Land Acquisition and Resettlement Plan

March 2017

MON: Darkhan Waste Water Management Project

Prepared by Consultant team on behalf of Darkan-Uul Aimag Government
CURRENCY EQUIVALENTS
(as of March 27, 2017)

Currency unit – Tugrik
MNT 1.00 = $ 0.00041
$1.00 = MNT 2459,18

ABBREVIATIONS

ADB – Asian Development Bank
AP – Affected person / Entity
IR – Involuntary Resettlement
DMS – Detailed Measurement Survey
GAF – Grievance action form
GOM – Government of Mongolia
DAG – Darkhan-Uul Aimag Government
GRM – Grievance Redress Mechanism
LRCUDD – Land Relations, Construction and Urban Development Department
LARP – Land Acquisition and Resettlement Plan
MNT – Mongolian currency
NGO – Non-Governmental Organization
PIU – Project Implementation Unit
PMU – Project Management Unit
ROW – Right of Way
SPS – Safeguard Policy Statement
TOR – Terms of Reference
WG – Working group
IME – Independent Monitoring Expert
PRD – Property Relations’ Department of Darkhan-Uul Aimag

WEIGHTS AND MEASURES

m – meter
mm – millimeter
sq.m – square meter
<table>
<thead>
<tr>
<th><strong>GLOSSARY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Affected Persons</strong> – In the context of involuntary resettlement, affected persons are those who are physically and economically displaced as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access</td>
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<tr>
<td><strong>Economical displacement</strong> – Loss of land, assets, access to assets, income sources, or means of livelihood as a result of (i) involuntary acquisition of land or (ii) involuntary restriction on land use or access to legally designated parks and protected area</td>
</tr>
<tr>
<td><strong>Physical displacement</strong> – Relocation or loss of shelter. Loss of shelter and assets resulting from the acquisition of land with a project that requires affected persons to move another location.</td>
</tr>
<tr>
<td><strong>Compensation</strong> – Cash or in-kind payment of the replacement cost of an asset lost due to project-related impacts</td>
</tr>
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<td><strong>Entitlement</strong> – 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</td>
</tr>
<tr>
<td><strong>Income Restoration</strong> – Reestablishment of income sources and livelihoods of affected entities</td>
</tr>
<tr>
<td><strong>Involuntary Resettlement</strong> – 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 affected entities to rebuild their lives, incomes and asset bases</td>
</tr>
<tr>
<td><strong>Land Acquisition</strong> – The process whereby a person is compelled by a government agency to relinquish their land or land use rights to the government (i) for a public purpose and (ii) in return for compensation. This land may be either owned or possessed by the affected person</td>
</tr>
<tr>
<td><strong>Rehabilitation</strong> – Compensatory measures provided under the ADB Policy Framework on Involuntary Resettlement other than payment of the replacement cost of acquired assets</td>
</tr>
<tr>
<td><strong>Replacement Cost</strong> – 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</td>
</tr>
<tr>
<td><strong>Temporary Land Use Impacts</strong> – 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</td>
</tr>
<tr>
<td><strong>Vulnerable Groups</strong> – Distinct group of people (poor, elderly, disabled and female headed households) who may suffer disproportionately from</td>
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</table>
resettlement effects

NOTE

(i) In this report, "$" refers to US dollars.

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ДАРХАН ХОТЫН БОХИР УСНЫ
МЕНЕЖМЕНТИЙН МОН-3244/3245
ТЕСЛИЙН ЗОХИЦУУЛГЧ Б.БААСАН
ТАНАА

Азийн хөнгөт сандаа хөнгөттэй
ээлээр Дархан-Уул аймаг өрөгчдий
"Дархан хотын бокир усны менежментийн мон-
3244/3245 тесел"-ийн Газар чөлөөлөг, хуульгэн
шилжүүлэлтийн төлөвлөө гийгийн төлөвлөчин
танилцаа.

Төлөвлөөгдөн тусгагдсан газар, чөлөөлөг,
хуульгэн шилжүүлэлтийг дамжиг өрөгчдий
хүн болно.

ДАРГА
С.НАСАНБАТ

2013.05.31

107
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Web: www.darkhan.gov.mn

Date: April 11, 2017
Ref #: 1-751

Subject: To B. Baasan, Project Coordinator of Darkhan City’s Waste Water Management Project MON-3244/3245

This is to confirm that we have received and reviewed the Land Acquisition and Resettlement Action Plan of the “Darkhan City’s Waste Water Management MON-3244/3245 Project” to be implemented in Darkhan-Uul Aimag with soft loan provided by the Asian Development Bank.

We will support and implement the land acquisition and resettlement actions reflected in the plan.

Director

S. Nasanbat
(Stamp and Signature)
МОНГОЛ УЛС ДАХЬ АЗИЙН ХӨГЖЛИЙН БАНКНЫ СУУРИН ТӨЛӨӨЛӨГЧ ХАТАГТЫЙ ЕЛАНДА ФЕРНАНДЕЗ ЛОММЕН ТАНАА

Танай _______ -ны № ________-т

Теслийн тухай

Дархан-Уул аймагт Азийн хөгжлийн банкны хүнгэлтлээс зээлээр хэрэгжүүлж буй Дархан хотын бокир усны менежмент МОН3244/3245 теслийн үйл ажиллагааны явцад хэрэгжүүлэх нууцлган шилжүүлэлтийн төлевлөгчнийн төвлөгчийн танилцлаа.

Төлевлөгчийн тусгагдсан газар чөлөөлт, нууцлган шилжүүлэхийн холбоотой үйл ажиллагааг дэмжих байна.

Хавсралт. 75 хуудастай.

Хүндэтгэсэн,

НИЙТИЙН АЖ АХУЙН БОДЛОГЫН ХӨГЖЛИЙН ЗОХИООЛУУЛАХ ГАЗРЫН ДАРЬН ХӨГЖИЙН ТУР ОРЛОН ГУЙЦЭТГЭГЧ

О.ХАГВАЦЭЭДЭН
To: Ms. Yolanda Fernandez Lommen, Resident Representative of the Asian Development Bank in Mongolia

Date: April 24, 2017
Ref #: 08-1207

Subject: About the Project

This is to confirm that we have received and reviewed the draft Resettlement Action Plan of the “Darkhan City’s Waste Water Management MON-3244/3245 Project” to be implemented in Darkhan-Uul Aimag with soft loan provided by the Asian Development Bank.

We will support and implement the land acquisition and resettlement actions reflected in the plan.

Annex. 75 pages

Sincerely Yours,

O. Lkhagvatseden
Acting Director,
Utilities Policy Implementation and Coordination Department

(Stamp and Signature)
Дархан хотын бохир усны мөнөгөнчөгийн мон-3244/3245 төсөл хэнд ажиллаж, төсөлөөсөө төсөлөгчийн төсөлөөгийн танилчилгаа үүсгэн жишээлэлтийг төсөлөгчийн танилчилгаа үүсгэн жишээлэлтийг дэмжих хэрэгжүүлэх болно.
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I. EXECUTIVE SUMMARY

This document constitutes revised Land Acquisition and Resettlement Plan (LARP) for the Darkhan Wastewater Management Improvement Project Technical Assistance (TA) for the Preparation of a Wastewater Management Project for Darkhan city, which implemented in 2013. This LARP is prepared in accordance with applicable laws of Mongolia and the Asian Development Bank's (ADB) 2009 Safeguard Policy Statement and the Land Acquisition and Resettlement Framework for the MON-2301 Project of the urban development sector.

Darkhan-Uul Aimag: Foundation of Darkhan City, the largest industrial center of Mongolia was built on October 17, 1961, based on the Davkhar railway station and construction raw materials deposits. The city was built with extensive technical and economic assistance from the countries formerly known as Mutual Economic Assistance member states such as former Soviet Union, Bulgaria, Poland, Hungary, Czechoslovakia and Germany was established with the help of technical and economic cooperation. Darkhan-Uul Aimag has a vast territory of 327.5 thousand hectares of land covering the Northeastern valley of Kharaa river located in between Khtentii mountain range in the northern part of Mongolia. 70.7% or 231.7 thousand hectares of land out of a total territory is the land for agriculture. Darkhan City, center of the Aimag is a major industrial center of Mongolia. It has well-developed infrastructure. According to an official statistics, Darkhan-Uul aimag has a population of 92.7 thousand people, out of which 48.7 percent or 45.2 thousand are men and 47.5 thousand people are women. Regarding the employment age group, 63.3 thousand are working age people and 25.6 thousand people are aged under 14 and 5.7 thousand people are elderly citizens. (Statistical Department information of Darkhan-Uul Aimag, 2013)

Project site and Right of Way: Within the scope of the Darkhan Waste Water Management Improvement MON-3244 Project to be implemented in Darkhan-Uul Aimag, new central treatment facility shall be built, and renovation and expansion of sewerage pipelines shall be constructed. Renovation and expansion of sewerage pipelines shall be carried out at 6 location plots A1, A2, A3, A4, A5 and A6. Land acquisition and resettlement is required only in the location plot A5, when expansion or renovation of sewerage pipelines are carried out in front of the health center, which is located in the 5th Bagh area of Darkhan. In this location, the following works shall be carried out: i) current sewage pipeline with a diameter of 200mm shall be expanded and new PVC pipeline with Ф300 mm shall be installed at 6 m depth, ii) new sewage pump stations shall be installed, connected with the household pipelines underneath the autoroad and the current branch pipelines of “Monos” LLC and residential building shall be elevated to ф200mm and re-installed due to the pipeline renovation works, and iii) old sewage pipelines and pump stations shall be dismantled. The sewerage system will benefit around 80 000 residents of Darkhan City. In order to minimize resettlement impact, the right of way (ROW) of the pipelines, which traverse the project areas in various directions, will be reduced to 5m in accordance with the Construction Standard and Rules of Mongolia for Water Supply, External Networks and Structures BNBD 40-02-06 once the detailed design prepared.

Scope of land acquisition and resettlement impact: New treatment plant will be built on the land solely possessed by the Darkhan Us Suvag Agency. Some sewerage pipelines right-of-way will involve land acquisition and resettlement; other or the dominant portions will be constructed on the public land. For example, works to be carried out other than location plot A5 shall be constructed on the public land. LARP developed in 2013 stated that a total of 8 affected entities that possess a total land of 2711.1 sq.m, 112 m long fences and gates, 2 entrances to business entities, speed bump, advertisement board etc will be affected by land acquisition and resettlement. Eventually, while preparing the detailed design drawings, the location for pipeline works has been changed, and a number of affected persons have been significantly reduced as a result of taking actions to avoid potential impacts and considering impact mitigation options. According to the survey, currently a total of 5 affected entities/businesses that are located in the plot A5 will be affected by the sewage pipeline works. No residential land or structures will be affected by the project, and no one’s livelihood level will be deteriorated. Total of 443 sq.m land shall be affected. This is the land with infrastructure. 18m long fences with metal and brick base shall be affected. A total of 21 sq.m parking lot and pedestrian crossings and 1 metal container for solid waste storage constructed on
The public land by 1 business entity shall be affected. One small business entities entrance shall be blocked during the construction work, which may result the business loss. A total of 15 trees shall be relocated, and 2 street lighting poles shall be relocated.

Indigenous people and gender impact: Ethnic Mongols account for about 98.9% of the population of Darkhan City. The Khalkhs make up 82.8% of the population of the city. The remaining 16.9% includes Duruvud, Bayad, Zakhchin and Buriad and others. The project components are all focused on urban areas of Darkhan. The project investments will benefit all residents. No specific communities of ethnic minorities or groups are living separately and no adverse impacts are expected. Therefore, the ADB Policy on Indigenous People will not be triggered by this subproject. Adverse differential gender impact by the project on either men or women is not expected.

Legal and policy framework: Land acquisition and resettlement by the government for projects in urban areas is based on negotiation and contracts with affected persons according to the Civil Code of Mongolia. ADB’s SPS only accepts the LARP that clearly stipulates the entitlements for occupants, who are interested in selling or buying or voluntarily selling or buying and is mutually agreed. Affected persons’ survey has been carried out as soon as technical design drawings are completed and “Cut-off date for entitlement” was publicly notified on December 22, 2016 in the project area. (Annex 9) All APs are eligible for entitlements, as stipulated in this LARP, including owners, possessors, users, legalizable occupants, non-titled occupants and lessees. The eviction of unlicensed APs is a violation of the ADB SPS. The eligibility and entitlements for specific types of losses in the project are summarized in the Entitlement Matrix in Table 5 of this LARP.

