registration of the land titles 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.

153. Table 21 provides detailed account of transactions costs to be compensated to each APs.

154. The PMO with the support of the LAD and General Authority for State Registration (GASR) in Chingeltei 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 APs 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 procedures together with the APs and submit the application to Chingeltei District GASR. Chingeltei 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.

²³ This resolution was obtained from the official government website for unified legal information system at www.legalinfo.mn.

Table 21. Estimated Compensation for transactions costs

AP ID	Notary fee	Cadastral mapping & surveying	Cadastral map issuance fee	Fee for land certificate issuance by PRD	Fee for land title certificate by GASR	Total	
						MNT	USD
S01	10,000	50,000	2,500		8,000	70,500	35.79
S01-1	25,000					25,000	12.69
S01-2						-	-
S02	10,000	50,000	2,500		8,000	70,500	35.79
S03		50,000	2,500		8,000	60,500	30.71
S04	10,000	50,000	2,500		8,000	70,500	35.79
S05	25,000	50,000	2,500		8,000	85,500	43.40
S06	10,000	50,000	2,500		8,000	70,500	35.79
S06-1	10,000					10,000	5.08
S06-2	1,167					1,167	0.59
S06-3	1,667					1,667	0.85
S06-4	1,500					1,500	0.76
S06-5	2,833					2,833	1.44
S06-6	833					833	0.42
S06-7	10,000					10,000	5.08
S06-8	10,000					10,000	5.08
S06-9	2,000					2,000	1.02
S06-10	10,000					10,000	5.08
S07	2,338	50,000	2,500	20,000	10,000	84,838	43.07
S08	10,000	50,000	2,500		8,000	70,500	35.79
S09	10,000	50,000	2,500		8,000	70,500	35.79
S10	4,557	50,000	2,500		8,000	65,057	33.03
S11	10,000	50,000	2,500		8,000	70,500	35.79
S12	10,000	50,000	2,500		8,000	70,500	35.79
S13	10,000	50,000	2,500		8,000	70,500	35.79
S14	4,500	50,000	2,500		8,000	65,000	33.00
S15	10,000	50,000	2,500		8,000	70,500	35.79
S16	10,000	50,000	2,500	20,000	10,000	92,500	46.96
S17	10,000	50,000	2,500		8,000	70,500	35.79
S18	25,000	50,000	2,500		8,000	85,500	43.40
S19	25,000	50,000	2,500		8,000	85,500	43.40
S20	10,000	50,000	2,500	70,000	10,000	142,500	72.34
S21	10,000	50,000	2,500		8,000	70,500	35.79
S22	25,000	50,000	2,500		8,000	85,500	43.40
S23	10,000	50,000	2,500		10,000	72,500	36.80

AP ID	Notary fee	Cadastral mapping & surveying	Cadastral map issuance fee	Fee for land certificate issuance by PRD	Fee for land title certificate by GASR	Total	
						MNT	USD
S24	10,000	50,000	2,500		8,000	70,500	35.79
S25	10,000	50,000	2,500	70,000	10,000	142,500	72.34
S26	10,000	50,000	2,500		8,000	70,500	35.79
S27	25,000	50,000	2,500	70,000	10,000	157,500	79.96
S28	25,000	50,000	2,500	20,000	10,000	107,500	54.57
Total	416,395	1,400,000	70,000	270,000	238,000	2,394,395	1,215.52

E. Principles for provision of income and livelihood rehabilitation

155. 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 APs to improve, or at least restore, their incomes and livelihoods.

156. APs 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).

157. Since there will be no permanent economic and physical displacement of vulnerable households and as the project impacts to incur to APs, including vulnerable households, are expected to be minor, no special rehabilitation measures should be needed.

158. However, in order to improve the livelihoods of the vulnerable APs, PMO will list the vulnerable households and will discuss their needs and problems in cooperation with the officials of 14th and 18th khoroos Chingeltei District and APs.

159. Based on the needs and demand of the vulnerable households, the administration of the 14th and 18th khoroos of Chingeltei 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.

160. 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.

161. Another element of reducing and eliminating subproject-induced vulnerability will be the careful consideration of the specific needs of female affected entities. 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, 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 entities.
- 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.

162. The AP S01-2, who is a notary, will provide the notary services for conclusion of contracts with the APs, if s/he agrees.

163. In order to share the benefits of the project, once the Selbe sub-center sewer main collector pipes construction work is completed and accepted by the MUB department for Water Supply and Sewerage Authority, the PMO will support the APs to connect to the sewer main collector pipes by facilitating the process of obtaining permissions for connection. If APs will be willing to obtain such support, this will be reflected in the contract with the APs.

164. Table 22 provides detailed account of affected structures, land, livelihood – business and employment losses and required transactions costs. The table shows the compensation amount for each type of losses as well. The summary of the appraisal of affected land and properties from the certified property appraiser is provided in the Attachment 9.

Table 22: Consolidated compensation estimates for APs

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
S01	Entrance - brick structure	m ²	5.33	274,634	1,463,800	743.10
	Pedestrian road	m ²	48.6	25,000	1,215,000	616.80
	Fence - iron	kg	200	2,518	503,500	255.60
	Foundation - brick	m ³	0.95	268,668	255,234	129.57
	Entrance - iron steps/stoop	kg	407.2	2,518	1,025,126	520.41
	Entrance - wooden structure 1 - steps	m ³	0.35	250,000	87,500	44.42
	Land	m ²	0	214,300	-	-
	Transaction costs	set	1	70,500	70,500	35.79
	Business and employment	set	1	933,333	933,333	473.81
	total for S01					5,553,993
S01-1	Business and employment	set	1	12,966,667	12,966,667	6,582.57
	Transaction costs	set	1	25,000	25,000	12.69
	total for S01-1					12,991,667
S01-2	Business and employment	set	1	-	-	-
	Transaction costs	set	1	-	-	-
	total for S01-2					-
S02	Fence - wooden pole	pc	5	8,000	40,000	20.31
	Iron gate - type 2	set	1	600,000	600,000	304.59
	Fence - wooden	m ³	1.59	312,500	496,875	252.24
	Land	m ²	21	214,300	4,500,300	2,284.59

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	Transaction costs	set	1	70,500	70,500	35.79
	total for S02				5,707,675	2,898
S03	Fence - wooden	m ³	0.857	312,500	267,813	135.96
	Fence - wooden pole	pc	5	8,000	40,000	20.31
	Iron gate - type 2	set	1	600,000	600,000	304.59
	Wooden shed/small structure	m ³	2.6	312,500	812,500	412.47
	Land	m ²	0	214,300	-	-
	Transaction costs	set	1	60,500	60,500	30.71
	total for S03				1,780,813	904.03
S04	Land	m ²	3	214,300	642,900	326.37
	Business and employment	set	1	500,000	500,000	253.83
	Transaction costs	set	1	70,500	70,500	35.79
	total for S04				1,213,400	615.99
S05	Entrance - wooden structure 3	m ²	3.52	274,634	966,712	490.75
	Entrance - brick structure	m ²	5.72	274,634	1,570,907	797.48
	Fence - iron	kg	99.85	2,518	251,372	127.61
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	10,000,000	10,000,000	5,076.53
	Transaction costs	set	1	85,500	85,500	43.40
	total for S05				12,874,491	6,536
S06	Fence - iron	kg	776.2	2,518	1,954,084	992.00
	Structure's foundation - concrete	m ³	4.5	155,500	699,750	355.23

