

Updated Resettlement Framework

March 2020

MON: Ulaanbaatar Urban Services and Ger Areas Development Investment Program (Tranche 3)

Prepared by the Municipal Government of Ulaanbaatar for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 23 March 2020)

Currency Unit	–	Togrog (MNT)
MNT1.00	=	\$0.00036
\$1.00	=	MNT2,767.5

ABBREVIATIONS

ADB	Asian Development Bank
ALAMGaC	Agency for Land Administration and Management, Geodesy and
AP	Affected Person
DMS	Detailed Measurement Survey
EMA	External Monitoring Agency
GOM	Government of Mongolia
GRM	Grievance redress mechanism
IFI	International Financial Institution
IPSA	initial poverty and social assessment
IR	Involuntary Resettlement
LARC	Land Acquisition and Resettlement Committee
LARP	Land Acquisition and Resettlement Plan
LAR WG	Land Acquisition and Resettlement Working Group
LMA	Land Management Agency of MUB
M&E	Monitoring and evaluation
MFF	Multi-tranche Financing Facility
MUB	Municipality of Ulaanbaatar
PMO	Project Management Office
RF	Resettlement Framework
ROW	Right of way
SPS	ADB Safeguard Policy Statement, 2009
USGADIP	Ulaanbaatar Urban Services and Ger Area Development Investment

NOTE{S}

- (i) In this report, "\$" refers to United States dollars.

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Resettlement Framework

March 2020

**Ulaanbaatar Urban Services and Ger Areas
Development Investment Program (Tranche 2
and Tranche 3)**

Prepared by the Municipality of Ulaanbaatar for the Asian Development Bank



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АЗИЙН ХӨГЖЛИЙН БАНКНЫ
МОНГОЛ ДАХЬ СУУРИН
ТӨЛӨӨЛӨГЧИЙН ГАЗАРТ

Газар чөлөөлөлт, нүүлгэн шилжүүлэлтийн
төлөвлөгөө хүргүүлэх тухай

Азийн хөгжлийн банк (АХБ)-ны хөнгөлөлттэй зээлийн хүрээнд Нийслэлийн Засаг даргын Тамгын газар нь "Улаанбаатар хотын гэр хорооллыг хөгжүүлэх хөрөнгө оруулалтыг дэмжих хөтөлбөр"-ийг хэрэгжүүлж байгаа бөгөөд хөтөлбөрийн 3 дугаар үе шатанд Толгойт болон Шархад дэд төвд зам, инженерийн дэд бүтэц, олон нийтийн барилга байгууламжийг барьж байгуулах ажлыг 2020-2021 онд эхлүүлэхээр төлөвлөөд байна.

Иймд "Газар чөлөөлөлт, нүүлгэн шилжүүлэлтийн хүрээ" бичиг баримтын шинэчилсэн хувилбар болон 3 дугаар үе шатны Газар чөлөөлөлт, нүүлгэн шилжүүлэлт (ГЧНШ)-ийн төлөвлөгөөний төслийг Монгол Улсын холбогдох хууль тогтоомж, АХБ-ны Хамгааллын бодлогын баримт бичигт нийцүүлэн техник, эдийн засгийн үндэслэл, урьдчилсан зураг төсөл, газар чөлөөлөх нутаг дэвсгэрт оршин сууж буй өрх, үйл ажиллагаа явуулж буй аж ахуйн нэгж, байгууллагын бүртгэл тооллого, судалгаа, тэдгээрийн газар, эд хөрөнгийн тойм үнэлгээг үндэслэн боловсруулан хүргүүлж байна.

Нийслэлийн Засаг даргын Тамгын газрын зүгээс энэхүү төлөвлөгөөний төслийг нарийвчилсан техникийн зураг төслийг боловсруулах үед, газар чөлөөлөх өрх, аж ахуйн нэгж, байгууллагуудтай зөвлөлдсөний үндсэн дээр эцэслэн боловсруулж, шаардлагатай зардлын төсвийг цаг хугацаанд нь хуваарилан ажиллахыг үүгээр мэдэгдэж байна.

Хавсралт 34/хуудастай.