Consultation and grievance redress: Information, consultation and participation of APs are ensured through individual and public meetings throughout the LARP preparation and implementation process. To date one public meeting to prepare the APs for resettlement was held in October 2013. A number of affected persons are significantly reduced upon completion of the project’s detailed design drawings and individual meeting to inform and discuss a draft LARP with those individuals/businesses have been organized in February and March, 2017. Four-step grievance mechanism with a clearly defined timeline of 5 weeks for each case is established. A grievance action form initiating and tracking the grievance process for each complaint has been prepared. (Annex 8)

Institutional arrangements and monitoring: A Working Group established pursuant to the Darkhan-Uul Aimag Governor’s Resolution #A/445 dated November 29, 2016 has overall responsibility for the land acquisition and resettlement of the Darkhan-Uul Aimag project. With the PMU support, Darkhan-Uul Aimag’s PIU shall provide assistance to the Working Group, implement the LARP, and ensure resettlement prevention measures prior to any resettlement, or the award of civil works contracts. A working group shall oversee the project LAR implementation and make high level decisions, including resolving or serving as a final decision-making body for AP grievances. With the support of the WG, the PIU will ensure resettlement safeguard compliance prior to any resettlement, or the award of civil works contracts. Close coordination and commitment between all stakeholders are facilitated by the participation of the WG members.

Compensation strategy and budget: Losses of land and structures, resettlement and businesses are compensated. Cost of land acquisition and resettlement for the Darkhan City sub-project shall be financed from the local government budget and a total budget including compensation, administration as well as contingency costs is MNT 7,652,886 million or about USD 3,112.
II. INTRODUCTION

1. This document constitutes the Land Acquisition and Resettlement Plan (LARP) for Wastewater Management Improvement Project for Darkhan City. This LARP is prepared in accordance with applicable laws of Mongolia and ADB’s 2009 Safeguard Policy Statement (SPS).

2. This LARP serves as the foundational document for all related resettlement activities undertaken in Darkhan City pursuant to the ADB’s Safeguard Policy Statement. These activities are expected to include partial acquisition of land, removal, re-establishment and movement of physical structures and utilities.

3. This LARP is prepared based on the project design drawings. Therefore, the assessments of potential impacts due to land acquisition and resettlement and cost estimates are final. The resettlement consultant has visited the project site, conducted a Detailed Measurement Survey (DMS) of affected land plots and a socioeconomic survey of affected entities/businesses in collaboration and support with the officers of Land Relations, Construction and Urban Development Department (LRCUDD); and consulted with government officers, and potentially affected people/entities.

4. Draft LARP was initially developed in 2013 and this LARP has been revised and updated in 2017, as it has been more than 3 years passed for finalizing technical design drawings. The Project Implementation Unit (PIU) in Darkhan-Uul Aimag, Land Affairs, Construction and Urban Development Department of this aimag, and the LAR specialist of the Loan Implementation Consultancy Team jointly participated in the revision of this LARP. The final LARP will be submitted to the Darkhan Aimag Government, Ministry of Construction and Urban Development (MCUD) and ADB, for review and approval before award of related civil works and before commencement of any resettlement activities.

5. This LARP provides (i) an assessment of the scope of land acquisition and resettlement, (ii) an overview of the socio-economic situation of affected entities, (iii) the LAR policy framework and entitlements, (iv) the procedures for consultation and public participation, (v) a description of institutional arrangements and the LAR grievance redress mechanism, (vi) the compensation strategy, (vii) a resettlement budget, (viii) internal and independent monitoring and evaluation procedures and (ix) LARP implementation schedule.

6. The following works shall be carried out within the scope of the “Darkhan City’s Waste Water Management Improvement MON-3244 Project” in Darkhan-Uul Aimag: 1/ Darkhan city’s treatment facilities’ renovation, 2/ Darkhan city’s sewerage pipeline expansion and renovation in 6 locations. 1/A1 location- Plant sewerage network and pipeline work in Darkhan city's industrial zone: the existing 600m long metal concrete pipes with 800 mm diameter shall be replaced with PVC pipes with φ800 mm diameter; existing 250 m long metal concrete pipelines with φ800 mm diameter shall be dug, and their connecting points and installation slopes shall be checked and repaired, incomplete elements of the drain wells shall be completed, concrete work of channels shall be carried out, existing 497m long metal concrete pipelines with φ800 mm diameter shall be cleaned and incomplete elements of existing sewerage wells shall be completed. 2/A2 location- Pressurized sewage pipeline work in the industrial area of Darkhan city: Pressurized new 1586 m long sewage pipelines shall be assembled underground and on the surface dumps using PVC pipes with φ350 mm diameter, relevant wells shall be assembled, existing 1586m long parallel pressurized metal concrete pipelines with φ500 mm diameter shall be checked and incomplete parts shall be completed with steel pipes, drainage well outlets shall be disassembled, repaired, upgraded with new pipes and concrete platens shall be cast for the concrete wells.

7. 3/A3 location- Renovation of auto-station’s sewage pipelines from the pump station of Shine Umnod industrial area: 19 sewage draining wells shall be repaired and upgraded in existing inflowing 1325 m long metal concrete network with φ600-φ800 mm diameter, concrete platens shall be cast
for the concrete wells and additional grooves shall be channeled.

8. **4/A4 location**: Renovation and upgrade of inflowing sewerage pipelines at the 2nd pump station located in the west of the railway in the 8th Bagh of Darkhan city: Slopes of 260 m long metal concrete pipeline with φ800 mm diameter out of which existing 1230 m long metal concrete network shall be repaired and upgraded, new wells shall be assembled, 15-35% of remaining 970 m long pipelines, that are clogged with mud shall be cleaned, prepared for normal operation, and broken dams and landfills shall be restored. **5/A5 location**: Renovation and upgrade of sewerage lines installed in front of the health center located at 5th Bagh of Darkhan city: existing sewage pipelines with 200 mm diameter shall be upgraded with PVC pipelines with φ300 mm diameter and shall be assembled at 6 m depth, new sewage draining wells shall be assembled, connected with the household pipelines underneath the auto-road and the current branch pipelines of “Monos” LLC and residential buildings shall be elevated to φ200mm and re-installed, old sewage network shall be demolished, auto-road, sidewalks, grassland, fence and concrete areas shall be rehabilitated. **6/A6 location**: Renovation and upgrade of the main sewerage pipelines of Darkhan city hospital: Existing 211 m long sewerage pipelines with 250 mm diameter of the central hospital shall be elevated and re-installed, drainage wells shall be re-assembled and new well shall be linked at the connecting point of the sewerage pipe with the metal concrete pipelines with φ800.

### III. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

#### 3.1 Land acquisition and resettlement impacts

9. The resettlement consultant conducted a Detailed Measurement Survey (DMS) of potentially affected land plots of affected entities/businesses and impact assessment based on the project’s design drawings. In order to minimize resettlement impact, the right of way (ROW) of the pipelines, which traverse the project areas in various directions, will be reduced from 10m to 5m in accordance with the Construction Standard and Rules of Mongolia for Water Supply, External Networks and Structures BNBD 40-02-06 once the detailed design prepared.

10. Detailed Measurement Survey (DMS) of affected land plots an facilities, socia-economic studies of potentially affected persons/businesses have been updated in February, 2017. According to the studies, new treatment facility shall be constructed on the land possessed by Darkhan-Us Suvag LLC. Therefore, no permanent or temporary land acquisition and/or resettlement shall be required. The most pipeline upgrade works shall be carried out on the public land. Some land acquisition shall be required for pipeline upgrade works only on partial land near Exchange located at the 5th Bagh territory. Main potential impact due to land acquisition and resettlement shall be partial loss of land, resettlement of facilities and temporary loss of business. A list of affected entities/persons is shown at the Table 1.

11. Land acquisition is required for some activities to be carried out within the scope of the project, for instance, at the 5th Bagh territory, in the location plot A5, current sewage pipeline with a diameter of 200mm shall be expanded and new PVC pipeline with Φ300 mm shall be installed at 6 m depth, and the current branch pipelines of “Monos” LLC and other residential buildings shall be elevated to φ200mm and re-installed due to the pipeline renovation works. Total 5 persons/business entities will be affected. Due to the project, physical resettlement shall not be required and livelihood level of affected persons shall not be deteriorated. At this location, land acquisition shall not be required for installing new wells, connecting the network with the household pipelines underneath the auto-road, demolishing old pipelines etc.

12. Due to the construction of new treatment facility, installation of pipelines and other works at all other locations; no permanent or temporary land acquisition shall be required. In particular, in order to enable the construction of new treatment facility, Darkhan Us Suvag LLC increased the size of its land possessed by the local government-owned enterprise to 23 hectares of land that have no people or structure or encroachers on it, which has no impacts.
13. In above-mentioned area, total of 5 entities/organizations/persons will be affected by the current sewage pipeline replacement works: Two (2) of them are the state budgetary organization (AP-02 and AP-05), 2 are private companies (AP-01 and AP-03), one (1) is a small business owner/entrepreneur (AP-04). LAR impact on these entities/individuals is not serious: which include partial loss of land, disassemble and rebuild some affected structures and buildings.

14. One private company (AP-01) will lose part of its 443 sq m land for the sewage pipelines rights of way. New pipelines shall not be built in this area; only outdated pipelines that cannot operate with existing capacity shall be replaced and upgraded. During the studies, it has been explored that there is no facilities are constructed in this area. This area is surrounded by good quality iron fence with brick foundation. Two (2) trees inside the fence should be relocated.

15. Some parts of iron fence possessed by AP-02 and parking lot financed by AP-03 and constructed on the public land shall be affected.

16. AP-03 and AP-04's business will not be permanently impacted; AP-04 is likely to be temporarily affected. Main entrance of this business is located on the side where, the pipeline works shall be carried out; therefore, entrance to this business shall be blocked during the construction. However, business can be continued using the other entrance for residents, which is located on the other side. But the operation can continue to the entrance gate on the other side of building. Upon completion of the construction and project activities, the business can be continued normally. Compensation for 10 business days is estimated and included in LARP.

17. Thirteen (13) trees, and 2 street light poles that are located on the public land shall be affected. This land is possessed by AP-05 or the state budgetary organization.

18. Auto-roads, sidewalks, grasslands, fences and concrete areas located in the public land shall be dismantled, demolished due to the pipeline renovation works at the location A5 and restored after the construction work. The cost of this restoration is included in the project's construction design drawing budget, therefore it excluded from this LARP.

3.2 Affected business entities/organizations/persons

19. Some land acquisition and resettlement shall be carried out only due to sewage pipeline renovation and upgrading works within the scope of the project. Total 5 entities/organizations/persons shall be temporarily affected. Individual consultative meetings with affected entities have been organized and the introduction of project activities has been shared. Table 1 shows information on APs.

<table>
<thead>
<tr>
<th>#</th>
<th>Name companies/business entities</th>
<th>Type of operations</th>
<th>LAR impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP-01</td>
<td>Nomun Inter Trade LLC</td>
<td>Beverage production</td>
<td>Partial loss of land, tree relocation</td>
</tr>
<tr>
<td>AP-02</td>
<td>Jiguur Complex School #16</td>
<td>Secondary school</td>
<td>Iron fence</td>
</tr>
<tr>
<td>AP-03</td>
<td>Monos</td>
<td>Pharmacy</td>
<td>Parking lot, metal container</td>
</tr>
<tr>
<td>AP-04</td>
<td>I. Bulgan</td>
<td>Grocery store</td>
<td>Temporary loss of business</td>
</tr>
<tr>
<td>AP-05</td>
<td>Public Utilities Services Agency, Darkhan-Uul Aimag Governor's Office</td>
<td>City landscaping and services</td>
<td>Relocation of trees &amp; street light stakes</td>
</tr>
</tbody>
</table>

Table 1. List of Affected People
3.3 Affected land

20. The project will affect 443 m² of possessed land, which belongs to 1 affected private company. As shown in Table 1, land losses are partial, affected land is only 13.58% of possessed land. Currently, no facilities or buildings are constructed on this land. AP-01 has design drawings to build 3 storey office and warehouse building on this 3262 sq m land possessed by AP-01. This issue has been discussed at the meeting with the LRCUDD of Darkhan-Uul Aimag, the company’s management and relevant officials on December 20, 2016 and resolved as follows: 1/ the company expressed that it will fully support the project work and refused from any compensation for affected land. The company shall avoid from hindering the project activities and agreed that the land to be used further by the company; 2/ LRCUDD shall assist in locating advertisement board along the international auto-road that is passing by the affected land; 3/ the project team to build new sewage draining well for the company for its future building to construct; and the parties recorded this agreement on the meeting minutes and signed. Accordingly, the Company submitted an official letter #90/16 on December 20, 2016 confirming that the company shall not hinder the project activities, request any compensation and raise any concerns or complaints due to the project activities. (Annex 5). The company continues to use affected 443 sq m land for its future activities, but should not build any facilities on the land. Therefore, no physical resettlement or replacement is required. Table 2 shows information on affected land.