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	Cemented area	m ³	8.4	198,000	1,663,200	844.33
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	3,666,667	3,666,667	1,861.39
	Transaction costs	set	1	70,500	70,500	35.79
	total for S06				8,054,200	4,089
S06-1	Business and employment	set	1	1,233,333	1,233,333	626.11
	Transaction costs	set	1	10,000	10,000	5.08
	total for S06-1				1,243,333	631.18
S06-2	Business and employment	set	1	233,333	233,333	118.45
	Transaction costs	set	1	1,167	1,167	0.59
	total for S06-2				234,500	119.04
S06-3	Business and employment	set	1	333,333	333,333	169.22
	Transaction costs	set	1	1,667	1,667	0.85
	total for S06-3				335,000	170.06
S06-4	Business and employment	set	1	300,000	300,000	152.30
	Transaction costs	set	1	1,500	1,500	0.76
	total for S06-4				301,500	153.06
S06-5	Business and employment	set	1	566,667	566,667	287.67
	Transaction costs	set	1	2,833	2,833	1.44
	total for S06-5				569,500	289.11
S06-6	Business and employment	set	1	166,667	166,667	84.61
	Transaction costs	set	1	833	833	0.42

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	total for S06-6				167,500	85.03
S06-7	Business and employment	set	1	1,653,333	1,653,333	839.32
	Transaction costs	set	1	10,000	10,000	5.08
	total for S06-7				1,663,333	844.40
S06-8	Business and employment	set	1	2,000,000	2,000,000	1,015.31
	Transaction costs	set	1	10,000	10,000	5.08
	total for S06-8				2,010,000	1,020.38
S06-9	Business and employment	set	1	400,000	400,000	203.06
	Transaction costs	set	1	2,000	2,000	1.02
	total for S06-9				402,000	204.08
S06-10	Business and employment	set	1	1,033,333	1,033,333	524.57
	Transaction costs	set	1	10,000	10,000	5.08
	total for S06-10				1,043,333	529.65
S07	Entrance - brick stoop	m ³	0.78	268,668	209,561	106.38
	Entrance - concrete stoop	m ³	1.66	155,500	258,130	131.04
	Land	m ²	0	214,300	-	-
	Transaction costs	set	1	84,838	84,838	43.07
	total for S07				552,529	280.49
S08	Fence - block	pc	472	1,611	760,486	386.06
	Fence - brick	m ³	0.75	268,668	201,501	102.29
	Structure's foundation - concrete	m ³	1.80	155,500	279,900	142.09
	Iron gate - type 2	set	1	600,000	600,000	304.59

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	-	-	-
	Transaction costs	set	1	70,500	70,500	35.79
	total for S08				1,912,387	970.83
S09	Entrance - brick stoop	m ³	1.51	268,668	405,688	205.95
	Structure's foundation - concrete	m ³	0.39	155,500	60,645	30.79
	Fence - block	pc	102	1,611	164,342	83.43
	Iron gate - type 2	set	1	600,000	600,000	304.59
	Fence - iron	kg	38.4	2,518	96,672	49.08
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	-	-	-
	Transaction costs	set	1	70,500	70,500	35.79
total for S09				1,397,847	709.62	
S10	Fence - block	pc	209	1,611	336,741	170.95
	Structure's foundation - concrete	m ³	0.48	155,500	74,640	37.89
	Container 40t (relocation)	pc	1	500,000	500,000	253.83
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	-	-	-
	Transaction costs	set	1	65,057	65,057	33.03
	total for S10				976,438	495.69
S11	Iron gate - type 2	set	2	600,000	1,200,000	609.18
	Fence - iron	kg	296.9	2,518	747,446	379.44

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	Structure's foundation - concrete	m ³	3.10	155,500	481,428	244.40
	Wooden shed/small structure	m ²	2.96	312,500	923,438	468.79
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	666,667	666,667	338.44
	Transaction costs	set	1	70,500	70,500	35.79
	total for S11					4,089,478
S12	Fence - iron	kg	139.9	2,518	352,198	178.79
	Structure's foundation - concrete	m ³	1.42	155,500	220,810	112.09
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	500,000	500,000	253.83
	Transaction costs	set	1	70,500	70,500	35.79
	total for S12					1,143,508
S13	Fence - iron	kg	1215.8	2,518	3,060,777	1,553.81
	Iron gate - type 3	set	1	50,500	50,500	25.64
	Structure's foundation - concrete	m ³	3.06	155,500	475,830	241.56
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	1,000,000	1,000,000	507.65
	Transaction costs	set	1	70,500	70,500	35.79
	total for S13					4,657,607
S14	Container 20t (relocation)	pc	1	400,000	400,000	203.06
	Business and employment	set	1	500,000	500,000	253.83
	Transaction costs	set	1	65,000	65,000	33.00

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	total for S14				965,000	489.89
S15	Fence - wooden	m ³	2.11	312,500	659,375	334.73
	Fence - wooden pole	pc	13	8,000	104,000	52.80
	Wooden latrine	pc	1	221,995	221,995	112.70
	Wooden shed/small structure	pc	2.6	312,500	812,500	412.47
	Land	m ²	0	214,300	-	-
	Transaction costs	set	1	70,500	70,500	35.79
	total for S15				1,868,370	948.48
S16	Entrance - concrete stoop	m ³	2.18	155,500	338,990	172.09
	Entrance - concrete stoop	m ³	1.09	155,500	169,495	86.04
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	550,000	550,000	279.21
	Transaction costs	set	1	92,500	92,500	46.96
	total for S16				1,150,985	584.30
S17	Entrance - concrete stoop	m ³	4.88	155,500	758,840	385.23
	Land	m ²	0	214,300	-	-
	Business and employment	set	1	1,333,333	1,333,333	676.87
	Transaction costs	set	1	70,500	70,500	35.79
	total for S17				2,162,673	1,097.89
S18	Fence - iron	kg	734.3	2,518	1,848,600	938.45
	Structure's foundation - concrete	m ³	1.13	155,500	175,715	89.20
	Fence - block	pc	374	1,611	602,589	305.91

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	Cemented area	m ³	14.4	198,000	2,851,200	1,447.42
	Land	m ²	14	214,300	3,000,200	1,523.06
	Business and employment	set	1	4,333,333	4,333,333	2,199.83
	Transaction costs	set	1	85,500	85,500	43.40
	total for S18				12,897,137	6,547.27
S19	Fence - block	pc	328	1,611	528,474	268.28
	Structure's foundation - concrete	m ³	2.8	155,500	435,400	221.03
	Land	m ²	40	214,300	8,572,000	4,351.60
	Business and employment	set	1	7,600,000	7,600,000	3,858.16
	Transaction costs	set	1	85,500	85,500	43.40
	total for S19				17,221,374	8,742.48
S20	Fence - wooden	m ³	2.53	312,500	790,625	401.36
	Fence - wooden pole	pc	15	8,000	120,000	60.92
	Iron gate - type 1	set	1	350,000	350,000	177.68
	Land	m ²	0	214,300	-	-
	Transaction costs	set	1	142,500	142,500	72.34
	total for S20				1,403,125	712.30
S21	Iron gate - type 1	set	1	350,000	350,000	177.68
	Land	m ²	10	214,300	2,143,000	1,087.90
	Transaction costs	set	1	70,500	70,500	35.79
	total for S21				2,563,500	1,301.37
S22	Fence - wooden	m ³	0.97	312,500	303,125	153.88

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	Fence - wooden pole	pc	6	8,000	48,000	24.37
	Iron gate - type 1	set	1	350,000	350,000	177.68
	Brick buildings extension	m ²	19.8	274,634	5,437,754	2,760.49
	Land	m ²	22	214,300	4,714,600	2,393.38
	Business and employment	set	1	833,333	833,333	423.04
	Transaction costs	set	1	85,500	85,500	43.40
	total for S22					11,772,313
S23	Land (replace with similar land)	m ²	368	-	-	-
	Transaction costs	set	1	72,500	72,500	36.80
	total for S23					72,500
S24	Container 20t (relocation)	pc	1	400,000	400,000	203.06
	Fence - wooden	m ³	0.70	312,500	218,750	111.05
	Fence - wooden pole	pc	4.00	8,000	32,000	16.24
	Land	m ²	32	214,300	6,857,600	3,481.28
	Business and employment	set	1	100,000	100,000	50.77
	Transaction costs	set	1	70,500	70,500	35.79
total for S24					7,678,850	3,898.19
S25	Fence - wooden	m ³	1.3	312,500	406,250	206.23
	Fence - wooden pole	pc	8	8,000	64,000	32.49
	Small shop (iron sheet)	pc	1	400,000	400,000	203.06
	Land	m ²	2	214,300	428,600	217.58
	Transaction costs	set	1	142,500	142,500	72.34