ХӨГЖЛИЙН БОДЛОГЫН АСУУДАЛ
ХАРИУЦСАН НЭГДҮГЭЭР ОРЛОГЧ
ТӨСЛИЙН ЗАХИРАЛ

Ж.БАТБАЯСГАЛАН



111026000861

GOVERNOR OF THE CAPITAL CITY

TO: MONGOLIA RESIDENT MISSION-ASIAN DEVELOPMENT BANK

Re: Land acquisition and resettlement plan

Ulaanbaatar, the capital city of Mongolia, has obtained financial assistance from the Asian Development Bank (ADB) within the Ulaanbaatar Urban Services and Ger Areas Development Investment Program (USGADIP) and has planned to start the construction of roads, infrastructure, and public facilities within the Tranche 3 in Tolgoit and Sharkhad subcenters in 2020-2021 according to the activities of the USGADIP.

Therefore, this Land Acquisition and Resettlement Framework (LARF) and draft Land Acquisition and Resettlement Plan (LARP) for Tranche 3 is prepared in accordance with the applicable legislation of Mongolia and Asian Development Bank's Safeguard Policy Statement. This LARP is based on the feasibility stage technical design, census and survey of the households, business entities and organizations situated on the land to be acquired and estimated valuation of their land and properties.

Hereby, the Municipality of Ulaanbaatar confirms that this draft land acquisition and resettlement plan will be updated, during the completion of the detailed technical design, based on consultations with the affected households and business entities and organizations whose land will be acquired, and commits that the budget for land acquisition and resettlement will be allocated on time.

Attachment 341 pages.

Sincerely yours,

J. BATBAYASGALAN
FIRST VICE MAYOR
FOR DEVELOPMENT POLICY

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Definition of Terms

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

Affected Persons: In the context of involuntary resettlement, displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

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

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

Host Population: Community residing near the area where the affected persons (APs) are relocated.

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

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

Land Acquisition: The process whereby a person is compelled by a government agency to 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.

Land Ownership: article 3.1.2. of Law on Land – “to own land” means to be in legitimate control of land with the right to dispose of this land. Land is given to all Mongolian citizens, regardless of age and sex, one time free of charge until 1 May 2028. The size of land parcels allocated for ownership for family needs vary depending on location. In the Capital city – Ulaanbaatar and along the national level main roads connecting aimags with Ulaanbaatar, individuals are entitled to up to 0.07 hectares, in the aimag centers up to 0.35 hectares, and in soum centers and villages up to 0.5 hectares land parcels, respectively. The size of land parcels for commercial use depends on the type of activities (agricultural, industrial etc.) and decided based on the size of existing land parcel under possession, if applicable, and scope and nature of the business. The land ownership right for commercial use is obtained by purchasing the land directly from the state or through auctioning.

Land Possession: article 3.1.3. of Law on Land – “to possess land” means to be in legitimate control of land in accordance with purpose of its use and terms and conditions specified in respective contracts. The land possession right can be obtained only by the citizens and legal persons of Mongolia. The respective local governors make the decision for provision of land possession rights. The land possession rights are provided for 15-60 years, with possible

extension of 40 years. The size of land plot for land for possession is up to 0.07 ha for household residential use. The size of land for commercial purposes depends on the type of activities and is set in the contract between the state and land possessor. In current practice, the state, as the owner of the land, provides land possession rights to the interested Mongolian persons. Land possession right is transferable and can be used as collateral as well.

Land Use: article 3.1.3. of Law on Land – “to use land” means to undertake a legitimate and concrete activity to make use of some of the land’s characteristics in accordance with contracts made with owners and possessors of land. Land use rights can be given to Mongolian citizens, companies and organizations or foreign countries, international organizations, foreign legal persons, companies with foreign investment, foreign citizens and stateless persons for specific purpose, duration, conditions and under contract. Land use rights for the foreign citizens and stateless persons (who reside in Mongolia for more than 183 days) can be provided only for family residence purpose through auctioning by the respective local governor. The duration for such rights shall be for 5 years and is renewable for 5 years at a time. Provision of land use rights for specific period of time for foreign countries, international organizations, and foreign legal persons under leasing and concession agreement shall be decided by the Parliament of Mongolia. The boundaries and procedures of use shall be set by the Government of Mongolia. As for the companies with foreign investment, the land use rights shall be provided in accordance with the law and in this case the Government of Mongolia decides the duration of the tenure.