<table>
<thead>
<tr>
<th>#</th>
<th>Name of affected entities</th>
<th>Registration #</th>
<th>Address</th>
<th>Total land size m²</th>
<th>Type of ownership</th>
<th>Affected land size m²</th>
<th>Type of loss</th>
<th>Lost land size</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP-01</td>
<td>Nomun Inter Trade LLC</td>
<td>2584573</td>
<td>Darkhan Soum, 5th Bagh</td>
<td>3262.0</td>
<td>Possessed</td>
<td>443.0</td>
<td>Partial</td>
<td>13.58%</td>
</tr>
</tbody>
</table>

3.4 Affected facilities

21. Six (6) m fence in one side, 12 m on the other side, total of 18 m fence built on the affected 443 sq m land at the territory of 5th Bagh shall be affected and need to be dismantled during the construction and rebuilt upon completion of the work. This fence is owned by AP-02, but the land is possessed by the AP-01. The land and fence used to belong to the school in the past, but now the land ownership has been transferred to a different entity. Metal container owned by AP-03 need to be relocated. Two (2) street light poles possessed by AP-05 will be affected. Affected properties are shown in Annex 3.

<table>
<thead>
<tr>
<th>Type of loss</th>
<th>Measurement unit</th>
<th>AP ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron fence</td>
<td>m</td>
<td>18</td>
</tr>
<tr>
<td>Parking lot</td>
<td>m²</td>
<td>21</td>
</tr>
<tr>
<td>Metal container</td>
<td>pcs</td>
<td>1</td>
</tr>
<tr>
<td>Street light stake</td>
<td>pcs</td>
<td>2</td>
</tr>
</tbody>
</table>

3.5 Affected business

22. AP-04 is likely to temporarily loss the business income. Loss of business shall be estimated and compensated based on an average net income for disturbed business days. Compensation for 10 working days is estimated and reflected in this LARP.
3.6 Affected trees

23. Thirteen trees that belong to the state-owned enterprise and 2 privately owned trees, total of 15 trees shall be affected. These trees shall be relocated during the construction work.

3.7 Impact level

24. According to the ADB requirements, Darkhan-Uul Aimag’s Waste Water Management Improvement Project does not require to resettle 200 or more persons, or impacted any persons/entities to lose 10% or more of their assets and properties that generate income, therefore the project is classified as the ADB’s Involuntary Resettlement Category B project. Socio-economic studies on affected persons/organizations have been carried out and presented. This information is collected through private meetings with individuals/organizations. This information is useful for preparing basic survey for independent review and evaluation. A socio-economic study of the project-affected persons of Darkhan-Uul Aimag is discussed in the Chapter C.

IV. SOCIO-ECONOMIC STATUS OF AFFECTED ENTITIES/ORGANIZATIONS/ BUSINESSES/PERSONS

25. The AP-01 Vitafit Group\(^1\) is one of the pioneer companies in food production of drinks, juice, water, milk, yogurt etc in Mongolia. Vitafit Group was established in 1997, was the first established company in juice and drinks industry and trade sector. Today it has 14 subsidiaries and over 750 employees, and became the leading national production company in the beverage sales and production market. Nomun Inter Trade LLC is one of its 14 subsidiary companies. is a. introducing step-by-step techniques, technology and assets as a result of investments and sales and marketing policies correctly applying the product occupies a clear position Mongolian drink juice market, was well-known brands. The company implements aware of the social responsibility program. Through implementing good policies on investment, marketings and sales, and applying technical and technological innovation, the products of Vitafit have certain image and reputation at the Mongolian juice and beverages market and became well-known national brand. This company recognizes its social responsibility and implements special programs.

26. AP-02: 16\(^{th}\) school “Jiguur” complex has around 1400 pupils, 90 teachers and staff. The schoolteachers receive basic salary approximately 450,000MNT plus additional salary for class teaching, etc. Average salary for other staff ranges between 320,000-360,000MNT. The school possesses the land. However, the school building belongs to Russian company since 1990 and now the school rents the building. Land possessed by AP-01 used to be the property of this school before.

27. “Monos Group\(^2\)” company was established in 1990 as a first factory for medicines and cosmetics with its name “Monos”. Now after 27 years the company runs its activities in medicines, cosmetics and health production manufacturing, imports and exports of goods, wholesale and retail, research, education and various other service fields. “Monos Group” has 16 daughter companies with 1300 workers and it’s the leading company in the field of the health service and one of the Mongolian Top 100 companies. “Monos Group” became a pioneering private company in many areas of the health service. For example, first private pharmacy factory, first drugstore, first pharmacy market, first medical supply organization, first licensed laboratory, first science institute, first pharmaceutical college, first pharmaceutical university, first pharmaceutical research institute, and first pharmacy factory with international GMP standard. Monos-Farm Trade LLC, subsidiary company of this Group commenced the construction of pharmacy buildings in Darkhan-Uul Aimag since July, 2015. Prior to the commencement of the construction work, the meeting with Darkhan Us Suvag LLC and this company has been organized on August 10, 2015 and provided information on the planned sewage

\(^1\) [www.vitafit.mn]
\(^2\) [www.monos.mn]
pipelines renovation and upgrading work to be carried out at this location with the ADB loan funds and requested this company to use re-usable zig-zig plates for the sidewalk landscaping and avoid constructing stairs directed towards the project site etc. The meeting minutes are available. As a result, Monos Group Construction company and Monos Construction LLC sent an official letter with Ref#30 to confirm that these companies shall be self-responsible for any issues related to the sewage pipeline renovation and upgrading works. Local government and the project team are highly satisfied with this top company’s act and recognized its high-standard social responsibility.

28. **AP-04 Russian food store – Woman, called Dolgorsuren used to operate the grocery store in 2013. Since November, 2016, woman, called E. Bulgan started renting this place for 500,000MNT per month and currently operates 8 kinds food product private store. There are 4 family members, 2 children, and they live in an apartment closeby not far from the store. Main sales product of the store is vodka. Re-rents one room to another person, who operates children’s day care service. During the studies, the day care service center did not work.**

29. **AP-05 or Utilities Services Agency of the Darkhan-Uul Aimag Governor’s Office, which is responsible for carrying out local landscaping services.**

**V. OBJECTIVE, POLICY FRAMEWORK AND ENTITLEMENTS**

30. The objective of this LARP is to stipulate all relevant entitlements, procedures and compensation, relocation and rehabilitation measures due to entities affected by the acquisition of land under the L2301-MON: Urban Sector Development Project. In particular, the LARP is meant to safeguard people’s livelihoods and quality of life, meaning that the assistance they will receive is designed to ensure they maintain a level of well-being which is at least equivalent to or better than what it would have been without the project. To achieve this, affected entities must be fully informed, closely consulted, compensated for their losses, assisted to gain possession or ownership of replacement land and property, in order to reestablish their living conditions and enterprises. All affected entities should be provided opportunities to participate in any decision making pertinent to involuntary resettlement (IR).

31. All provisions of this LARP are in accordance with the applicable Mongolian Laws3, and the ADB’s 2009 Safeguard Policy Statement (SPS). The relevant stipulations of national law and ADB policy are summarized below and the Project’s entitlement framework is presented.

32. The basic legislative framework for land acquisition and resettlement under the existing legal framework consists of the Constitution (1992), the Land Law (2006) and the Law on Allocation of Land to Private Citizens (2003), as well as the Civil Code. The Land Law specifies three kinds of private land tenure: (i) ownership, which may be granted only to citizens of Mongolia; (ii) possession, granted under license, to Mongolian citizens, economic entities and organizations, for terms of 15 to 60 years, extendable up to 40 years at a time; and (iii) use, granted under contract or lease to foreign countries and legal entities.

33. The Constitution of Mongolia states, inter alia, that “The State shall have the right to hold landowners 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” and “If the State and its bodies appropriate private property on the grounds of exclusive public need, they shall do so with due compensation and payment” respectively.

34. The Land Law governs expropriation of land allocated for possession or use. The Law on Allocation of Land to Mongolian Citizens for Ownership contains provisions respecting expropriation of land under private ownership. Non-titled occupants of land are considered illegal land users and

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can be evicted on the basis of Article 27.4 of the Land Law, which states that “possessing land without a valid license is prohibited”.

35. Article 13.1 of the Land Law lists special needs for which land in private possession can be acquired by the state: (i) land under special government protection; (ii) border strip lands; (iii) land for ensuring national defense and security; (iv) land for foreign diplomatic missions and consulates, as well as resident offices of international organizations; (v) free zone area; (vi) land for scientific and technological tests, experiments and sites for regular environmental and climatic observation; and (vi) aimag level reserve rangelands.

36. Article 32 of the Law on Allocation of Land to Mongolian Citizens for Ownership includes among the special needs “to build roads, lines and networks and other objects of national scale” (32.1.3). Article 13 of the Land Law defines land under roads and networks as “land outside cities, villages and other urban settlements” (13.1). Article 3 of the Law on Auto Roads defines as national scale roads those which connect the capital city to aimag cities, aimag cities to aimag cities and aimag cities to border points and defines local scale roads as those which connect soums, districts, cities and urban settlements in the territory of the capital city and aimags (3.1.8).

37. Consequently, urban roads, water supply and sewerage facilities and district heating facilities, belonging to cities, villages and other urban settlements, are on a local scale. Accordingly, the civil works under the Project is not of a national scale, so exercise of eminent domain under current legislation is not possible.

38. In the absence of legal provisions regulating land acquisition and resettlement in the context of local scale infrastructure facilities, including roads and sewerage networks, the Civil Code provides a legal framework which place land acquisition and resettlement in the context of negotiated settlement. This implies that the State or its legally appointed agents 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).

39. The right of a landowner to dispose of owned land through sale ‘according to relevant procedures’ (notarized contract) is guaranteed in Article 27 of the Law on Allocation of Land to Mongolian Citizens for Ownership. Possessors, according to Articles 35 and 38 of the Land Law, are also entitled to transfer their possession licenses via a notarized contract, but need to seek the approval of the governor of the soum or district.

40. The local practice of land acquisition and resettlement among district or soum and khoroo or bag level land administration officers, sanctioned by the Directors of the Capital City or Aimag Property Relations Departments, does to some extent reflect the legal framework of the Civil Law based on contracts between autonomous legal persons, but also contains certain elements of involuntary land acquisition and resettlement. After identification of the required properties, affected persons are sent official notifications or “demand letters” by the Property Relations Department, often repeatedly, if no positive response to the government’s claim to land is forthcoming. Thereafter, negotiations about the terms of compensation take place with titled affected persons (owners and possessors) and eventually a written agreement is reached. The land administration officers generally follow Cabinet Resolution 103 of 13 April 2003, which determines land valuation tariffs. Once at least 50 percent of the agreed compensation is paid, the land is acquired; when structures have been moved or land is vacated so construction works can commence, the remaining compensation is paid.

5.1 ADB Involuntary Resettlement Policy Requirements

41. The 2009 ADB Safeguard Policy Statement (SPS) outlines the requirements that ADB
borrowers/clients are required to meet in delivering involuntary resettlement (IR) safeguards to ADB supported projects. The overriding objectives of the safeguards are: (i) avoid involuntary resettlement wherever possible; (ii) minimize IR by exploring project and design alternatives; (iii) improve, or at least restore the assets, living conditions and livelihoods of affected persons; and (iv) improve the standards of living of vulnerable displaced groups.