AP ID	Compensation items	Unit	Q'ty	Unit cost	Total MNT	Total USD
	total for S25				1,441,350	731.71
S26	Land	m ²	16	214,300	3,428,800	1,740.64
	Transaction costs	set	1	70,500	70,500	35.79
	total for S26				3,499,300	1,776.43
S27	Asphalted area	ton	28.3	305,776	8,653,450	4,392.95
	Curb	pc	34	17,500	595,000	302.05
	Concrete structure	pc	2	175,000	350,000	177.68
	Cemented area	m ³	8.33	198,000	1,649,340	837.29
	Land (no impact on land value)	m ²	9		-	-
	Transaction costs	set	1	157,500	157,500	79.96
	total for S27				11,405,290	5,789.93
S28	Fence - block	pc	288	1,611	464,026	235.56
	Structure's foundation - concrete	m ³	1.22	155,500	189,710	96.31
	Brick buildings extension	m ²	27.6	274,634	7,579,900	3,847.96
	Land	m ²	16	214,300	3,428,800	1,740.64
	Business and employment	set	1	1,266,667	1,266,667	643.03
	Transaction costs	set	1	107,500	107,500	54.57
	total for S28				13,036,602	6,618.07

X. BUDGET, FINANCES AND DISBURSEMENT

165. The total cost of LAR including the cost of compensation, rehabilitation, administration and monitoring is an integral part of the subproject cost. Table 23 presents the budget for the Selbe sewer pipeline subproject. The budget was calculated based on the compensation policies and standards set in the chapter IX. Compensation and Rehabilitation strategy. For land and 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 9 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 market rates for material, labor, transport and without depreciation for the age of structures. The business and employment temporary disruption for 10 days, was 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 transaction costs were calculated based on the rate set by the Minister for Justice, Attachment 8, and information from PRD and GASR. The cost of administration (stationary, computer consumables, secretarial services, internal monitoring etc.) has been determined at 10 percent of the cost of compensation measures (items 1-4, Table 23). 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 (such as negotiation of final compensation packages).

166. The MUB is responsible for timely allocation of funds needed to implement LAR activities of this subproject. The Grand Subtotal, item 7 of Table 22, will be funded by MUB. The funds for LAR activities were granted by the MUB to PMO. The costs of external monitoring, item 8 of Table 23, will be funded by the ADB.

167. The budget in this draft LARP presented below remains an estimation, as there might be adjustments to the unit rates of structures and to include the costs for livelihood loss for some APs, which was not provided during the census. Also, the budget is 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 23: Budget for LAR for Selbe subproject

No.	Type of loss	Unit	Number of units	Unit price MNT	Unit price USD	Costs		
						MNT	USD	
1	Land							
1.1	Residential/commercial	m ²	176.00	214,300	109	37,716,800	19,147	
Subtotal						37,716,800	19,147	
2	Structures							
2	Fence	Wooden	m ³	10.06	312,500	159	3,142,813	1,595
		Iron	kg	3501.35	2,518	1	8,816,399	4,476
		Block	pc	1773.00	1,611	1	2,856,303	1,450
		Wooden pole	pc	56.00	8,000	4	448,000	227
		Brick	m ³	0.75	268,668	136	201,501	102
2	Structure's foundation	Brick	m ³	0.95	268,668	136	255,235	130
		Concrete	m ³	19.90	155,500	79	3,093,828	1,571
2	Entrance	Wooden structure 1	m ³	0.35	250,000	127	87,500	44

No.	Type of loss	Unit	Number of units	Unit price MNT	Unit price USD	Costs		
						MNT	USD	
	Wooden structure 2	m ²	3.52	274,634	139	966,712	491	
	Brick structures	m ²	11.05	274,634	139	3,034,706	1,541	
	Brick stoop	m ³	2.29	268,668	136	615,249	312	
	Concrete stoop	m ³	9.81	155,500	79	1,525,455	774	
	Iron steps/stoop	kg	407.20	2,518	1	1,025,126	520	
2	Iron gate	type 1	set	3.00	350,000	178	1,050,000	533
		type 2	set	6.00	600,000	305	3,600,000	1,828
		type 3	set	1.00	50,500	26	50,500	26
2.5	Pedestrian sidewalk/path	m ²	48.60	25,000	13	1,215,000	617	
2.6	Wooden shed/small structure	m ³	8.16	312,500	159	2,548,438	1,294	
3	Container	Container 20t	pc	2.00	400,000	203	800,000	406
		Container 40t	pc	1.00	500,000	254	500,000	254
2.8	Wooden latrine	pc	1.00	221,995	113	221,995	113	
2.9	Brick buildings extension	m ²	47.40	274,634	139	13,017,654	6,608	
2.10	Small shop (iron sheet)	pc	1.00	400,000	203	400,000	203	
2.11	Cemented area	m ³	31.13	198,000	101	6,163,740	3,129	
2.12	Asphalted area	t	28.30	305,776	155	8,653,450	4,393	
2.13	Curb	pc	34.00	17,500	9	595,000	302	
2.14	Concrete structure	pc	2.00	175,000	89	350,000	178	
subtotal						65,234,603	33,117	
3	Temporary business and employment disruption							
3.1	Business	lump sum		44,670,000	22,677	44,670,000	22,677	
3.2	Employment	lump sum		10,000,000	5,077	10,000,000	5,077	
subtotal						54,670,000	27,753	
4	Transaction costs							
4.1	Notary fee	lump sum		416,395	211	416,395	211	
4.2	Cadastral mapping & surveying	lump sum		1,400,000	711	1,400,000	711	
4.3	Cadastral map issuance fee	lump sum		70,000	36	70,000	36	
4.4	Land certificate fee for PRD	lump sum		270,000	137	270,000	137	
4.5	Land title certificate for GASR	lump sum		238,000	121	238,000	121	
subtotal						2,394,395	1,216	
Subtotal for Compensation Measures, 1-4						160,015,799	81,232	
5	Administration & supervision, 10% of 1-4					16,001,580	8,123	
6	Contingency, 20% of 1-5					35,203,476	17,871	
7	Grand Subtotal (MUB), 1-6					211,220,854	107,227	

No.	Type of loss	Unit	Number of units	Unit price MNT	Unit price USD	Costs	
						MNT	USD
8	External Monitoring (ADB), 7.5% of 1-4					12,001,185	6,092
GRAND TOTAL						223,222,039	113,319

168. 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 contracts on LAR with the APs are concluded, PMO will provide the full budget to Chingeltei District Governor's Office. Then Chingeltei District Governor's Office, with the support of LAD and DPLRO, will transfer the compensation to the APs.

169. 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 the bank transfer to the bank account of the APs. No land will be acquired by the MUB or handed over to the PMO and 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.

XI. IMPLEMENTATION SCHEDULE

170. The implementation schedule indicating the timeline for activities in the Selbe subproject LARP is shown in Table 24.

Table 24: LARP Implementation Schedule for the Selbe Subproject

LARP ACTIVITIES	2014	2015													
	11-12	1	2	3	4	5	6	7	8	9	10	11	12		
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 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 by of final LARP MUB															

LARP ACTIVITIES	2014	2015														
	11-12	1	2	3	4	5	6	7	8	9	10	11	12			
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

171. 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

172. 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.

173. 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 25 below provides a template form for internal monitoring.