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

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

Replacement Cost: The value determined to be fair compensation for various types of agricultural, residential and commercial land, crops, trees, and other commodities based on current market rates; the cost of rebuilding houses and structures at current market prices of building materials and labor, without depreciation or deductions for salvaged building material.

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

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

Subcenters are clusters of public facilities and businesses (often) with an associated transport hub. Generally, they are characterized by urban settlement around public infrastructure built during the Soviet period and new public facilities built more recently by government and donor programs (for example khoroo offices, police stations, schools and kindergartens). Their sphere of influence is from 30,000 to more than 100,000 people. Residential areas surround the core of subcenter and consist mostly of individual residential structures on large plots, although in some areas a densification process of sorts has started by the division of plots and the construction of multifamily houses.

Temporary Land Use Impacts: When land outside the proposed ROW is required temporarily to carry out construction, persons may be affected in terms of temporary land

loss, damage to attachments or disruption of living or business conditions, for which compensation or mitigation is required to offset such impacts.

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

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

I. INTRODUCTION

1. The agreed Resettlement Framework (RF) updated 30 November 2016 for the entire investment program has been reviewed and updated by the Municipality of Ulaanbaatar (MUB) to comply with the provisions stated in the Framework Financing Agreement (FFA),¹ i.e., to ensure the applicability, relevance, and consistency of the RF with the applicable country legal frameworks and the Asian Development Bank's (ADB) safeguards policies, and to address the issues from land acquisition and resettlement (LAR) activities implementation from Tranche 1. The review and updating of the agreed RF has been carried out during the preparation of the Tranche 3 investment program.

2. This RF serves as the foundational document for land acquisition and resettlement activities to be undertaken at all sites impacted by the USGADIP. Impacts may include (i) land acquisition, (ii) acquisition of physical structures and utilities, (iii) loss of livelihoods due to temporary or permanent loss of access to land or other productive assets, and (iv) loss of common/community property resources. This RF updates the policy framework for compensation eligibility and entitlements for all types of project affected persons (APs), based on the issues from land acquisition and resettlement (LAR) activities implementation from Tranche 1, and reflects the Government of Mongolia's recent resolution No. 182, dated 20 June 2018, on Determining land value zones, base value and land fee. It outlines the steps required to prepare satisfactory Land Acquisition and Resettlement Plans (LARPs) and stipulates arrangements for consultation and public participation, grievance redress, and monitoring and evaluation. This RF has been agreed upon between the MUB and the Asian Development Bank (ADB).

A. Project Description

3. The proposed Investment Program aims to improve the quality and coverage of urban infrastructure and basic services, and to implement a sustainable and inclusive process of urban development in Ulaanbaatar's middle ger areas.² It is expected to directly benefit 400,000 people living in the middle ger areas and to indirectly benefit the entire population of Ulaanbaatar. Combining spatial and sector approaches, it will support the socioeconomic development of existing urban subcenters and urban corridors to progressively transform the ger areas into more liveable, productive and well-functioning urban areas with improved residential, commercial and public services. To be developed in close coordination with the Government and international partners, the Investment Program is envisioned to provide a long-term commitment by ADB to the MUB to implement key physical investments, policy reforms, institutional strengthening, and capacity development.

¹ FFA Schedule 5, paragraph. Prior to the preparation of each PFR, the applicability and relevance of each safeguard framework for environmental assessment and involuntary resettlement will be reviewed by the MUB and updated to ensure relevance and consistency with applicable country legal frameworks and ADB's safeguard policies, as amended from time to time.