42. SPS main principles are:

- Land acquisition and resettlement impacts on persons displaced by the project would be avoided or minimized as much as possible through alternate design/engineering options;
- Where the negative impacts are unavoidable, the persons displaced by the project and vulnerable groups will be identified and assisted in improving or regaining their standard of living;
- Information related to the preparation and implementation of this LARP will be disclosed to all stakeholders in a form and language understandable to them and people's participation will be ensured in planning and implementation;
- Affected persons who do not own land or other properties, but have economic interests or lose their livelihoods, will be assisted as per the principles described in the entitlement matrix of this LARP;
- Before starting civil works, compensation and resettlement and rehabilitation assistance will be paid in full in accordance with the provisions described in LARP;
- People moving into the project area after the cut-off date will not be entitled to any assistance;
- For non-titleholders such as informal settlers/squatters and encroachers, the date of completion of survey during detailed design will be the cut-off date, which will be declared by LRCLUD.
- Appropriate GRM will be established to ensure speedy resolution of disputes;
- All activities related to resettlement planning, implementation, and monitoring will ensure the involvement of women and other vulnerable groups;
- Consultations with the APs will continue during the implementation of resettlement and rehabilitation works; and
- A clause in the contract agreement that the construction contractors will be required to repair to pre-works condition or compensate any loss or damage caused by his execution of works.

43. The ADB's IR safeguards state that eligibility includes all people with formal legal rights to affected land (in whole or part) and those who have claims to the affected land that is recognized under national laws. People without formal legal rights or recognized claims, but who have occupied the land or structure prior to the agreed upon and publicized cut-off date, are eligible for compensation for non-land assets and resettlement assistance.

44. The ADB's IR principles also describe the compensation and assistance that will be provided, including: adequate and appropriate replacement land and structures, or cash compensation at full replacement cost without depreciation, transaction costs, accrued interest, transitional/restoration costs and any other payments; where feasible preference for land-based (not cash) resettlement strategies; assistance with relocation and improved housing with comparable access to employment/productive opportunities, civic infrastructure and community services; transitional support and development assistance; and opportunities to share in project benefits. For those who are economically displaced, they will be compensated for loss of income, and be assisted in restoring, and where possible improving, their earning capacity, production levels and standard of living.

45. Project proponents are expected to carry out meaningful consultations with affected persons and other stakeholders, including disclosure of information on entitlements and resettlement options, participation in the resettlement planning process, and establishment of a transparent and effective Grievance Redress Mechanism (GRM), and, wherever possible, negotiate fair settlements to avoid forcible evictions.

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4 Refer to Appendix 2 of the SPS – “Safeguard Requirements for Involuntary Resettlement”.
46. Project proponents are also expected to undertake a comprehensive Social Impact Assessment (SIA) in order to understand fully who will be displaced and how it will impact them currently and into the future. The SIA is to include an inventory of affected people, their assets, their income and livelihoods, and should be disaggregated based on gender. The SIA should also describe the people who might be more vulnerable to negative impacts, and suggest targeted measures the proponent will put in place to ensure vulnerable people do not suffer disproportionately and can share equally in the project opportunities and benefits.

47. The ADB’s SPS requires preparation and disclosure of the LARP. The LARP should describe affected people’s entitlements in detail; income and livelihood restoration strategy (including measures for vulnerable people); institutional arrangements; consultation, participation and disclosure; GRM; monitoring and reporting framework (including external monitoring for projects with significant land related impacts), budget and time-bound implementation schedule. Displacement may not occur prior to implementation of the Resettlement Plan, including payment of compensation and provision of other resettlement entitlements.

5.2 Assessment of Policy Gaps

48. There are several significant policy gaps between the Mongolian legal framework and the ADB IR safeguard requirements. According to Mongolian law or practice: (i) non-titled occupants of land (without ownership or possession license), including lessees of land and structures, are not eligible for compensation and rehabilitation entitlements; (ii) compensation for affected land is based on a government compensation tariff, not market rates, although there is room for negotiation with individual APs; (iii) a depreciation coefficient is applied in the valuation of affected structures; (iv) income and livelihood rehabilitation is not normally considered in local land acquisition practice; (v) transaction costs are not included in compensation payments; (vi) there are no project internal grievance procedures preceding dispute resolution by governors and the courts; (vii) public consultation and information disclosure is not practiced; (viii) an eligibility cut-off date is not declared; (ix) there is no limitation on commencement of civil works until after completion of all land acquisition procedures; and (x) there is no need to prepare an LARP or to undertake monitoring and evaluation activities.

49. Table 4 outlines the key provisions of existing Mongolian legislation, practices relevant to land acquisition and resettlement, and indicates their compatibility or inconsistency with the ADB IR safeguard requirements.

Table 4: Comparison of IR related provisions in Mongolian Law and the ADB SPS

<table>
<thead>
<tr>
<th>IR issues</th>
<th>Provisions of Mongolian law</th>
<th>ADB policy requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Resettlement</td>
<td>Invoking eminent domain is only legally recognized when taking back land for special needs of the State including, lines and networks and other objects of national scale (Law on Allocation of Land to Private Citizens, Articles 32 and 37; Land Law, Articles 42 and 43). This law does not apply to the Project and consequently, the Civil Code will apply. Current practice by government in local scale projects entails a demand letter with threat of sanctions and offer of payment of compensation.</td>
<td>Eminent domain is generally recognized and subject to policy provisions aiming at avoiding and minimizing land acquisition and replacement of lost assets and rehabilitation of livelihoods. Affected entities to be at least as well-off as without project.</td>
</tr>
<tr>
<td>Negotiated Settlement</td>
<td>The Civil Code of Mongolia is the legal basis for contractual agreements on the transfer of land in the ROW from affected entities to the government (Chapter 15, Articles 1, 6, 7, 8, 109 and 112, among others).</td>
<td>Recognition of negotiated settlement, where there is a willing buyer and a willing seller. If the seller has no option, than the IR policy requirements apply.</td>
</tr>
<tr>
<td>IR issues</td>
<td>Provisions of Mongolian law</td>
<td>ADB policy requirements</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Eligible Affected Entities</td>
<td>Licensed owners, possessors and users of land can transfer their titles to other legal persons recognized under the Land Law (Articles 35 and 38) and the Law on Allocation of Land to Private Citizens (Article 27). Non-titled occupants of land as illegal possessors are not eligible to transfer the land occupied or receive compensation (Land Law, Article 27.4). The Civil Code recognizes the right of a long term non-owner occupant of ownerless immovable property (incl. land) to own it after 15 years, if registered in the State register (104.2).</td>
<td>Titled and non-titled affected entities are eligible to receive different entitlements. Titled affected entities are entitled to compensation and rehabilitation for affected land and non-land assets at replacement cost. Non-titled affected entities are eligible for entitlements for non-land assets at replacement cost and to rehabilitation assistance, possibly including replacement land, such that they are no worse off than before the project.</td>
</tr>
<tr>
<td>Compensation for land</td>
<td>Contractually agreed payment for land transferred to the government. Local practice applies the government land valuation tariff (Cabinet Resolution 103, 2003; Resolution 2015/234 of the Minister of Construction and Urban Development), but negotiates with affected entities as well. Replacement land can be provided if an affected entity's entire land or large part thereof is acquired.</td>
<td>Land compensation at replacement cost based on land valuation at average market value within 1 year before the delivery of compensation or replacement land of similar size and quality.</td>
</tr>
<tr>
<td>Compensation for structures</td>
<td>Contractually agreed payment for transfer of structures located on land acquired. The value of structures is determined at market rates, with depreciation deducted from gross value of the structure.</td>
<td>Valuation of structures is based on current market value, i.e. replacement cost of new construction of the structure without deduction of depreciation. Affected entities can be permitted to salvage materials.</td>
</tr>
<tr>
<td>Joint property ownership</td>
<td>The Civil Code recognizes common property ownership and family property rights (Articles 108, and 125-128). Common property ownership requires permission of other owners to dispose of part of the property (108.4). 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).</td>
<td>No conflict with ADB SPS. Joint signatures are encouraged.</td>
</tr>
<tr>
<td>Easement (property servitude)</td>
<td>Legal provision for easements or property servitude, allowing the use of another person’s property for specific public or private purposes is permitted under local law; mutual agreement and payment of a fee are required (Civil Code, Article 151, Land Law, Article 48 and Law on Allocation of Land to Private Citizens, Article 33).</td>
<td>No conflict with ADB SPS.</td>
</tr>
<tr>
<td>Rental of land or house</td>
<td>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 a 3 month notice (Article 294.3).</td>
<td>Lessee is considered an affected entity and eligible to receive entitlements based on the type and degree of impacts.</td>
</tr>
<tr>
<td>Community and public resource losses</td>
<td>Affected community and public assets can be transferred through contractual agreement under the Civil Code. The cost of moving affected infrastructure is included in cost of civil works under the Project.</td>
<td>Common property resources or public structures and infrastructure affected by land acquisition are eligible for compensation.</td>
</tr>
<tr>
<td>IR issues</td>
<td>Provisions of Mongolian law</td>
<td>ADB policy requirements</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Income and livelihood rehabilitation</td>
<td>No provisions in contractual agreements for transfer of property.</td>
<td>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.</td>
</tr>
<tr>
<td>Relocation and transaction costs</td>
<td>The Mongolian Law on State Registration of Property Allocation Rights and Other Related Rights requires payment of registration 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). 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.</td>
<td>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.</td>
</tr>
<tr>
<td>Grievance procedure</td>
<td>The Land Law refers disputes over land to the governors of administrative units and eventually the courts (Article 60). The Civil Code and Law on Allocation of Land to Private Citizens refer various types of disputes to the courts.</td>
<td>An adequate GRM for affected people is required.</td>
</tr>
<tr>
<td>LARP information disclosure and public consultation</td>
<td>No provision for public consultation and information disclosure. In practice, all cases involve a period of negotiation.</td>
<td>Affected entities are to be fully informed and closely consulted on compensation and resettlement options. Draft, final and revised LARPs is to be disclosed and discussed, as well as published on ADB’s website.</td>
</tr>
<tr>
<td>Cut-off date</td>
<td>Not applicable</td>
<td>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.</td>
</tr>
<tr>
<td>Right of way</td>
<td>Water pipes up to 1000mm diameter require a safety zone of 10m (5m from center of pipe) in dry soil. It may be narrowed in built-up areas. (Mongolian Law on Water Supply and Sewerage System Utility of Cities and Settlements, Article12.6; Construction Standard and Procedure of Mongolia BNBD 40-02-06, paragraph 10.20).</td>
<td>No conflict with SPS.</td>
</tr>
<tr>
<td>Notification period for vacating property and commencement of civil works</td>
<td>Time period for vacating a property may be defined in contract. Civil works commence in parallel with acquisition of property, but without defined waiting period.</td>
<td>Notification periods are not specified by ADB. Cash compensation and/or replacement of assets must be completed before displacement; land acquisition procedures, except for rehabilitation measures, must be completed before commencement of civil works.</td>
</tr>
</tbody>
</table>

50. There are several differences between ADB’s SPS and the Mongolian legislation. To bridge the gap between Mongolian Law and the ADB SPS, this LARP presents the project’s entitlement provisions, which integrate both. In addition, the following principles guided the development of entitlements:

- Design and implementation of the project will make every effort to avoid and minimize land acquisition and resettlement impacts, including temporary impacts during construction.
- The project will adopt a negotiated land acquisition practice involving contractual agreements on the basis of the Civil Code of Mongolia.
• All compensation and allowances will be determined and paid or provided as specified in the contractual agreements, and all agreements will be certified by a notary and registered with the State Administrative Authority in charge of state registration of property rights.

• An adequate GRM will be established.

• All affected entities 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).^5

• Affected land will be compensated at replacement cost based on market rates for comparable land or the applicable government compensation tariff, 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 will assist the affected persons to identify and approve the relocation plot. The loss of 50% or more of a plot is considered a full loss eligible for compensation for the entire plot, if the affected person so desires.

• 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.

• All affected entities agreeing to receive replacement land or affected entities with pending license approval for ownership or possession or affected entities with possession licenses seeking ownership status, will be provided with ownership licenses prior to displacement and the affected entity will be registered with the State Administrative Authority in charge of state registration of property rights.

• Affected structures will be compensated at replacement cost based on prevailing market rates for comparable types of structures determined through professional valuations by a certified valuator without deduction of depreciation. Materials may also be salvaged by the affected entities.

• Temporary disturbances, including removal of fences and civil works on land outside the ROW, will be compensated in cash based on negotiated agreements with affected entities. Affected entities will enjoy continued access to land and residences. Civil works contractors will move fences and will restore land and fences upon completion of works.

• 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 (a) other labor benefits and retrenchment allowances according to the national labor law, (b) skills development trainings for new employment opportunities, and (c) assistance to find new employment.

• 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.

• 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

^5 Not applicable if the replacement of public structures (electricity, water supply lines, etc) is covered under civil works contracts.
will be paid and, in consultation with the affected persons; the replacement land/shop space will be provided within 1 year of displacement.