Table 25: Internal Monitoring Form

Subproject site							
Total no. of AP households (HH)							
LAR Activities	Month						Comments
	1	2	3	4	5	6	
	Part A. Preparation/Procedural steps						

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 property measurements and valuation surveys			✓				
Census (no. AP HH)			✓				
Socio-economic survey (no. AP HH)			✓				
Preparation of draft LARP			✓				
AP consultation: Information on Selbe 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							
Part B. Implementation							
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 ²)							
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)							

174. 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.

175. 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

176. 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 LARC will be responsible for engaging an EMA with ADB financing.

177. 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.

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

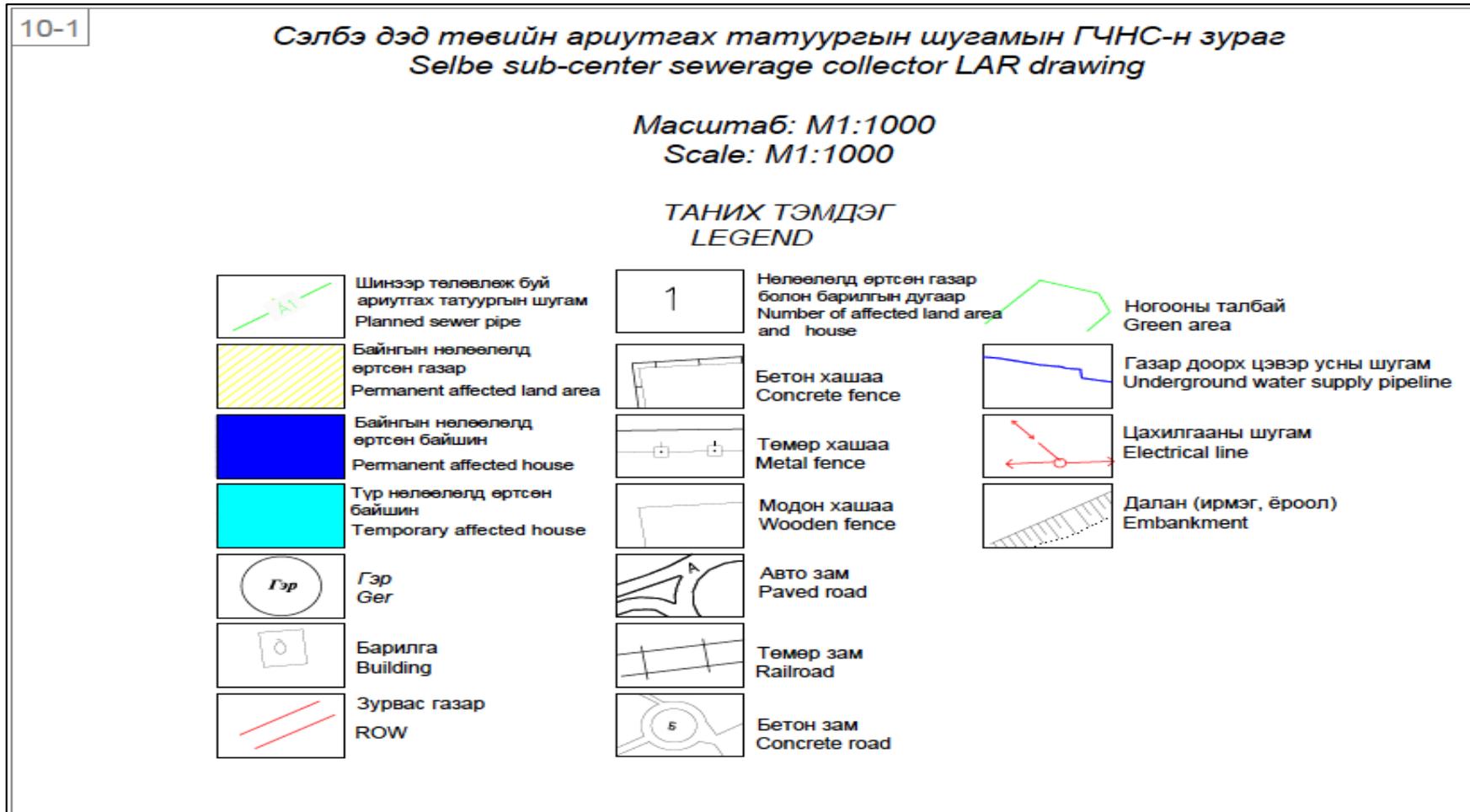
- Economic status of affected households, including employment, income and household assets.
- Status of vulnerable persons, in terms of food security, household demographics, livelihoods and health in relation to project impacts.
- Impact of land acquisition on affected households, including women, 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 and disbursement measures.
- Implementation and effectiveness of income restoration measures.
- Effectiveness and fairness of GRM process.
- Level of satisfaction among affected persons in the post-resettlement period.
- Adequacy of resettlement funds and results of financial audits.
- Performance of LAR activities implementing agencies (LARC, WG, PMO).

179. 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 to ascertain whether the project 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 PMO and MUB.

ATTACHMENTS

- Attachment 1.** Selbe sub-center sewer main collector pipes LAR drawings
- Attachment 2.** Notification of LAR
- Attachment 3.** Cut-off date announcement
- Attachment 4.** List of Affected Persons, their details
- Attachment 5.** MUB Governor's Resolution on Establishment of LARC and WG
- Attachment 6.** The attendance sheets for AP consultation meetings held in 2015
- Attachment 7.** Grievance Action Form
- Attachment 8.** Notary services and fees related to contracts
- Attachment 9.** Summary of appraisal of affected land and structures

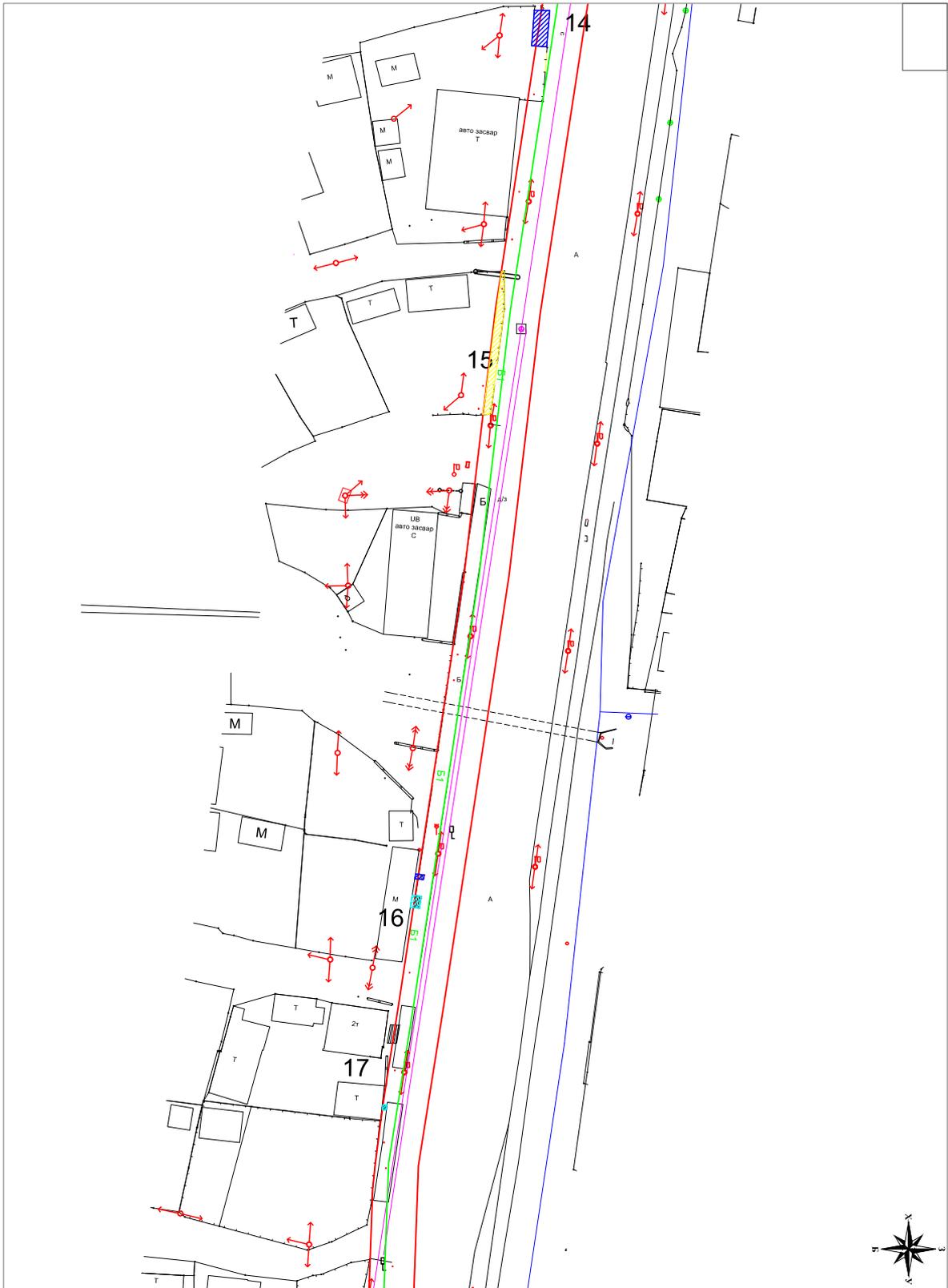
Attachment 1. Selbe Sub-center sewer main collector pipes LAR Drawings



