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ASIAN DEVELOPMENT BANK  
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Request for Solving Problems caused by  
ADB, EIB projects

We, the under signed project-aggrieved people residing at [REDACTED] falling under the ADB and EIB “Selbe” and “Bayankhoshuu” projects. Our personal and contact details are enclosed to this complaint. Please contact us through our co-complainants and individuals authorised to directly communicate with you in English - Mr. S. Ganpurev, “Citizens Rights and Interests in Land Acquisition” Federation and Ms. D. Sukhgerel, Oyu Tolgoi Watch NGO.

Address: Chingeltei District, Horoo 16, Sogootyn 58-740,  
Ulaanbaatar, Mongolia  
Email: [ganpurev.s@yahoo.com](mailto:ganpurev.s@yahoo.com),  
Mobile: 976-89993577.

Address: Oyu Tolgoi Watch NGO, Baga Toiruu, 44-204,  
Ulaanbaatar, Mongolia  
Email: [otwatch@gmail.com](mailto:otwatch@gmail.com),  
Mobile: 976-98905828.

Request to NOT disclose our names and personal information: We kindly request that names and personal information and contact details of complainants other than S. Ganpurev “Citizens Rights and Interests in Land Acquisition” Federation and D. Sukhgerel, Oyu Tolgoi Watch NGO authorised as first line of communication with you not to be disclosed for security reasons.

Request to resolve the problems: The Asian Development Bank (ADB) and European Investment Bank (EIB) are financing together the “Ulaanbaatar Urban Services and Ger Areas Development Investment Program” consisting of several phases. The process of valuation of our land and property for compensation for land acquisition has began and our rights are being severely violated in this process.

Project information as found on website<sup>1</sup>:

Sovereign (Public) Project | 45007-005 Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2. Mongolia

Project Status    Approved

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<sup>1</sup> Note that this project is not listed in the first page of ADB projects in Mongolia  
<https://www.adb.org/countries/mongolia/main>

Project Type / Modality of Assistance      Loan  
Source of Funding / Amount  
Loan 3525-MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2  
Ordinary capital resources      US\$ 37.11 million  
Loan 3526-MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2  
Concessional ordinary capital resources lending / Asian Development Fund e US\$ 29.24 million  
Loan: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 2

**European Investment Bank**      US\$ 19.64 million

Tranche 2 of the multitranche financing facility will (i) extend the urban infrastructure upgrading and spatial restructuring to two additional subcenters in the northern ger areas, namely Dambadarjaa and Denjiin, and provide additional investments in Selbe and Bayankhoshuu subcenters under Tranche 1; (ii) support the delivery of socioeconomic facilities; and (iii) further improve institutional strengthening and capacity building.

Sovereign (Public) Project | 49169-001

Project Name      Ulaanbaatar Affordable Housing and Urban Renewal Project  
Project Number      49169-001  
Country      Mongolia  
Project Status      Active  
Project Type / Modality of Assistance      Technical Assistance  
Source of Funding / Amount  
TA 9030-MON: Ulaanbaatar Affordable Housing and Urban Renewal  
Japan Fund for Poverty Reduction US\$ 1.00 million

#### Description

Strategic fit. The government and the MUB requested Asian Development Bank's (ADB) support to formulate a project that will (i) translate the existing Affordable Housing Strategy (AHS) into implementable plans, investments, and institutional reforms; (ii) increase the supply of AH; and (iii) enhance city livability through the construction of well-integrated and resource-efficient solutions in strategic locations in the ger areas. This will support the Ulaanbaatar City Master Plan. The project will build on existing ADB projects aiming to integrate and upgrade the ger areas and transform Ulaanbaatar into a more inclusive city; and will also build on prior ADB Housing Sector Finance Project and housing loans to the very poor. The project is consistent with ADB's interim country partnership strategy for Mongolia, 2014 2016 as well as with the core themes of green, competitive, and inclusive cities of ADB's Urban Operational Plan.