- Vulnerable and poor households will be provided preferential employment in subproject-related workforce, if available and desired by DPs. Depending on type and severity of impact of the project, other support may include: cash assistance up to a maximum of six months, guaranteed at the rate of minimum wage and assistance in reconstituting affected business or employment; assistance with selecting a replacement plot and with preparation of contracts and administrative process of provisions of replacement plot; and, assistance with house relocation and other construction activities (new construction should meet minimum standards), registration of property titles, relocation expenses, or a minimum housing guarantee.

- 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.

- An eligibility cut-off date will be set for the subproject with land-take at the time of the census and detailed measurement of affected land and property.

- 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.

- Cash compensation will not be taxable, and all fees and transaction costs to register property will be paid by the project owner.

51. The entitlements described above are summarized in the Compensation Entitlement Matrix presented in Table 5 below. Not all the types of loss described in this section have currently been identified to date as expected project impacts. Nevertheless, comparatively comprehensive information was provided.

<table>
<thead>
<tr>
<th>Type of Loss/Application</th>
<th>Specification</th>
<th>Eligibility</th>
<th>Compensation entitlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND (residential/ commercial/public/community)</td>
<td>Full loss of plot (≥50%)</td>
<td>Owner, possessor</td>
<td>The AP may choose between the following alternatives: Land for land compensation through provision of replacement plot of comparable value and location as lost plot; Ownership license and State registration; OR Cash compensation at market rates or the government compensation tariff, whichever is higher, based on contractual agreement All taxes, registration and transfer costs are waived or included in compensation price.</td>
</tr>
<tr>
<td>Unlicensed occupant of land</td>
<td>Relocation assistance sufficient to restore standard of living equal to MNT 166,200 at an adequate alternative site with security of tenure (i.e. possession license). All taxes, registration and transfer costs are waived or included in compensation price OR Cash compensation at market rates or the government compensation tariff, whichever is higher, based on contractual agreement All taxes, registration and transfer costs are waived or included in compensation price.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of Loss/Application</td>
<td>Specification</td>
<td>Eligibility</td>
<td>Compensation entitlements</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------</td>
<td>-------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Partial loss of plot (&lt;50%)</td>
<td>Owner, possessor</td>
<td>Cash compensation at market rates or the government compensation tariff, whichever is higher, based on contractual agreement. All taxes are waived or included in compensation price.</td>
<td></td>
</tr>
<tr>
<td>Unlicensed occupant of land</td>
<td>Possession license and State registration for adjacent unlicensed land will be provided by government; All taxes, registration and transfer costs are waived.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>User</td>
<td>Continuation of use license on remaining land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lessee</td>
<td>Cash refund at rental fee rate and proportionate to duration of remaining lease period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STRUCTURES (residential/commercial/public/community)</td>
<td>Full loss of structure and relocation</td>
<td>Owner, possessor, unlicensed occupant of land</td>
<td>Cash compensation for replacement of lost structure at market rate determined through professional valuations by a certified valuer without deduction of depreciation, based on contractual agreement, and no deduction for salvaged materials.</td>
</tr>
<tr>
<td>Temporary disturbance</td>
<td>Removal of fence, civil works on land outside ROW, restoration of land and fences</td>
<td>Owner, possessor, unlicensed occupant of land</td>
<td>Cash compensation fee negotiated with AP. Access to land and residences. Fences will be moved by civil works contractor. There is no deduction for salvaged materials.</td>
</tr>
<tr>
<td>Businesses</td>
<td>Any business loss due to land acquisition or construction activities by Project</td>
<td>All APs so temporarily affected</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>All APs so permanently affected</td>
<td>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 DPs: (a) government will provide replacement land/shop space prior to relocation; or (b) if an acceptable plot of land/shop 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.</td>
<td></td>
</tr>
</tbody>
</table>
52. Compensation eligibility will be limited by a cut-off date of December 22, 2016 that was publicly notified at the time of the census and DMS following preparation of detailed designs. All affected entities settling in affected areas after that date or existing affected entities who alter their assets and who cannot prove that they are the rightful owners/users of affected plots will not be eligible for compensation.

53. Disclosure of entitlements and all other relevant subproject information will be conducted in a timely way. This disclosure will be done in accessible formats that give affected people the means to participate effectively from an informed position. This means that affected people will have sufficient time between the provision of information and the consultative decision making process to reflect upon the input they want to provide. Please see for more details on consultative activities from the Chapter E.

54. Detailed explanation of resettlement impacts and compensation for each affected persons are shown at Table 6.
<table>
<thead>
<tr>
<th>#</th>
<th>Total licensed land (m²)</th>
<th>Affected land area (m²)</th>
<th>Percentage of affected land in total land area (%)</th>
<th>Total compensation for land (MNT)</th>
<th>Type of affected buildings, facilities</th>
<th>Total compensation for affected properties, facilities (MNT)</th>
<th>Days of business loss</th>
<th>Compensation for lost business (MNT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP-01</td>
<td>3262</td>
<td>443</td>
<td>13,58</td>
<td>-</td>
<td>2pcs of trees</td>
<td>200,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AP-02</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Iron fence</td>
<td>2,625,875</td>
<td>No</td>
<td>-</td>
</tr>
<tr>
<td>AP-03</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Parking lot Container</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AP-04</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Container</td>
<td>-</td>
<td>10 days</td>
<td>1,000,000</td>
</tr>
<tr>
<td>AP-05</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13 pcs of street trees</td>
<td>1,300,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>2 pcs of street light stakes</td>
<td>1,500,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,625,875</td>
<td>-</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>
VI. CONSULTATION MEETINGS AND PUBLIC PARTICIPATION

55. According to ADB SPS policy principles affected entities must be fully informed, closely consulted, and encouraged to participate in any decision making pertinent to land acquisition and resettlement for the project, including the final design of infrastructure facilities, preparation of contractual agreements, determination of prices for assets to be transferred, selection of replacement plots and the restoration of livelihoods. For this purposes the consultant has organized a public meeting with representatives of potentially affected entities.

56. First public meeting took place in October 2013. Participants were informed about the project, potential LAR impacts induced by the project, ADB SPS. Additional individual meetings with affected persons have been made in January and February, 2016 during the development of the project design drawings to provide information on ADB policies and the compensation entitlements. Attendance sheet of the meeting participants is attached as Annex 7.

57. Such disclosure of information to and consultation with affected entities ensures that they can express their opinions, apprehensions and objections. Project proponents, including government 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.

58. This LARP includes a full list of all consultation activities conducted and planned activities during implementation, and a detailed description of the consultation process, which will at minimum involve the following:

- Six individual consultations with affected entities (5 female, 1 male) during the census, DMS, and socio-economic survey, have been done to ensure that they have understood the project’s parameters and their own rights, and have had the opportunity to provide input.
- Public consultation meeting open and accessible to all affected entities to inform these entities and other stakeholders about the land acquisition and resettlement planning process, its guiding legal and policy framework and its anticipated scope of impact.
- Public consultation meeting open to all affected entities to announce declaration of the entitlement cut-off date and identify its geographical scope.
- Public consultation meeting with all affected entities to disclose the draft LARP, including eligibility and entitlements, grievance procedures and monitoring, and to discuss changes and the concerns of the affected entities and other stakeholders.
- Continued individual consultations will be done to prepare contract negotiations and address individual concerns.
- Individual negotiations of contract terms with affected entities will be done.
- Number of individual consultation meeting has been done with two affected entities to disclose and discuss revised draft LARP.
- Public consultation meeting with all affected entities to disclose approved LARP and to announce the date, venue, and time of the payment of agreed property transfer prices and other compensation or entitlements will be organized.
- Additional individual and public consultation meetings will be held throughout the planning and implementation of the LARP as required in response to emergent issues.
- Maintenance of up to date attendance lists and minutes of all public consultations (to be appended to the project’s LARP and subsequent monitoring reports will be included in the PMU’s quarterly reports.
- Documentation of the consultation and participation process will be recorded throughout the project implementation.

59. During disclosure of final LARP, rights and entitlements will be fully explained to affected entities. English version of the LARP has been submitted to the ADB for review and approval. Final LARP for the project will be endorsed and approved by the Darkhan-Uul Aimag Government (DAG) and MCUD. LARP will be disclosed on the ADB website (Mongolian and English versions).
VII. INSTITUTIONAL ARRANGEMENTS

60. Organization and administrative arrangements for the effective preparation and implementation of the LARP will be identified and in place prior to the commencement of the process. This will include the provision of adequate human resources for supervision, consultation, and monitoring of land acquisition and rehabilitation activities.

61. The executing agency for the project is MCUD, which will exercise its functions through the PMU located in Ulaanbaatar and Darkhan-Uul Aimag. The PMU is responsible for all management, communication and coordination work during project preparation and implementation periods.

62. Darkhan-Uul aimag has overall responsibility for the land acquisition and resettlement of the project. This includes preparation, implementation and financing of all LAR tasks and cross-agency coordination and linkages. The aimag exercises its functions through the PMU. The PMU is responsible for planning and implementation of all LAR tasks, including identifying the possessors and occupants of affected land and valuating the properties of APs. With the support of resettlement specialist of the loan project’s consultancy team, PMU shall monitor the project implementation and report the progress update to MCUD and ADB. PMU in Ulaanbaatar shall employ independent consultant in charge of resettlement/social issues.

63. A working Group made up of representatives from concerned agencies and chaired by the Deputy Governor of Darkhan-Uul Aimag was established on November 29, 2016. This WG shall oversee the project LAR implementation and make high level decisions, including resolving or serving as a final decision-making body for AP grievances, in order to avoid AP grievances to be referred to the Courts. WG includes the representatives of the Government of Darkhan-Uul aimag, LRCUDD, Property Relations Agency, “Darkhan-Us Suvag” agency and loan project implementation advisory team representatives. With the support of the WG, the PMU will ensure resettlement safeguard compliance prior to any resettlement, or the award of civil works contracts.

61. The main activities of the WG include the following:

- Participation in public consultation meetings.
- Timely follow up of grievances according to grievance redress mechanism (Section G).
- Information to and updating of APs on the implementation schedule and other LAR related activities requiring AP participation.
- Assistance to APs in preparing all the necessary documents pertaining to the preparation of contractual agreements and payment of compensation, i.e. licenses of possession or ownership and transfer agreements for land.
- Information to APs about the schedule of payments, relocation arrangements, if any, and the commencement of civil works once the compensation and entitlement estimates have been completed for each AP.

62. The main activities of the PMU in terms of LAR includes:

- Organizing regular public consultation meetings;
- Preparing documentation of the consultation and participation process;
- Documentation and timely follow up of grievances according to grievance redress mechanism;
- Information to and updating of APs on the implementation schedule and other LAR related activities requiring AP participation;
- Assistance to APs in preparing all the necessary documents pertaining to the preparation of contractual agreements and payment of compensation, i.e. licenses of possession or ownership and transfer agreements for land;
- Information to APs about the schedule of payments, relocation arrangements, if any, and the commencement of civil works once the compensation and entitlement estimates have been completed for each AP;
- Validation of the inventory of affected assets, and negotiation of contractual agreements with the affected households;
- Information of the APs about the date, venue, and time of the payment of agreed property transfer prices and other compensation or entitlements after negotiation and conclusion of notarized agreements;
- Provision of an updated land management map prepared by the city or aimag Land Administration Department indicating all lands that are eligible for ownership to APs to be relocated and assist the process of allocation of land ownership to these APs;
- With assistance of WG facilitation of the process of consolidation, review, approval and allocation of compensation for the project’s APs by the aimag land administration and governor, as well as the MCUD; and
- Internal monitoring and reporting

**VIII. GRIEVANCE REDRESS MECHANISM**

63. Any complaints related to land acquisition and resettlement activities shall be settled through grievance redress mechanism. The Working Group will serve as the initial committee for grievance redress and will provide a forum for raising objections and holding discussions to resolve conflicts. An aggrieved AP may submit grievances to the PMU in Darkhan through grievance redress mechanism. Under close supervision and support of the PMU and specialist in charge of resettlement of the Loan Implementation Team, Darkhan PMU shall be liable for settling any complaints and requests related to resettlement. The complaint shall be delivered to any member of the Working Group, who will request the chairman to call a meeting, where it will be presented, addressed and resolved within 1 week. The Working Group will record its deliberations, inform the concerned parties within the same week of its findings and recommendations, and present these to the Aimag and Soum Governors for action. If the grievance is not resolved within 2 weeks from its lodging, the grievance will be submitted to the LRCUDD by the Working Group member of LAD and its resolution is recommended to the Aimag Governor for approval and action within 1 more week. If still unresolved within another week the Aimag Governor will seek to resolve the issue and initiate action within another week.