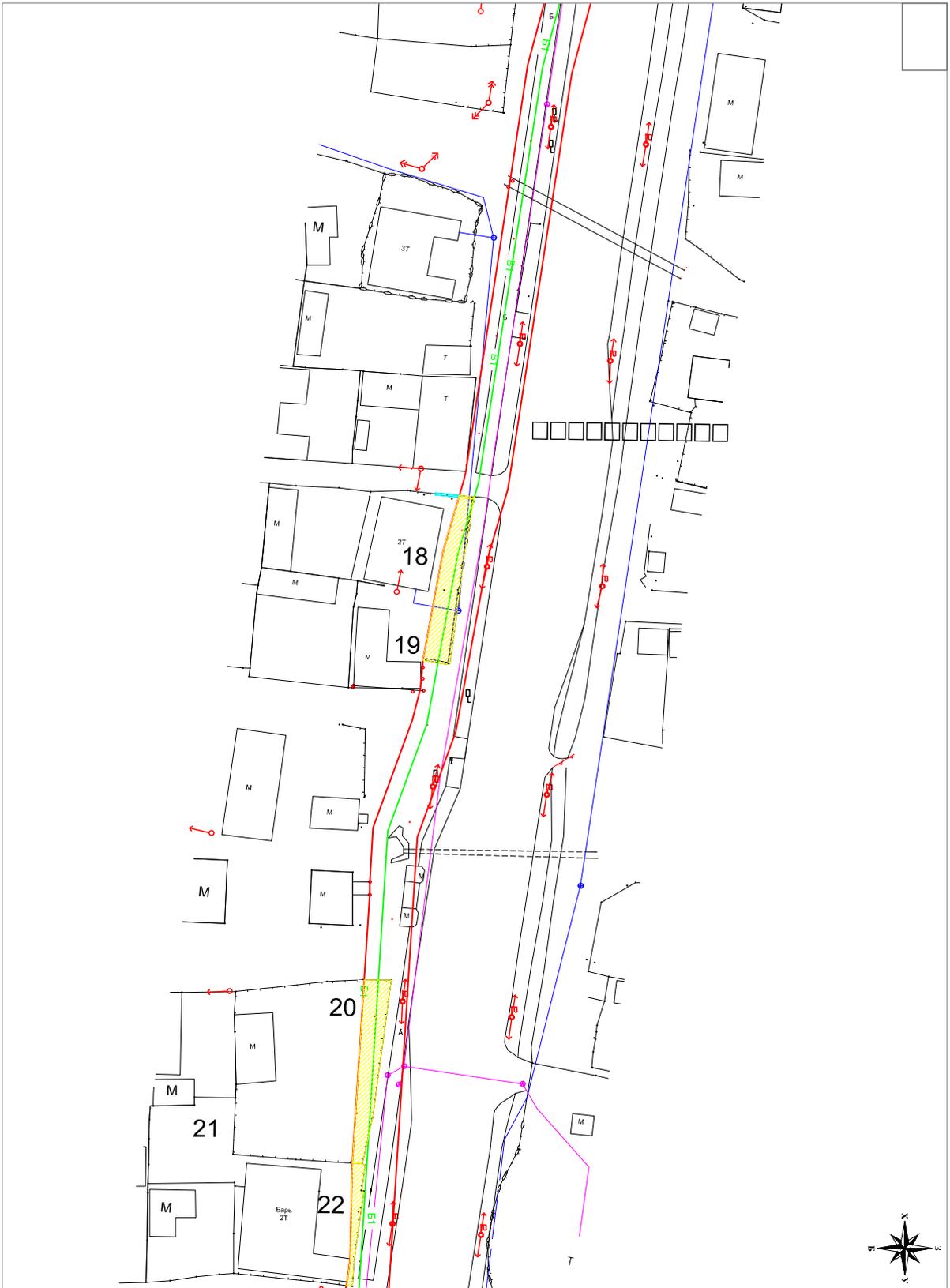




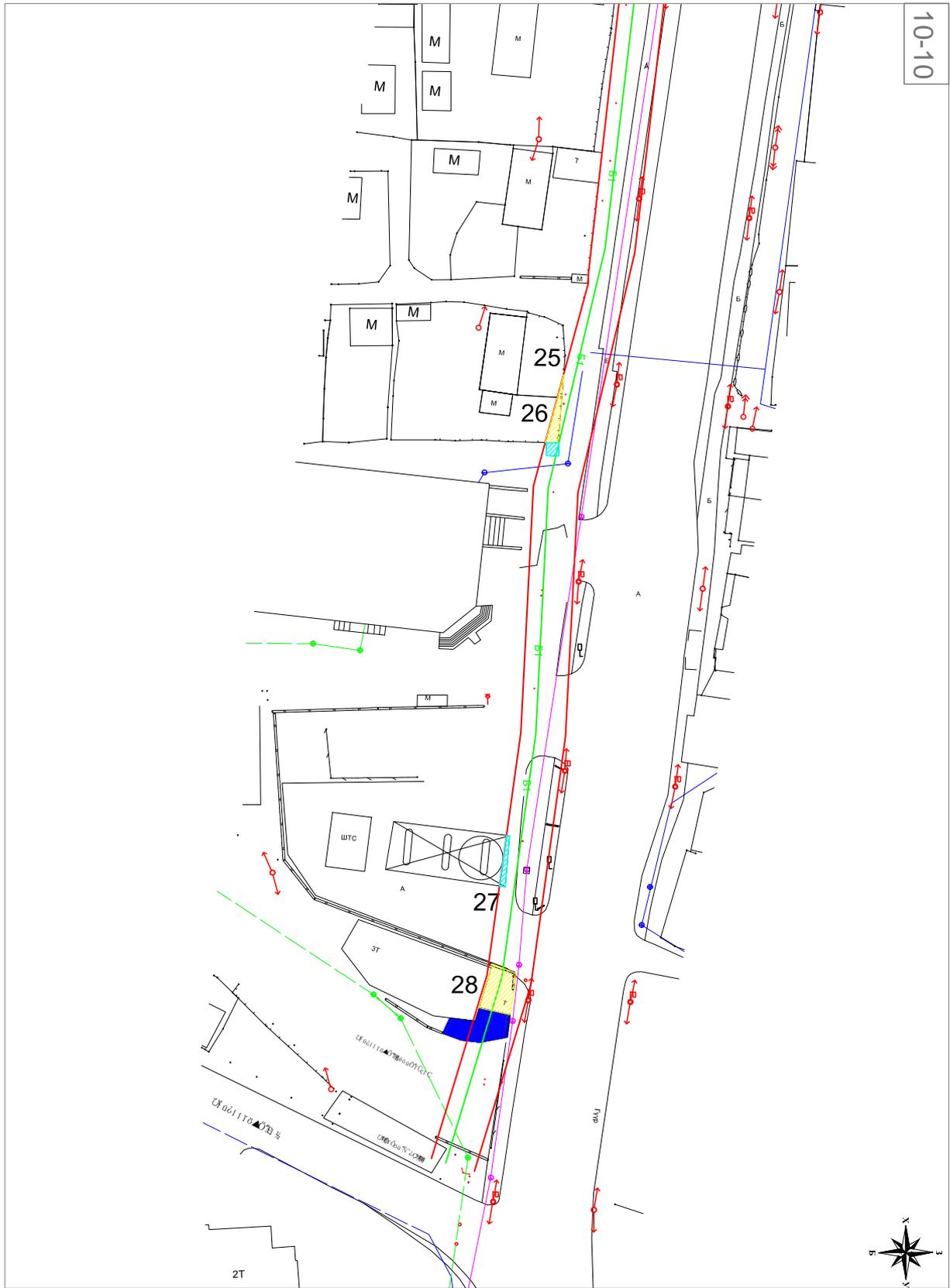












10-10

Attachment 2. Notification of LAR

PROPERTY RELATIONS DEPARTMENT OF MUB

NOTIFICATION

Ulaanbaatar

date:, 2015

No:

To the resident of khoroo of Chingeltei District
Mr/Ms.

In order to resolve issues related to overconcentration in the center of the city, limited access and possibilities of ger area residents to socioeconomic services and healthy and safe living environment, "Ulaanbaatar Urban Services and Ger Area Development Investment Program" is being implemented step by step in accordance with the decision of the Government of Mongolia and MUB with soft loan funding provided by the Asian Development Bank and European Investment Bank.

Within this program construction work, to connect Selbe and Bayankhoshuu subcenters with sewer main collector pipes, will be implemented. Hereby, you are notified that your land under ownership/possession is located in the ROW of this pipelines and therefore will be affected by land acquisition and/or resettlement.

In the first half of March 2015, survey of households and valuation of properties will be carried out. Therefore, we request you to cooperate with the survey officers and provide correct information.

The officials of the Property Relations Department of UB city and program management office (PMO) will be meeting you in relation to the program, construction of sewer main collector pipes and related land acquisition and resettlement. Also, if you have any suggestions, requests or grievances, contact us through D. Khorolsuren, PMO official (tel. 9978 0357, address: Ulaanbaatar Urban Services and Ger Area Development Investment Program, #415, Central Cultural Building, Sukhbaatar District, 8th khoroo, Baga toiruu 1, Amar street 2), or through the respective social worker or head of kheseq.

DEPUTY HEAD

M. BATSAIKHAN



PROPERTY RELATIONS DEPARTMENT OF MUB

NOTIFICATION

Ulaanbaatar

date:, 2015

No:

Full name of the person who received this notification and notification on cut-off date for compensation entitlement:

Address, phone No: _____

Signature: _____

Attachment 3. Cut-off date announcement

PUBLIC NOTICE TO THE RESIDENTS OF 14TH AND 18TH KHOROO RESIDENTS OF CHINGELTEI DISTRICT

In order to resolve issues related to overconcentration in the center of the city, limited access and possibilities of ger area residents to socioeconomic services and healthy and safe living environment, "Ulaanbaatar Urban Services and Ger Area Development Investment Program" is being implemented step by step in accordance with the decision of the Government of Mongolia and MUB with soft loan funding provided by the Asian Development Bank and European Investment Bank.

Within this program construction work to connect Selbe and Bayankhoshuu subcenters with sewer main collector pipes will be implemented. The engineering, technical, social and economic solution was made to build the pipelines on the territory of 14th and 18th khoroo of Chingeltei district.

The residents and organizations with properties (land and immovable structures) in the Right of Way (ROW) of the pipeline and thus directly affected by land acquisition and resettlement will be stopped for new settlement and construction of new structures in the ROW. Hereby, the compensation entitlement cut-off date (further referred to as "cut-off date") is declared as of 23 March, 2015.