Potential damages and negative impacts on us: The land acquisition process is negatively affecting us in the following ways:

1. **Lack of social impact assessment and meaningful consultation in the process of developing the project and announcement of land acquisition notice without due preparations has caused damages to us.** First announcement of land acquisition and advice not to build new buildings, start new economic/business activities, sell or otherwise change current status was made in 2012 and stalled our lives for 6 years. Later in 2016 an official notice was issued still without timeline and status of the project. The process of land and property valuation started in October 2017. While the PMO reports that series of discussion were carried out true information about potential negative impacts on our livelihoods was not given and our support for the project was gained through promoting the project's benefits.
2. **Lack of consultation on the methodology of valuation,** on who, when and how will value our land and property. At the time "Selbe" sub-project began there was no consultation with the owners and tenants of their khashaas<sup>2</sup>. Instead of market values they have pushed unilaterally set prices rejecting negotiation option and have made many households to sign the valuation papers using threats such you will lose if do not accept, 70% have accepted and they have the right to evict remaining households. Our assets, homes are being arbitrarily

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<sup>2</sup> A fenced in land of up to 0.7 ha with house and/ger dwellings of owners and their extended family.

under measured and valued proposing compensation that cannot support our livelihoods in the future.

3. **Information not disclosed, not accessible:** A full information about this project, environmental and social impact assessment report, especially the report of assessment of how this project will impact us and resettlement action plan have not been disclosed and/or distributed to us.
4. **Deceiving/Misinforming citizens:** True information is not accessible. Deceiving community members by giving misleading information like “everyone but you have signed” and lack of information regarding the timeline and financing schedule of the project has led to signing and moving in the cold of winter, which is a violation on Mongolian law.
5. **Lack of official relationship and documentation:** PMO, land acquisition unit, municipality land official involved in this project do not introduce themselves. The agreement on the land and property valuation is printed on a small piece of paper bearing no name, signature or stamp. No copy of the agreement of property valuation signed by us is provided to us. These are the many ways our rights and laws are being violated by this project.
6. **We think that the ADB and EIB safeguards policies have not been complied with:** When we raised unlawful action the PMO informed us that Mongolian laws do not apply to this project, that they are working under the ADB safeguards policy requirements but did not disclose those to us in understandable and accessible manner. The fact that the PMO and municipality land acquisition unit claim that what will happen to us beyond land acquisition is our own problem evidences the fact livelihood restoration requirement is not complied with. Our livelihood activities and income created by these are not being valued: seized family production, lost access to small business space and jobs created for vulnerable people. Damage is being caused by not complying with the safeguards policies relating to women, especially single headed households, women’s small business and interests of other vulnerable groups have not been addressed, there is no program to assess and mitigate impact on vulnerable groups. Little monetary compensation provided only to land title owners is in violation of the ADB and EIB policies. We are in process of organizing a women’s group and articulate separately the hardship that will be faced by women in this process.  
There are           -16 single mother headed households  
                          -23 senior households  
                          -9 households headed by persons with disabilities
7. **Land acquisition process carried out in winter season:** The land acquisition unit started the land and property valuation work in October 2017 which is in violation of the policies relating safety and security of citizens. There is a case of a household moving out on February 15 (eve of Lunar year) to evidence such violation. As of today, 3 households fully (100 %) vacated their land, 10 families have been forced to agree and valuation agreement and move to a temporary housing but have not received their compensation. Additional 20-30 households signed agreements but have not received a copy of contract with no information on the compensation. On March 20, 2018, after the meeting with PMO and municipality land acquisition unit several families received 60% of compensation.
8. **Using pressure and intimidation:** Constant phone calls, getting people out of home one by one and misinforming using common statements like: “your neighbours have signed, so you should sign, too”, “if you do not relinquish your land it will be taken without compensation” They are intimidating us with statement that they have the right to evict us.
9. **The Oversight Committee (UN Habitat) responsible for protecting our interest is not fulfilling its mandate:** on the contrary they are pressuring us to accept the valuation pushed upon us. They are also crating conflict between those to affected and those not to be affected (beneficiaries).
10. **Provoking conflict between neighbours and family members:** Your neighbour not agreeing/signing is delaying your compensation” is commonly used to create conflict between neighbours. The little compensation for undervalued land and property is creating infight among household members for the compensation.

Previous attempts to resolve problems with ADB management: Please note that the project complainants did not have any information about the EIB's role in this project.