64. In cases where an affected entity disagree with the complaint resolution decisions, or their interests has been violated by some conducts breaking the ADB’s Safeguard Policy Statement, or all efforts have been made to jointly resolve the complaint in collaboration with the ADB project team, they can report problems to ADB’s Problem Resolution and Compliance Division according to ADB Accountability Mechanism (2012). APs and NGOs/CBOs operating in the area can be actively involved in all stages of the grievance redress procedures. The grievance redress mechanism will include the following steps:

**Table 7: Grievance mechanism**

<table>
<thead>
<tr>
<th>Steps</th>
<th>Actors / actions</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AP lodges grievance with Working Group (WG) member</td>
<td>1 week</td>
</tr>
<tr>
<td></td>
<td>WG member prepares GAF and initiates WG meeting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>WG addresses grievance, informs AP and proposes resolution to Governor (aimag/soum)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Governor initiates action for resolution</td>
<td>1 week</td>
</tr>
<tr>
<td></td>
<td>If grievance is not resolved</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>LRCUDD WG member submits grievance to LAD</td>
<td>1 week</td>
</tr>
<tr>
<td></td>
<td>LRCUDD addresses grievance, informs AP and proposes resolution to Aimag Governor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aimag Governor initiates action for resolution</td>
<td>1 week</td>
</tr>
<tr>
<td></td>
<td>If grievance is not resolved</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Aimag Governor addresses grievance and initiates action for resolution</td>
<td>1 week</td>
</tr>
<tr>
<td></td>
<td>If grievance is not resolved</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Submit the case to the court.</td>
<td>Open</td>
</tr>
</tbody>
</table>

**Notes:**

Before reporting problems to departments related to accountability mechanism, the APs shall solve problems effectively via the executive departments of ADB. If dissatisfaction is still unsolved, they can report to departments related to accountability mechanism. For more details, please refer to [http://www.adb.org/Accountability-Mechanism/main](http://www.adb.org/Accountability-Mechanism/main).
65. The above mentioned grievance mechanism does not limit the citizen’s rights to submit the case to the court of law at any point in time of the grievance process.

66. A Grievance Action Form (GAF) is designed to cover the various aspects of the land acquisition process, for use in the grievance redress process. GAFs serve to log and follow up grievances in a consistent and transparent manner (a sample GAF is appended in Annex 8). All grievances submitted will be recorded on a GAF, and a copy of the GAF provided to the person submitting the grievance. The GAF will at minimum contain the following:

i. basic information about affected entity / entities submitting the GAF, including names and contact information;
ii. category of grievance filed (legal, technical/engineering, social, or financial);
iii. detailed description of grievance; and
iv. type of action taken (resolved at the WG level or referred to higher authorities)

IX. LARP IMPLEMENTATION PROCESS AND SCHEDULE

67. The schedule for this LARP finalization and implementation is based on the overall Project Implementation program. All activities related to the finalization of the LARP and implementation of land acquisition and resettlement have been planned to ensure that compensation is paid prior to displacement and commencement of civil works.

68. The activities will be taken as follows:

- Detailed technical design map of project facilities should be incorporated in the LARP
- Review LAR impact
- Review list of all affected persons
- Notification of APs and notification of cut-off date
- Review census of APs, socio-economic survey
- Detailed measurement survey and valuation of affected land and structures by specialized valuators
- Update Draft LARP
- Disclosure of Final LARP draft and public consultation meetings with APs
- Negotiations and consultations on contract terms
- Disclosure of revised Final LARP draft to APs
- Submission of final LARP draft to DAG and ADB for review and approval
- Resolution for funding of project LAR to DAG
- Conclusion of contract agreements
- Transfer of 100% of LAR funds to land department
- Disbursement of contractual payment for land transfer and other compensation
- Relocation
- Acquisition of land and structures and commencement of civil works
- Monitoring and reporting

69. Darkhan-Uul Aimag’s PMU shall implement the final implementation schedule of the project. Table 8 below presents a list of actions to be carried out prior to the commencement of civil works.
Table 8: Implementation Schedule

<table>
<thead>
<tr>
<th>LARP Activities</th>
<th>2016 (months)</th>
<th>2017 (Qtr)</th>
<th>2018 (Qtr)</th>
<th>2019 (Qtr)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>08</td>
<td>09</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Preparation of Draft LARP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finalize infrastructure design drawings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identification of LAR scope an initial survey of Project impacts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LARP drafting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review by Aimag government</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review by ADB, MCUD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approval of LARP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishment of WG</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishment of PMU and PIU</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detailed design</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notification of APs and of cut-off date</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and property measurements and valuation surveys</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Census and socio-economic survey, and identification of vulnerable persons/HHs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AP consultation: disclosure of r final LARP draft</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finalize the preparation of final LARP draft</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AP consultation: disclosure of r final LARP draft</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorsement by DAG</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approval by ADB &amp; MCUD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disclosure of approved LARP on ADB website and in AP community</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implement resettlement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding for LAR compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conclusion of contractual agreements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursement of compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of land and other assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commencement of civil works</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Monitoring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

X. COMPENSATION AND REHABILITATION STRATEGY

70. This section presents the compensation standards for each type of loss as well as transaction and relocation costs. It also presents the rehabilitation strategy regarding household that may be vulnerable.

71. All affected assets will be compensated at replacement cost based on market value for comparable assets estimated by the valuation team including resettlement specialist, property valuation specialists of Property Relations Agency and LRCUDD of Darkhan-Uul Aimag and a representative of affected entities, and agreed with affected persons. The PMU will be responsible for follow-up and facilitation of the processes for estimation of the replacement values for land and non-land assets and losses.

7 In case of disagreements over the compensation rates during the negotiation process with APs, the PIU will be able to engage an independent private valuation specialist and re-assess the compensation rates offered to the APs and disclose the results to the APs.
Estimated basis of compensation negotiation for key items are presented below. Rates are based on information provided by the land department and affected entities. Values will be reviewed and finalized during LARP implementation based on replacement costs estimated through assessment and market value surveys of comparable assets conducted by the valuation team.

10.1 Land
- According the Minister of Construction and Urban Development’s Resolution #2015/234, per square meter land for services in the 1st zone of Darkhan City is 24,4US$ (or 60,000 MNT). However, cash compensation shall not be allowed. AP recognized its social responsibility and agreed to continue to use the land but not to receive any compensation.

- 443 sq m land possessed by AP-01 shall be affected. However, cash compensation shall not be allowed for the project affected persons. Affected person was aware that he possesses the land with infrastructure. AP supported the project activities and officially confirmed that he will not receive any compensation. Upon completion of the construction work, AP shall continue to use the land. He agreed not to build any immovable facilities on the land with the sewage network underneath. An official letter sent by this organization is shown in the Annex 5.

10.2 Facilities:
- Fence: Metal fence owned by one affected public school needs to be dismantled and rebuilt. During the relocation, some foundation of the fence shall be ruined. Compensation of 59.3 US$ (or 145,882 MNT) per meter metal fence owned by AP-02 shall be paid.

- Parking lot: Parking lot constructed by one affected entity (AP-03) with its own equity shall be impacted. This affected person was well aware about the project activities in 2015 when he started the parking lot landscaping work and synergized the construction design to fit with the project activities, such as the entrance gate is located in the north etc. Affected person realizes its social responsibility and officially notified us on August 10, 2015 that any cost and expenses incurred due to the project activities shall be born by the affected person. Please see for more details from Annex 6. One metal container of this affected person needs to be relocated, and any cost related to this activity shall be born by this organization.

10.3 Business loss:
- Business loss: AP-04 is likely to bear temporary loss of business income. A small grocery store is located in the first floor of the residential building, that has 2 entrances on two sides of the building. Main entrance is from the public school side, which will be blocked during the sewage pipeline construction work. However, the business can be continued using the other entrance for residents. Residential entrance has entry codes, which might be difficult for the grocery store clients to have easy access to the store. During the construction work, meeting with the Apartment Owners’ Association needs to be organized to reach into a consensus of keeping the entrance gate open during the construction. If this entrance can be kept open during the construction period, affected person shall not bear any loss of business.

- If the entrance gate cannot be kept open for the clients, this affected person shall bear some loss of business. PMU shall monitor whether this entrance gate is open during the construction period and whether AP-04 is bearing any loss of business and shall calculate exact closed business days of AP-04. An average net income is estimated to be 40,66 US$ (or 100,000 MNT) based on an average business day income. Compensation for 10 lost business days was estimated. If the contraction period exceeded this estimated days, WG shall discuss this matter and request the local government to indemnify the cost from the local government budget.

10.4 Other:
- Total of 15 trees shall be relocated by AP-05 to an appropriate location or needs to be replanted in an original location upon completion of the construction work. Affected person (AP-05) shall identify the location. Compensation of 40,66 US$ (or 100,000 MNT) for each tree shall be paid to AP-05.
• Total of 2 street light poles shall be relocated by AP-05. Compensation of 305 US$ (or 750,000 MNT) for each street light poles shall be paid to AP-05.

73. DAG 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, supported by an adequate budget, is in place to help affected persons to improve, or at least restore, their incomes and livelihoods.

XI. RESETTLEMENT BUDGET

74. LARP Implementation cost of the project is shown below. It provides the unit cost, the number of units affected and the compensation, costs for relocation and transaction. The contingency cost, at 10% of total compensation and administration, is intended to cover unanticipated impacts and costs arising during LARP implementation. The measurements and compensation rates used are based on the DMS and market rates (without depreciation for age) expressed in unit rates for structures, as provided by the Darkhan-Uul Aimag’s Property Relations Department. Both APs are notified about the valuation methodology and costs and agreed. Total land acquisition and resettlement budget is MNT 7,652,886

Table 9: LARP Implementation Budget

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Unit Rate</th>
<th>Quantity</th>
<th>Cost Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unit</td>
<td>MNT</td>
<td>USD</td>
</tr>
<tr>
<td>1. Land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>m²</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Structure, facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iron fence</td>
<td>m</td>
<td>145,882</td>
<td>59.3</td>
</tr>
<tr>
<td>Parking lot</td>
<td>m</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Temporary Business Disruption/Business Losses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business loss</td>
<td>days</td>
<td>100,000</td>
<td>40.66</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4. Relocation Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trees</td>
<td>pcs</td>
<td>100,000</td>
<td>40.66</td>
</tr>
<tr>
<td>Street light stakes</td>
<td>pcs</td>
<td>750,000</td>
<td>305</td>
</tr>
<tr>
<td>Metal container</td>
<td>pcs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration (5% of total compensation)</td>
<td></td>
<td>331,294</td>
<td>134.72</td>
</tr>
<tr>
<td>Contingencies (10% of total compensation and administration)</td>
<td></td>
<td>695,716.9</td>
<td>282.9</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>7,652,886</td>
<td>3112</td>
</tr>
</tbody>
</table>
75. The PMU in collaboration with DAG, LRCUDD, and other state agencies to manage the process of formal contractual agreements with affected entities and disbursement of compensations. After having concluded contractual agreements related to the transfer of the affected assets from the affected entities to the government, the LRCUDD will consolidate all financial commitments of the contracts and refer these to the DAG. The DAG will then initiate the transfer of funds to the Land Relations, Construction and Urban Development Department. The Land Relations, Construction and Urban Development Department will be responsible for delivery of entitlements to affected entities and PMU shall oversee.

76. Payment of at least 50% of compensation will be made within one month of the time of conclusion of contractual agreements. The remaining 50 percent will be paid at the time of vacating or providing access to the affected assets. Disbursement of compensation and entitlements will be carried out through the APs bank accounts. No land will be acquired by the government or handed over to the PMU or the Land Relations, Construction and Urban Development Department for commencing construction works prior to implementation of the approved final approved LARP, and full payment of due compensation and provision of other resettlement entitlements to the affected entity.

XII. MONITORING AND EVALUATION

**Internal monitoring**

77. Darkhan-Uul Aimag's PMU shall carry out **internal audit** of the LARP implementation and submit the report to Ulaanbaatar PMU on monthly basis. UB PMU\(^8\) shall submit the quarterly report, which includes internal audit findings of LARP implementation to ADB. During the mid-term review of the project, separate section on the LARP implementation progress should be included. Upon completion of the LARP activities of the Darkhan-Uul Aimag project, aimag government shall conclude that the resettlement activities are completed; then must prepare and submit the report to ADB. A sample monthly LARP monitoring report is shown in the Table 10.