By setting the cut-off date, it will be possible to correctly conduct the census of population and organizations in the ROW and accurately inventory their land and assets. This will enable to determine accurate and appropriate compensation and supports to the people and organizations, whose land will be acquired, based on the real market conditions and prices.

Eligibility of persons residing and organizations running activities in the project area of the pipelines will only be granted for their affected land and structures located in the ROW of the pipelines before the cut-off date.

Any persons, organizations moving into and occupying land or constructing new or additional structures in the Right of Way of the pipelines after the cut-off date will not be eligible for compensation and other required assistances and supports.

The officials of Property Relations Department of UB city and Ulaanbaatar Urban Services and Ger Area Development Investment Program will be organizing consultation meetings with you to provide information, obtain your suggestions and redress any grievances.

Please contact us related to the construction work of the sewer main collector pipes and land acquisition and resettlement issues at the following address:

D. Khorolsuren, PMO official
Ulaanbaatar Urban Services and Ger Area Development Investment Program,
#415, Central Cultural Building, Sukhbaatar District, 8th khoroo, Baga toiruu 1, Amar street 2
tel. 9978 0357

DEPUTY HEAD

M. BATSAIKHAN

Attachment 4. List of Affected Persons, their details

No.	AP ID	Surname	Name	ID No.	Land parcel No.	Land tenure type	Address	Comment
1	S01	Baigal-Erdene	Ariunbold	XH76061113	18643316143514	ownership	18-r khoroo, Yargait 5-55b	
2	S01-1	Khan bank 7 Buudal Branch		-	-	rent	18-r khoroo, Yargait 5-55b	rent from S01
3	S01-2	Notary		-	-	rent	18-r khoroo, Yargait 5-55b	rent from S01
4	S02	Baasansuren	Tsolmon	X373102314	18643316127505	ownership	18-r khoroo Yargait 5-55	
5	S03	Gendendorj	Buuch	X341060615	18643316140477	ownership	18-r khoroo Yargait 5-44	
6	S04	Dolgor	Baasansuren	ЧБ69121937	18643316154429	ownership	18-r khoroo Yargait 4-28	
7	S05	Olztoi	Dulamsuren	XИ54062704	18643316152377	ownership	18-r khoroo Yargait 3-18a	
8	S06	Baasanjav	Togtokhbat	ЦБ77072132	18643316149346	ownership	18-r khoroo Yargait 2-6	
9	S06-1		Altantsetseg	-	-	rent	18-r khoroo Yargait 2-6	rent from S06
10	S06-2	Altan tus pharmacy		-	-	rent	18-r khoroo Yargait 2-6	rent from S06
11	S06-3	Ts	Bolbaatar	-	-	rent	18-r khoroo Yargait 2-6	rent from S06
12	S06-4	B	Munkhmend	-	-	rent	18-r khoroo Yargait 2-6	rent from S06
13	S06-5	E	Davaasuren	-	-	rent	18-r khoroo Yargait 2-6	rent from S06
14	S06-6	E	Zolzaya	-	-	rent	18-r khoroo Yargait 2-6	rent from S06
15	S06-7	Erkhes Mix LLC		-	-	rent	18-r khoroo Yargait 2-6	rent from S06
16	S06-8	D	Orkhon	-	-	rent	18-r khoroo Yargait 2-6	rent from S06
17	S06-9		Munkhzul	-	-	rent	18-r khoroo Yargait 2-6	rent from S06
18	S06-10		Davaasuren	-	-	rent	18-r khoroo Yargait 2-6	rent from S06
19	S07	Ragchaabaatar	Zorigt	УП89021313	18643316168231	possession	14-r khoroo Khandgait 1-12b	