² There are three types of *ger* areas: (i) Central *Ger* Areas are located around the city's built core and where the potential for access to water, roads, and solid waste collection is highest. They are characterized by modern style buildings, which are replacing the traditional *gers*, and developing microenterprises as household incomes and savings increase. (ii) Middle *Ger* Areas are located around the Central *Ger* Areas and whose inhabitants depend on water from tankers and use pit latrines. These areas have intricate streets that are difficult to access and are prone to flooding because of lack of drainage—with conditions worsening during the winter months. (iii) Peri-Urban *Ger* Areas surround the Middle *Ger* Areas and are expanding at an accelerating pace. They have the least access to basic infrastructure and services. Inhabitants of these areas mainly rely on tanked water supply, simple pit latrines, and are built on or along hazardous sites near high-tension lines, natural drainage channels, or steep slopes.

4. The expected impact of the investment program will be improved living conditions in Ulaanbaatar. The expected outcome will be a sustainable, inclusive, and well-structured development of ger areas in Ulaanbaatar. The investment program will produce an investment plan, which will include asset creation, operation, and maintenance; and frameworks for institutional development and coordination, a legal and regulatory environment conducive to ger development, and capacity development.

5. The USGDIP is funded through a multitranche financing facility (MFF) lending modality totaling up to \$320 million over a period of 9 years and will be comprised of three tranches.

6. Tranche 1 is supporting the city master plan to develop Selbe and Bayankhoshuu subcenters: (i) construction of sewerage network extension from the city core of 6.1 kilometers (km) collector main, 2.9 km of sewer pipe extension; (ii) within the subcenters, 15 km priority roads; 17.6 km water supply network, 18 km sewerage network, 21 km district heating network and five heat-only boilers for a total capacity of 42 megawatts; (iii) social and economic facilities, such as (a) two kindergartens, green areas, and small squares; and (b) two business incubators, associated with two vocational training centers. The first tranche is focusing on two priority subcenters, Selbe and Bayankhoshuu, located in the north and north-west of Ulaanbaatar City respectively. The Selbe subcenter covers an area of 156 hectares and is host to approximately 1,970 *khashaa* (parcels/house plots). Bayankhoshuu, slightly larger at 162 hectares, hosts approximately 2,114 *khashaa*.

7. Tranche 2 of the MFF will (i) complete the investments of Tranche 1 in Selbe and Bayankhoshuu subcenters and continue the spatial restructuring and urban infrastructure upgrading of two other subcenters in the northern ger areas, namely Dambadarjaa and Denjiin Myanga subcenters; (ii) support the delivery of socioeconomic facilities; and (iii) further improve institutional strengthening and capacity building. Tranche 2 outputs are below:

- (a) Roads and urban services are expanded within priority subcenters, and connectivity between them is improved through the construction of (i) 7.08 km of priority roads within the subcenters (together with street lighting, 3 bridges, sidewalks); (ii) 200 meters of flood channel and 7.4 km drainage; (iii) 13.2 km electricity cable overhead line and 7.1 km cable duct for telecommunications network; (iv) 24.1 km of water supply, 25.8 km of wastewater, and 6.0 km of district heating network pipes and associated equipment; (v) 3 heating plants equipped with circulating fluidized bed combustion boilers to supply Bayankhoshuu, Dambadarjaa, Denjiin, and Selbe subcenters for a total capacity of 112.5 megawatts; and (vi) rehabilitation and expansion of 6.1 km of water supply main and 7.2 km of sewage main.
- (b) Economic and public services in targeted areas are improved through the construction of (i) four kindergarten classrooms in Bayankhoshuu, Dambadarjaa, Denjiin, and Selbe using green building design; (ii) two community development and service centers in Dambadarjaa and Denjiin; (iii) two sports complexes in Bayankhoshuu and Dambadarjaa; and (iv) two urban parks in Bayankhoshuu and Denjiin Myanga.
- (c) Institutional capacity for program management and urban development are strengthened through the engagement of consulting services for (i) detailed design, construction supervision, and engineering services inputs for Project 3 feasibility study; and (ii) project management and implementation support for

Project 2, subcenter planning and development, community participation and SME development, and completion of Project 3 feasibility study.