78. The purpose of internal monitoring is to ensure the following:

I. proper execution of the responsibilities of key stakeholders;

II. protection of the rights of affected entities under Mongolian laws, the ADB Safeguard requirements for IR, and this LARP;

III. adequate and prompt payment of compensation; and

IV. timely grievance redress.

<table>
<thead>
<tr>
<th>Actions to be taken pursuant to LARP</th>
<th>Quarter</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Section A. Preparation work/Actions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revise technical design drawing, pipeline construction site studies (√)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organize WG and convene meetings (√)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approve technical design drawings (√)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notify &quot;Cut-off date for entitlement&quot; and inform every AP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carry out the land and asset</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Table 10: Internal monitoring template

---

\(^8\) Inform important process and implementation issues at the earlier stage and notify about any identified issues as needed
<table>
<thead>
<tr>
<th>stage</th>
<th>steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>evaluation ✓</td>
<td></td>
</tr>
<tr>
<td>Census (Number of APs)</td>
<td></td>
</tr>
<tr>
<td>Socio-economic studies (Number of APs)</td>
<td></td>
</tr>
<tr>
<td>Prepare draft LARP ✓</td>
<td></td>
</tr>
<tr>
<td>Consultative meeting with APs: present about draft LARP (Number of APs)</td>
<td></td>
</tr>
<tr>
<td>Finalize LARP ✓</td>
<td></td>
</tr>
<tr>
<td>Consultative meeting with APs: present the final LARP (Number of APs)</td>
<td></td>
</tr>
<tr>
<td>Get endorsement from Aimag government &amp; MCUD ✓</td>
<td></td>
</tr>
<tr>
<td>ADB review &amp; approval ✓</td>
<td></td>
</tr>
<tr>
<td>Place approved LARP at ADB website, Inform APs ✓</td>
<td></td>
</tr>
</tbody>
</table>

**Section B. Implementation**

<table>
<thead>
<tr>
<th>steps</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Finish concluding the agreements (Number of APs)</td>
<td></td>
</tr>
<tr>
<td>Provide compensation to assets (Number of APs)</td>
<td></td>
</tr>
<tr>
<td>Acquire the land or other assets (Number of APs)</td>
<td></td>
</tr>
<tr>
<td>Commence the construction work ✓</td>
<td></td>
</tr>
</tbody>
</table>

79. The Audit Department of the Darkhan Aimag Government will independently audit and monitor the agencies involved in the land acquisition and resettlement process, based on relevant laws and regulations. The PMU Ulaanbaatar and PMU Darkhan-Uul Aimag will periodically review audits, and report any irregularities to the ADB, to allow for the early identification and resolution of problems encountered.

**Independent Monitoring and Evaluation**

80. Main objective of independent external monitoring and evaluation is to assess pre and post project LARP activities implemented within the scope of the project. This is impartial and independent activity, which includes the following: (i) assess the effectiveness, impact and sustainability of LAR activities, (ii) determine whether the prevention measures are complied with, (iii) and learn strategic lessons for future policy development and planning. For this project, Darkhan-Uul Aimag’s PMU will be responsible for implementing the project’s LARP over a 3 year period, and regular report to UB PMU and ADB. UB PMU shall be responsible for concluding a contract with an independent monitoring officer /IMO/, who will carry out an independent monitoring and evaluation. IMO shall carry out 5 independent monitoring (baseline, after 6, 12, 24, 36 months) at 8 locations of the project.

81. Independent external monitoring shall be carried out twice per year during the implementation of the LARP and the findings of the monitoring shall be submitted to UB PMU and ADB at the end of each task in the form of semi-annual report. Resettlement specialist of the project implementation consultants’ team will review draft independent monitoring report and shall discuss with IMO. Independent monitoring includes the following:

- Review and verify internal monitoring reports of PMU;
- Review and revise socio-economic studies is necessary;
- Identify and select the impact parameters;
- Carry out impact assessment based on quantitative and qualitative analysis;
- Assess whether the compensation amount is sufficient to indemnify the loss or damage;
- Assess pre and post project livelihood level/income of APs;
- Assess the degree of satisfaction of APs with regard to the resettlement implementation;
- Assess the LAR results, impact and sustainability;

9 IMO shall review this draft in order to verify whether sufficient baseline information is used for LARP. In other words, reviewer shall carry out the next baseline studies prior to the commencement of resettlement.
• Evaluate the compliance of national laws, ADB SPS and LARP;
• Evaluate consultative meetings with local stakeholders;
• Propose changes and alternative measures suitable to LARP process;
• Lessons learned for future resettlement policy formulation and planning;
• Prepare and collect gender-disaggregated data for all data collection and analysis.

82. Key indicators\textsuperscript{10}:
   i. Post resettlement socio-economic status of AP;
   ii. LAR impact on women, children, the elderly, the poor and vulnerable groups;
   iii. Support to affected vulnerable households and post LAR social status;
   iv. AP’s understanding on LAR implementation;
   v. AP’s involvement and active participation in the implementation of the LARP;
   vi. Result and fairness of assessment, compensation and allocation;
   vii. Implementation and effectiveness of income restoration measures;
   viii. Result and fairness of the Grievance Mechanism;
   ix. Post resettlement satisfaction level of APs;
   x. Adequacy and sufficiency of funding for resettlement, and the results of financial audit.

83. Independent Monitoring Officer will carry out post LAR implementation evaluation on the basis of socio-economic studies within the first and second year after the completion of each sub-project LAR in order to determine whether the purpose and terms of LARP has been achieved. If the LARP is not implemented, appropriate remedial actions and measures shall be recommended. At the end of each task, annual evaluation report shall be delivered to UB PMU, MCUD and ADB.

\textsuperscript{10} Consult about ADB’s “Resettlement manual and good practice guidelines” “The Project’s Social Framework Integration Manual”.
Location Summary

Байргалын тойм

[Diagram of a location with various markers and labels, including a compass and scale indication.]
Масштаб / Scale 1:1000
Байрлалын тойм
Location Summary
Балыкшылык тойык
Location Summary
Масштаб /Scale/ 1:1000

Байрышлының тойым /Location Summary/
Annex 2: Asset Inventory

**AP-01**

*Picture 1: Land that needs to be acquired*

<table>
<thead>
<tr>
<th>ID</th>
<th>Asset type</th>
<th>Description and characteristics</th>
<th>Activity</th>
<th>Unit</th>
<th>Q'ty</th>
<th>Unit rate (US$)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP-01</td>
<td>Land</td>
<td>Possessed land with infrastructure</td>
<td>Pipeline shall be changed. In the future continue to use.</td>
<td>m²</td>
<td>443</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trees</td>
<td></td>
<td></td>
<td>Relocate</td>
<td>pcs</td>
<td>2</td>
<td>40.66</td>
<td>81.3</td>
</tr>
</tbody>
</table>

Total 81.3

This land is possessed by AP-01, but the fences on this land is possessed by the public school or AP-02.

**AP-02**

*Picture 1: Part of the fences that needs to be dismantled and rebuilt*

*Picture 2: Part of the fences that needs to be dismantled and rebuilt*

<table>
<thead>
<tr>
<th>ID</th>
<th>Asset type</th>
<th>Description and characteristics</th>
<th>Activity</th>
<th>Unit</th>
<th>Q'ty</th>
<th>Unit rate (US$)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP-02</td>
<td>Iron fence</td>
<td>2 separate fence</td>
<td>Dismantle and rebuild</td>
<td>m</td>
<td>18</td>
<td>59.3</td>
<td>1067.78</td>
</tr>
</tbody>
</table>

Total 1067.78
### AP-03:

**Picture 1: Possessed land that needs to be partially acquired**

**Picture 2: Container that needs to be relocated**

#### Affected assets /compensation costs

<table>
<thead>
<tr>
<th>ID</th>
<th>Asset type</th>
<th>Description and characteristics</th>
<th>Activity</th>
<th>Unit</th>
<th>Q’ty</th>
<th>Unit rate (US$)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP-03</td>
<td>Parking lot</td>
<td>Concrete lot</td>
<td>Acquire and rehabilitate</td>
<td>m2</td>
<td>21</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Metal container</td>
<td>Possible to be relocated</td>
<td>Relocate to the side</td>
<td>pcs</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

### AP-04:

**Picture 1: Main gate**

**Picture 2: Entrance gate**

#### Affected assets /compensation costs

<table>
<thead>
<tr>
<th>ID</th>
<th>Asset type</th>
<th>Description and characteristics</th>
<th>Activity</th>
<th>Unit</th>
<th>Q’ty</th>
<th>Unit rate (US$)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP-04</td>
<td>Business loss</td>
<td>Happens when the entrance gate is closed</td>
<td>Estimate the loss by using a number of days that the store did not work.</td>
<td>days</td>
<td>10</td>
<td>40,66</td>
<td>406,6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>406,6</td>
</tr>
</tbody>
</table>

11 Please see Section I Para 72.
**Affected assets and replacement/compensation costs**

<table>
<thead>
<tr>
<th>ID</th>
<th>Asset type</th>
<th>Description and characteristics</th>
<th>Activity</th>
<th>Unit</th>
<th>Q’ty</th>
<th>Unit rate (US$)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP-05</td>
<td>Trees</td>
<td>Trees</td>
<td>Relocate</td>
<td>pcs</td>
<td>13</td>
<td>40.66</td>
<td>528.63</td>
</tr>
<tr>
<td></td>
<td>Street light pale</td>
<td>Public property</td>
<td>Relocate</td>
<td>pcs</td>
<td>2</td>
<td>305</td>
<td>609.9</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,138.6</strong></td>
<td></td>
</tr>
</tbody>
</table>

12 Please see Section I Para 71.
Annex 3: Office letter on a list of affected persons by the Land Relations, Construction & Urban Development Department of the Darkhan-Uul Aimag
### Дархан хотын бохир усны мөнөгчөмтөцийг сайдруулах төсөлүүүн нөлөөлөөд өөрөөдөдөө жагсаалт

#### 2016.12.22

<table>
<thead>
<tr>
<th>д/д</th>
<th>Номоо ээлэх өрөөн өрөгөн, байгууллагын нэр</th>
<th>Регистрийн дугаар</th>
<th>Хаяг</th>
<th>Нийт газрын хэмжээн м²</th>
<th>Эдэлбөрийн хэлбэр</th>
<th>Нөлөөлөөд өөрөөн өрөгөн газрын хэмжээн м²</th>
<th>Нөлөөлөөд өөрөөн өрөгөн байгууллага байгууллага</th>
<th>Тайлбар</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&quot;Номун интер трейд&quot; ХХК</td>
<td>2584573</td>
<td>Дархан сум. 5-р баг.</td>
<td>3262.0</td>
<td>үйлчилгээ</td>
<td>443.0</td>
<td>байхүү</td>
<td>Төсөлүүн ажлын дальнамжийн байр. Газрын талаар хаан уртгийн мугалж байгаа.</td>
</tr>
<tr>
<td>2</td>
<td>&quot;Жилин&quot; ш.г.гэлбэр</td>
<td>9023577</td>
<td>Дархан сум. 5-р баг.</td>
<td>20444.0</td>
<td>сургууль</td>
<td>12.5м урт</td>
<td>хашаа</td>
<td>Угерсдийн ажлын уед хашааг сэрээн засварлах.</td>
</tr>
</tbody>
</table>

Судалгааг боловсруулсан:
Дархан-Уул аймгийн ГХБХБГ-н кадестрнын мэрэгжилтэн /Д.Батчулуун/
ГХБХБГ-н инженерийн байгууллагын хариуцсан мэрэгжилтэн /Х.Туул/
LAND RELATIONS, CONSTRUCTION & URBAN DEVELOPMENT DEPARTMENT OF THE
DARKHAN-UUL AIMAG

45043, Darkhan, Darkhan-Uul Aimag, 8th Bagh,
Tel/Fax: 7037-3270
E-mail: Darkhan@gazar.gov.mn

Date: December 27, 2016
Ref #: 717

TO THE PROJECT MANAGEMENT UNIT OF THE “DARKHAN CITY WASTE WATER
MANAGEMENT MON3244/3245 PROJECT”

Information on the land that is possessed by persons, organizations and businesses affected by the
waste water pipeline rights of way that are planned to be installed in Darkhan Soum within the scope of
the “Darkhan City’s Waste Water Management MON3244/3245 Project”. Annex comprises of 21 pages
of information. A copy of an official letter is sent to “Darkhan Us Suvag” Joint Venture.