No.	AP ID	Surname	Name	ID No.	Land parcel No.	Land tenure type	Address	Comment
20	S08		Ganbaatar				14-r khoroo Khandgait 1-14	
21	S09	Avirmed	Tsolmon	УС59082958	18643316156163	ownership	14-r khoroo Khandgait 1-13	
22	S10	Dendev	Saruul	ХН72102602	18643316148060	ownership	14-r khoroo Khandgait 1-7	
23	S11	Jamiyan	Dejidmaa	ХД65061108	18643316129044	ownership	14-r khoroo Khandgait 1-6	
24	S12	Bor	Gantsetseg		18643316142002	ownership	14-r khoroo Khailaast 24-599	
25	S13	Shagdar	Bat-Erdene	МИ71062218	18643315122933	ownership	14-r khoroo Khailaast 24-584	
26	S14	Bazarsad	Boldbaatar	ХЕ73033077	18643315113825	ownership	14-r khoroo Khailaast 22-543a	
27	S15	Sundui	Soyolmaa	ХЭ76120401	18643315103770	ownership	14-p khoroo Khailaast 22-542	
28	S16	Mijddorj	Batsuuri	ДМ72021038	18643315091657	possession	14-r khoroo Khailaast 20-451	
29	S17	Tokhtokhbayar	Otgonbayar	ЦГ69090124	18643315079625	ownership	14-r khoroo Khailaast 20-450	
30	S18	Chantuu	Ariunzaya	ДМ79112802	18643315028225	ownership	14-r khoroo Khailaast 11-197	
31	S19	Tseden-Ish	Chantuu	УЖ58010816	18643315027206	ownership	14-r khoroo Khailaast 11-124	
32	S20	Information and communications network, state owned company		2073943	18643315008117	possession	14-r khoroo Khailaast 10-125	
33	S21	Ganjuur	Ochirbat	ХЙ34082073	18642315997098	ownership	14-r khoroo Khailaast 10-124	
34	S22	Tserendorj	Tumur-Ochir	УУ71110317	18643315006085	ownership	14-r khoroo Khailaast 9-104	
35	S23	Chuluunbaatar	Narmandakh	ОА80052237	18642314980864	possession	14-r khoroo Khailaast 6-44j	
36	S24	Batjargal	Enkhbayar	ОЭ81070874	18642314972877	ownership	14-r khoroo Khailaast 3-44b	
37	S25	Brickland LLC		5255937	18642314954745	possession	14-r khoroo Khailaast 2	
38	S26	Chinbat	Batkhuu	УП89050774	18642314944742	ownership	14-r khoroo Khailaast 2-1a	
39	S27	Magnai Trade LLC				possession	14-r khoroo	
40	S28	Yadamdorj	Tsendkhuu	ОА81031502	18642314938620	possession	14-r khoroo Khailaast 1-1	

Attachment 5. MUB Governor's Resolution on Establishment of LARC and WG


**НИЙСЛЭЛИЙН ЗАСАГ ДАРГЫН
ЗАХИРАМЖ**

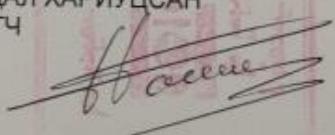
2015 оны 03 сарын 06 өдөр
Дугаар А/175
Улаанбаатар хот

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 08-ны өдрийн
1/115 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 хорооллийн 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/175 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 khoros
	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 khoros

Heads of the kheseqs of respective khoros

Attachment 6. The attendance sheets for AP consultation meetings held in 2015

ULAANBAATAR URBAN SERVICES AND GER AREAS
DEVELOPMENT INVESTMENT PROGRAM
Selbe sub-center sewer main collector pipes subproject

ATTENDANCE SHEET FOR INFORMATION DISCLOSURE AND CONSULTATION

Venue: Citizen's Hall of the 14th khoroо of Chingeltei district

Date: March 23, 2015

No. Name Address Telephone Signature

УЛААНБААТАР ХОТЫН ГЭР ХОРООЛЛЫГ ХӨГЖҮҮЛЭХ,
ХӨРӨНГӨ ОРУУЛАЛТЫГ ДЭМЖИХ ХӨТӨЛБӨР
Сэлбэ дэд төвийн ариутгах татуургын шугамын зураг төсөл дэд төсөл

МЭДЭЭЛЭЛ ӨГӨХ, ЗӨВЛӨЛДӨХ УУЛЗАЛТЫН БҮРТГЭЛИЙН ХУУДАС

Уулзалт зохион байгуулсан газар: Чингэлтэй дүүргийн 14-р хорооны Иргэний танхим
Он, сар, өдөр: 2015 оны 3 дугаар сарын 23-ны өдөр

№	Овог, нэр	Хаяг	Утасны дугаар	Гарын үсэг
1	М.Монголсүрэн	Уд. 14-р хороо хойноостой 3-4	99939471	М.Монголсүрэн
2	Б.Ганболд	Уд 18-р хороо Ярдуй 15-555	91995562	Б.Ганболд
3	А.Цогмоо	Уд. 14-р хороо Хөнгө - 1 13 тос	91654000	А.Цогмоо
4	Б.Болдбаатар	Уд 14-р хороо Хойноостой 22-548А	99884590	Б.Болдбаатар
5	Н.Ганбаатар	Уд 14-р хороо Хөнгө 14-А-Б	99117181	Н.Ганбаатар
6	Э.Нашингийн	Уд 14-р хороо Хойноостой 2-1-А тос	99017192	Э.Нашингийн
7	Оюу	14-р хороо 10-124 тос	88200834	Оюу
8	Б.Бадар	18-р хороо 5-44	99725436	Б.Бадар
9	Э.Нашингийн	18-р хороо	53070229	Э.Нашингийн
10	Б.Ганболд	14-р хороо хойноостой 24-н 599 тос	99168751	Б.Ганболд
11	Ш.Баттөв	14-р хороо - 24.584	9666-2764	Ш.Баттөв => зөвх.
12	П.Зоригт	14-р хороо т2-Б	88113035	П.Зоригт
13	Х.Шинэбаяр	14-р хороо 11-157	91160100	Х.Шинэбаяр
14	Д.Баалагч	18-р хороо 5-55	96686042	Д.Баалагч
15	Б.Бадар	18-р хороо Ярдуй 4-28	99090930	Б.Бадар
16				
17				
18				

Attachment 7. 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):

Legal Financial Administrative, related to an official
 Technical Social 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 8. 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
1. Contracts with undefined contract value	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
2. Contracts for property rent		8,000
3. Contracts with defined value, payment:		
3.1 Contract with value upto 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
4. Additions, changes, prolongation and cancellation of contract and legal entity establishment document		3,000
5. Inheritance, testament, protection of inheritance property, family members joint and individual ownership matters.		1% of the value

Attachment 9. 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. Khorolsuren, Social, Environment and Resettlement Specialist, tel. 9978 0357, address: Ulaanbaatar Urban Services and Ger Area Development Investment Program, #415, Central Cultural Building, Sukhbaatar District, 8th 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 six 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 Jan – 30 Apr 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		Total price MNT
		Land	Structures	Web site	Telephone	
1	Near the bus station 17	1800m ²	160m ² house with services – business activities, size of base 10x20 m	http://www.zarmedee.mn	9904-9548	700,000,000
2	14 th khoroo, 6 th bus station, along the main road	600m ²	261m ² small shop	http://www.zarmedee.mn	8919-4351	250,000,000
3	6 th bus station, along the main road	400m ²	3 story building with 380 electricity, connected to drinking water pipes and has electric heating, has garage for 2 cars	http://www.zarmedee.mn	9952-9340	450,000,000
4	5 th bus station, along main road	0.5 ha	Fenced vacant land parcel	http://unegui.mn	8806-6664	110,000,000
5	6 th bus station, along main road	200m ²	150m ² block building	http://unegui.mn	8986-7593	55,000,000
6	Behind Jasun center, close to 7 th bus station, 2 nd row street	500m ²	Fenced vacant land parcel	http://www.shuurkhaizar.mn	88628385 99544547 89788384	60,000,000