Since 2015 attempts were made to obtain relevant information in the Mongolian language with details about the project's activities to be implemented in our horoos. Calls to the ADB resident mission would receive immediate answer "all information is available on our website". Later attempts to get an appointment were answered: "Arnaud is not in town", "Arnaud is busy" and "Arnaud does not meet with Mongolians, talk to Batjargal". No information on the environmental and social impacts assessment reports and resettlement plans developed in a language and format understandable to us, affected community was provided by the project. We have approached individually the PMO and all level relevant offices of the municipality with written and oral complaints regarding the valuation processes but no action was taken to address our concerns.

Because attempts to resolve issues with the ADB's PMO and attempts to obtain information from the ADB resident office did not bear any results, in mid-2017 we approached Amnesty International in Mongolia and were able to raise awareness to our issues among human rights organizations. Amnesty Mongolia is working with the local community groups negatively affected and made homeless by the ADB and other IFIs funded Ulaanbaatar development projects and associated facilities. We have joined these groups requesting protection of our rights. Please find Amnesty International report at this link:

<http://www.amnesty.mn/files/publications/220760151278233157820315100373675958579406.pdf>.

While attending the march 12-13, 2018 International Accountability Mechanisms outreach event we learned that CEE Bankwatch and OT Watch were going to meet with ADB officials on march 14 and had requested them to convey our concerns to them. The next day on March 15, 2018 ADB Resident Representative Iolanda Fernandez Iommen, Project Manager Arnaud Heckmann and Senior Social Sector Officer L Itgel met with us. They were shocked that it is the first time they are hearing about these problems and suggested to organize a meeting with all project implementing entities.

When we met on March 19<sup>th</sup> with all project implementing entities and involved personnel organized at the ADB's GADIP project conference room, their key message and position was that the project implementation status is satisfying; the usual pitch about need for citizens to support a public good project and reminding not to disseminate misleading information about it to public; that there is no possibility to change already approved engineering plans; reminding that the construction season starting soon will have to be observed; outright rejection and no recollection of their own words and behaviour demanding to accept valuation prices when testimonies were given. The meeting ended with a request to collect all issues and problems and wants of all households with names, contact details, ID numbers for the PMO and municipality project unit to raise the issues with their leadership and attempt to propose solutions. The project implementers have no decision-making powers on land issues. Because no one responded to the question asked twice about who will provide assurance that people whose testimonies with personal details will be handed over to the implementers will not be harass complainants decided not to hand over the testimonies immediately. Ulaanbaatar city development project started with ADB assistance in 2013 have already caused damage leading some to homelessness and have not been resolved to date. In addition, the above positions expressed by the project implementers is seen as no desire to comply the ADB and EIB safeguards policies and thus we request that these violations are investigated and problems are resolved in the following manner:

1. Develop land and property valuation methodology in consultation with the affected community and in compliance with the international standards; approve by consensus. Ensure participation of owners of land property that is subjected to valuation process;
2. The compensation methodology should include calculation of damage to or loss of livelihood economic activity, family production, jobs created by family microbusiness, in cases of resettlement the cost having to travel farther to school, kindergarten, hospital and workplace

in accordance with the standards set in the ADB, EIB safeguards policies and protections for vulnerable groups, women, elderly and disabled persons;

3. Void valuation agreements signed as result of deceitful misinformation, pressure and intimidation;
4. Re-evaluate the land and property of people already evicted to provide decent compensation and remedy for lost opportunities;
5. Provide remedy for lost opportunity for stalling our livelihoods since 2012, and further damages caused since 2016 notice of eviction and 2017 project process;
6. Include no less than one member from each affected community in the Oversight Committee, ensure they have an equal say in the decision-making process.
7. In the case that there was no social impacts assessment – carry out a social impact assessment compliant with the Banks standards, including a gender impact assessment with the participation of the women’s group.

The supporting documents and testimonies of some people affected by the ADB, EIB projects is provided via a Dropbox file at this link ..... A list of signatories to this complaint is also provided and is inalienable part of this complaint.

Co-complainants,  
Communications representatives:

S. Ganpurev

D. Sukhgerel