Acting Director

D. Ganbayar

Stamp and Signature
LIST OF PERSONS/ENTITIES AFFECTED BY THE DARKHAN CITY’S WASTE WATER MANAGEMENT IMPROVEMENT PROJECT

December 22, 2016

<table>
<thead>
<tr>
<th>#</th>
<th>Name of affected persons/entities</th>
<th>Registration #</th>
<th>Address</th>
<th>Public land size Sq.m</th>
<th>Type of land use</th>
<th>Affected land size Sq.m</th>
<th>Affected building, facilities</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>“Nomun Inter Trade” LLC</td>
<td>2584573</td>
<td>Darkhan Soum, 5th Bagh</td>
<td>3262.0</td>
<td>Service</td>
<td>443.0</td>
<td>None</td>
<td>Support the project activity. There will be no argument/dispute over the land.</td>
</tr>
<tr>
<td>2</td>
<td>“Jiguur”Complex</td>
<td>9023577</td>
<td>Darkhan Soum, 5th Bagh</td>
<td>20444.0</td>
<td>School</td>
<td>12.5 m length</td>
<td>Fence</td>
<td>Fence shall be rehabilitated during the installation work.</td>
</tr>
</tbody>
</table>

SURVEY PREPARED BY:

Cadastre Specialist, Land Affairs, Construction & Urban Development Department, Darkhan-Uul Aimag
Specialist in charge of civil work engineering, Land Affairs, Construction & Urban Development Department

D. Batchuluun
Kh. Tuul

(Signature)
Annex 4: Official letter on the asset evaluation by the Darkhan-Uul Aimag’s Local Property Agency
Нөлөөлөд өртсөн өмч хөрөнгийн үнэлгээ

<table>
<thead>
<tr>
<th>Д/д</th>
<th>Эд хөрөнгө ээлэхийн нэр</th>
<th>Регистрээний дугаар</th>
<th>Һаяг байршил</th>
<th>Эдэлбэр газрын хэлбэр</th>
<th>Хэмжээ, хийц</th>
<th>Чөлжүүгийн унэ, төг</th>
<th>Талбайн уртын метр</th>
<th>Хөрөнгийн үнэлгээ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Жигүүр цооцолбор сүрөгүүл</td>
<td>9023577</td>
<td>Дархан сум 5-р бат, Дархан ээхийн урд</td>
<td>Торийн эмчлэлэйн</td>
<td>18</td>
<td>2.625.875.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Тесөв зохиосон: فرصантдаваа / Монгол Улсын Тэрүүлэх тесөвччиин /
ОНГлээрээ мэргэжилтэн: м. угынбаар.
DARKHAN-UUL AIMAG
LOCAL PROPERTY AGENCY
45059, Darkhan, Darkhan-Uul Aimag
Tel: 7037-8104, Fax: 7037-8104
E-mail: procurement_darkhan@yahoo.com

Date: February 13, 2017
Ref #: 39

TO DARKHAN US SUVAG JV

Hereby, we submit a cost of dismantling and revuilding the fence possessed by the Jiguur Complex school located in the territory of the 5th Bagh, when changing the waste washer pipelines within the scope of the “Darkhan City’s Waster Water Management MON3244/3245 Project” financed by the credit from the Asian Development Bank.

Acting Director

P. Batsukh

Stamp and Signature
# Affected asset evaluation

DIRECTOR OF THE LOCAL PROPERTY AGENCY  

P.BATSUKH

## EVALUATION OF THE IMMOVABLE ASSETS POSSESSED BY THE ORGANIZATIONS AFFECTED BY THE RIGHTS OF WAY OF THE “DARKHAN-UUL AIMAG’S WASTE WATER MANAGEMENT IMPROVEMENT PROJECT”

Fence possessed by the Jiguur Complex School

<table>
<thead>
<tr>
<th>#</th>
<th>Name of property possessor</th>
<th>Registration #</th>
<th>Address location</th>
<th>Type of ownership</th>
<th>Size, structure</th>
<th>Unit cost, MNT</th>
<th>Length of the area, m</th>
<th>Asset evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jiguur Complex School</td>
<td>9023577</td>
<td>Darkhan Soum, 5th Bagh, In front of Darkhan Market</td>
<td>Public Iron fence with brick foundation, iron fence</td>
<td>18</td>
<td>2,625,875.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost estimated by: Ch. Rashaandavaa /Lead Cost Estimator of Mongolia/  
Local Property Agency Specialist: M. Uuganbayar
Annex 5: Official letter by AP-01

"ДАРХАН ХОТЬН ВОХИР УСЫН МЕНЕЖМЕНТИЙН МОН3244/3245" ТАСЛИЯН УДИРДАХ НЭГЖИД

2016 оны 12 дугаар сарын 20
№ 91/16

Хусэлт гарах тухай

Азийн хөгжлийн банкны зэргээр сруулалттаар хэрэгжих буй Дархан хотын вожир усны менежментийг сайжруулах Мон3244/3245 таслийн хүрэнд хэрэгжих байгаа ажилд манай компаниийн зүгээс ахив ба салд уруулахыг бөгөөд нэхэн тэнцвэр авахгүй, аливаа гэвэл, санал хээрийг ч гаргахгүй болно.

.example of name

Д. БЯМБЖАК
VITAFIT
“Nomun Inter Trade” LLC
Ulaanbaatar, Khan-Uul District
3rd Khoroo, Industry Street,
Vitafit Factory Building
Tel: 343434, 345160, Fax: 344107
E-mail: info@vitafit.mn; Web: www.vitafit.mn

Date: December 20, 2016
Ref #: 91/16

To: PROJECT MANAGEMENT UNIT OF THE “DARKHAN CITY’S WASTE WATER MANAGEMENT MON3244/3245 PROJECT”

Subject: Request

This is to certify that our company shall not disturb or hinder the activities that are carried out with the scope of the “Darkhan City’s Waste Water Management Improvement MON3244/3245 Project” implemented with the loan funds provided by the Asian Development Bank and our company is assuring that we shall not complain or demand any compensation to this regard.

Deputy Director in charge of Production

D. Byambajav

Stamp and signature
Annex 6: Official letter by AP-03

"ДАРХАН УС СУВАГ"ХК

2015.02.10 № 30

Баталгаа гаргах нь

Дархан уул аймагийн Дархан сумын 5 баг 20 хороолд баригдаж байгаа "Монофарм" төрөл "XXK"-ий Улсчилгааны барилга баригдаж байгаа билээ.

Уг барилгын урд хэсэгт барилгаас 4,5-5 м зэйтэй боксир шугамаа нөөрттөл /2016 -2019 хороолд хийдээ 300 хороолд 600 хороолдсоор соглас дээжийг хичээлтэй холбогдон гарах өөрийн барилгын талаархи ямар байгаа нэгжээ асуудалыг манай 100 % өөрдөө хариуцана.

Монос констракцхэн XXK-ийн
гүйцэтгэх захирал

М. Цэрэндорж
MONOS Construction  
Mongolia, Ulaanbaatar  
Chingeltei District, Ankara Street-23  
Tel: 976-9410-4447 Fax: 976-11-320967  
Web: www.monos.mn E-mail: info@monos.mn

Date: August 10, 2016  
Ref #: 30

To: DARKHAN US SUVAG

Subject: Providing an assurance

Construction of the “Monosfarm Trade” LLC is currently under construction at the territory of 20th Khoroo, 5th Bagh of Darkhan Soum, Darkhan-Uul Aimag.

This is to certify that our company shall be 100% responsible for any LAR matters arising due to the sewage pipeline expansion work (pipelines with 300 shall be replaced with the pipelines with 600 in the years of 2016-2019) to be carried out in the front area located 4.5-5 meters far from our construction site, as our company is commencing the construction on the project's ROW and we have been informed about this in advance.

Chief Executive Officer,  
Monos Construction LLC

M. Tserendorj

Stamp and signature
### Annex 7: APs attendance at the meetings

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Xang</th>
<th>Utas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1. Цэцэгдорж</td>
<td>5р 80-3-4-A</td>
<td>9900 1809</td>
</tr>
<tr>
<td>2</td>
<td>2. Бухан</td>
<td>4р 80-3-4-B</td>
<td>992502683</td>
</tr>
<tr>
<td>3</td>
<td>3. Солоног</td>
<td>5р 80-8-51</td>
<td>963192869</td>
</tr>
<tr>
<td>4</td>
<td>4. Н.....</td>
<td>12р 85-93</td>
<td>993402908</td>
</tr>
<tr>
<td>Д/д</td>
<td>Овог нэр</td>
<td>Албат уушал</td>
<td>Байгууллага</td>
</tr>
<tr>
<td>-----</td>
<td>----------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>1.</td>
<td>Ч. Говьрдо</td>
<td>Эрөхөө дүүрэ</td>
<td>Бүгд Найрамдал</td>
</tr>
</tbody>
</table>
The Project welcomes complaints, suggestions, queries and comments regarding project implementation. We encourage persons with grievance to provide their name and contact information to enable us to get in touch with you for clarification and feedback.

Should you choose to include your personal details but want that information to remain confidential, please inform us by checking box requesting CONFIDENTIALITY below.

☐ Request for Confidentiality

CATEGORY OF GRIEVANCE

☐ Legal ☐ Administrative ☐ Social ☐ Financial ☐ Technical ☐ Environment ☐ Other

<table>
<thead>
<tr>
<th>Date</th>
<th>Place of registration</th>
<th>Project site</th>
</tr>
</thead>
</table>

Name (if not confidential)

Home address

Bag

Phone number/email:

Description of grievance/comment or suggestion:

If includes attachment/note/letter, please tick here: ☐

FOR OFFICIAL USE ONLY

Registered by: (Name and signature of officer registering grievance)

Mode of communication:

Note/Letter

E-mail

Verbal/Telephonic

Reviewed by: (Names/Positions of Official(s) reviewing grievance)

Action Taken:

Whether Action Taken Disclosed: ☐ Yes ☐ No

Means of Disclosure:
Annex 9: Disclosure on the Entitlement Eligibility Cut-off Date
PUBLIC NOTICE TO DARKHAN CITY RESIDENTS

NEW WASTE WATER AND SEWAGE PIPELINE INSTALLATION AND RENOVATION IS PLANNED TO BE CARRIED OUT IN THE INDUSTRIAL REGION, DARKHAN CITY EXCHANGE AREA OF DARKHAN-UUL AIMG WITHIN THE SCOPE OF THE “DARKHAN CITY’S WASTE WATER MANAGEMENT IMPROVEMENT PROJECT” IMPLEMENTED WITH THE CREDIT FINANCED BY THE ASIAN DEVELOPMENT BANK.


PEOPLE, WHO LIVED IN THIS AREA PRIOR TO THIS “ENTITLEMENT ELIGIBILITY CUT-OFF DATE” ARE ENTITLED TO CLAIM FOR RELEVANT COMPENSATION FOR THEIR POSSESSED LAND AND BUILDINGS.

ANYONE WHO MOVED IN TO THIS AREA OR STARTED POSSESSING LAND IN THIS PIPELINE RIGHTS OF WAY AREA ON DECEMBER 22, 2016 OR “ENTITLEMENT ELIGIBILITY CUT-OFF DATE” AND AFTER THIS DATE SHALL NOT BE ENTITLED TO RECEIVE ANY ASSISTANCE, SUPPORT FROM THE PROJECT.

ANYONE WHO REMODELLED THE LAND OR BUILDINGS UNDER THEIR POSSESSION OR TRIED TO BUILD NEW CONSTRUCTION AT THE PIPELINE RIGHTS OF WAY AREA ON DECEMBER 22, 2016 OR “ENTITLEMENT ELIGIBILITY CUT-OFF DATE” AND AFTER THIS DATE SHALL NOT BE ENTITLED TO RECEIVE ANY ASSISTANCE, SUPPORT FROM THE PROJECT.

ACCORDING TO THE ADB’S POLICY, STAFF MEMBERS OF THE DARKHAN-UUL AIMG’S LAND AFFAIRS, CONSTRUCTION AND URBAN DEVELOPMENT DEPARTMENT, “MON3244/3245 PROJECT” SHALL ORGANIZE PUBLIC MEETINGS TO PROVIDE RELEVANT INFORMATION AND NOTICE TO THE AFFECTED PERSONS.

ACTING DIRECTOR OF THE DARKHAN-UUL AIMG’S LAND AFFAIRS, CONSTRUCTION AND URBAN DEVELOPMENT DEPARTMENT

D. GANBAYAR

Stamp and Signatur