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

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

No	Location	Size of structure m ²	Unit price budget method	Costs of the structure	Residual land value	Size of land m ²	Unit Price land m ²
1	Near the bus station 17	160	700,317	115,031,495	584,968,505	1800	324,983
2	14 th khoroo, 6 th bus station, along the main road	261	700,317	185,763,496	64,236,504	600	107,061

3	6 th bus station, along the main road	360	700,317	272,114,063	177,885,937	400	444,715
4	5 th bus station, along main road				110,000,000	500	220,000
5	6 th bus station, along main road	150	274,634	41,195,108	13,804,892	200	69,024
6	Behind Jasun center, close to 7 th bust station, 2 nd row street				60,000,000	500	120,000
Average price per unit of land, m²							214,297

As can be seen from the table above, price per unit of land, m², is MNT 69,024 – 444,715. There is a significant fluctuation in the prices. This is due to the high influence of the land improvements (i.e. structures on the land). The prices in the 4th and 6th cases are the prices of vacant land without any influences of land improvements and these prices are close to the average price per unit of land – MNT 214,297 (~214,300). Thus MNT 214,300 is determined to be as the price per m² of land.

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 78. The following table shows the types of objects and their numbers.

Table 3: Type and quantity of objects being valued

No.	Type of loss	Unit	Quantity	No. of affected objects	APs	
1	Fence	Wooden	m ³	10.06	7	S02, S03, S15, S20, S22, S24, S25
		Iron	kg	3501.35	8	S01, S05, S06, S09, S11, S12, S13, S18
		Block	pc	1773	6	S08, S09, S10, S18, S19, S28
		Wooden pole	pc	56.00	7	S02, S03, S15, S20, S22, S24, S25
		Brick	m ³	0.75	1	S08
2	Structure's foundation	Brick	m ³	0.95	1	S01
		Concrete	m ³	19.90	10	S06, S08, S09, S10, S11, S12, S13, S18, S19, S28
3	Entrance	Wooden structure 1	m ³	0.35	1	S01
		Wooden structure 2	m ²	3.52	1	S05
		Block	pc	11.05	2	S01, S05,
		Brick structures	m ³	2.29	2	S07, S09
		Concrete stoop	m ³	9.81	4	S07, S16, S17

No.	Type of loss		Unit	Quantity	No. of affected objects	APs
		Iron steps/stoop	kg	407.20	1	S01
4	Iron gate	type 1	set	3.00	3	S20, S21, S22,
		type 2	set	5.00	6	S02 S03, S08, S09, S11,
		type 3	set	1.00	1	S13
5	Pedestrian road		m ²	48.60	1	S01
6	Wooden shed/small structure		m ³	8.16	3	S03, S11, S15
7	Container	Container 20t	pc	2	2	S14, S24
		Container 40t	pc	1	1	S10
8	Wooden latrine		pc	1	1	S015
9	Brick buildings extention		m ²	47.40	2	S22, S28
10	Small shop (iron sheet)		pc	1	1	S25
11	Cemented area		m ³	31.13	3	S06,S18,S27,
12	Asphalted area		t	28.30	1	S27
13	Curb		pc	34	1	S27
14	Concrete structure		pc	2.00	1	S27

The measurement of these 78 objects was carried out by the property appraisers individually on site and the make, structures, size and quantities were determined.

Full replacement cost calculation

As all the objects being affected are affected partially, it is not possible to use the market sales price comparison method. In other words, there exist market sales prices of land and structures (fences and other real properties) together, but there are not market sales prices of individual objects of the land and structures and thus it is not possible to determine the market prices of individual objects. Therefore, full replacement cost of the 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	m ³	312,500	The price for 1m ³ 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.

No.	Type of loss		Unit	Unit price (MNT)	Explanation to unit cost estimation
		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 www.barilga.mn , a site for prices and rates for construction works and materials. Other materials and transportation costs were calculated as 28% of the laborer 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	m ³	268,668	A piece of brick is MNT 200 or 1m3 is 580 pieces. For labor cost, taking down and rebuilding 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	Structure's foundation	Brick	m ³	268,668	A piece of brick is MNT 200 or 1m3 is 580 pieces. For labor cost, taking down and rebuilding 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%.
		Concrete	m ³	155,500	1m3 cement mix of m100 mark is 126,000 together with transportation cost. The labor cost for cement molding is MNT 29,500.
3	Entrance	Wooden structure 1	m ³	250,000	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.
		Wooden structure 2	m ³	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.
		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 www.barilga.mn , a site for prices and rates for construction works and materials. Other materials and transportation costs were calculated as 28% of the laborer cost.
		Brick structures	m ³	268,668	A piece of brick is MNT 200 or 1m3 is 580 pieces. For labor cost, taking down and rebuilding 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%.
		Concrete stoop	m ³	155,500	1m3 cement mix of m100 mark is 126,000 together with transportation cost. The labor cost for cement molding is MNT 29,500.
		Iron steps/stoop	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.
4	Iron gate	type 1	set	350,000	2x1 meter metal sheet – 4 pieces and per sheet the cost is MNT 28,000, frame plank – 8 pieces x

No.	Type of loss	Unit	Unit price (MNT)	Explanation to unit cost estimation	
				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	
	type 2	set	600,000	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	
	type 3	set	50,500	Metal sheet 1 piece x MNT 28,000, pole 1 piece MNT 12,500, labor cost MNT 10,000	
5	Pedestrian road	m ²	25,000	Road materials per 1m ² is 13,000, curb 2,000, sand and gravel 4,000 and labor cost 6,000	
6	Wooden shed/small structure	m ³	312,500	The price for 1m ³ 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.	
7	Container	Container 20t	pc	400,000	The transportation cost is calculated using rates from Gurvaljin Guur (a place where construction machinery is hired). The costs for crane loading and unloading MNT 150,000 and transportation costs MNT 100,000 in the city
		Container 40t	pc	500,000	The transportation cost is calculated using rates from Gurvaljin Guur (a place where construction machinery is hired). The costs for crane loading and unloading MNT 150,000 and transportation costs MNT 200,000 in the city
8	Wooden latrine	pc	221,995	Labor cost for 6m ³ earth work x MNT 15,000, wooden structure 0.42m ³ is MNT 131,995	
9	Brick buildings extension	m ²	274,634	The cost for unit of brick 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.	
10	Small shop (iron sheet)	pc	400,000	The transportation cost is calculated using rates from Gurvaljin Guur (a place where construction machinery is hired). The costs for crane loading and unloading MNT 150,000 and transportation costs MNT 100,000 in the city (relocation of the shop)	
11	Cemented area	m ³	198,000	1m ³ cement mix of m200 mark is 138,000 together with transportation cost. The labor cost for cement molding is MNT 29,500, the costs for curb installation is MNT 17,500 and curb is MNT 13,000	
12	Asphalted area	t	305,776	1m ³ cement mix of m200 mark is 138,000 together with transportation cost. The labor cost for cement molding is MNT 29,500, the costs for curb installation is MNT 17,500 and curb is MNT 13,000	
13	Curb	pc	17,500	Curb of 0.75 meter is MNT 12,500 and installation cost is MNT 5,000	
14	Concrete structure	pc	175,000	Concrete structure with holes per piece is MNT 125,000, transportation cost is MNT50,000	

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 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.