8. Tranche 3 is in line with the program objectives to create a network of livable, competitive, and inclusive subcenters in Ulaanbaatar's *ger* areas, with similar outputs to two previous tranches. The two additional areas covered under Tranche 3 are Tolgoit located in the west part of Ulaanbaatar and Sharkhad located in the east part of Ulaanbaatar. Both locations share characteristics that are in line with the selection criteria indicated in the Program framework financing agreement (FFA) and fit other priorities of MUB. Tranche 3 will (i) contribute the spatial restructuring and urban infrastructure upgrading in Tolgoit and Sharkhad subcenters; (ii) improve community access to urban and economic services; (iii) deliver socio economic facilities; (iv) complete the targeted investments under Tranches 1 and 2; and (v) support institutional strengthening and capacity building. Tranche 3 outputs are given below:

- (a) Road and urban services networks are expanded within priority subcenters, and connectivity between them is improved through the construction of (a.1) 16.62 km newly planned road and 160m newly planned bridge, (a.2) 10.87 km of water supply network and 10.61 km of sewer system, (a.3) 7.06 km of heating pipeline with seven sub-stations, (a.4) 40 km of 10 kV power cables 3x240 mm² with auxiliary facilities, (a.5) 9.6 km fiber optic cable with auxiliary facilities, (a.6) 10.88 km of flood protection channel and two sediment retention ponds.
- (b) Social and economic facilities in targeted areas are improved through the construction of one Kindergarten (240 children), one Community Development Center and one Business Incubator each in Tolgoit and Sharkhad; one Sports Complex in Sharkhad and one primary health care center in Tolgoit; social housing within project area and four Landscape for both Tolgoit and Sharkhad including pedestrian bridges.
- (c) Institutional strengthening and capacity development for (c.1) community participation, awareness, and empowerment, (c.2) small and medium-sized enterprise (SME) development; and (c.3) support for PMO to strengthen program implementation.

B. Potential Resettlement Impacts

9. Based on preliminary designs, an assessment of land acquisition and resettlement impacts from Tranche 2 activities³ and Tranche 3 feasibility study, including improvements to roads, as well as construction of service and social infrastructure, was made. Table 1 and Table 2, presents expected impacts, based on geographic information system mapping analysis and field verification of preliminary designs for tranche 2 and tranche 3, respectively.

Table 1: Land Acquisition Resettlement Impacts for Tranche 2 (November 2016)

	No. of Affected Persons			No. of Affected Khashha (Land Parcels)			No. of Affected Main Structures		Estimated Household Population**
	Total	HHs	State	Total	Full	Partial	Buildings	Gers	
Denjiin	175	172	3	175	121	54	121	121	700

³ The detailed engineering design for Tranche 2 subprojects are being finalized. Once the detailed engineering designs of the different components are final (expected to be finalized from March 2019 to September 2020), accurate LAR impacts will be determined based on the census and socio-economic survey of the AHs and valuation of the affected land and properties for each subproject.

	No. of Affected Persons			No. of Affected Khashha (Land Parcels)			No. of Affected Main Structures		Estimated Household Population**
Dambadarja	158	145	13	158	58	100	58	58	632
Bayankhoshuu	26	26	0	26	20	6	17	17	104
Selbe	25	25	0	25	21	4	21	21	100
Total	384	368	16	384	220	164	217	217	1536
<i>In %</i>		96%	4%		57%	43%			

*Households include those with affected houses and operating businesses

**Based on an average of 4 persons per household (No. of HHs x 4 persons)

Source: SES results

Table 2: Land Acquisition Resettlement Impacts for Tranche 3 (December 2019)

	No. of Affected Households			No. of Affected Khashaa (Land Parcels)			No. of Affected Main Structures		Estimated Affected People
	Total	AHs	State / Business	Total	Full	Partial	Buildings	Gers	
Tolgoit	633	628	5	349	191	158	248	77	2481
Sharkhad	717	696	21	497	283	214	416	119	2689
Total	1350	1324	26	846	474	372	664	196	5170
<i>In %</i>		98%	2%		56%	44%			

Source: SES results Land and Structures Valuation Report

C. Land Acquisition and Resettlement Related Program Processing Requirements of ADB

10. Land acquisition tasks for the approval and implementation of the USGADIP for each tranche will require the preparation of the following documents. Table 3 presents the requirements and progress for Tranche 2.

Table 3: Tranche 2 and Tranche 3 Requirements and Preparation

Resettlement Framework Program Processing Requirements	Tranche 2 and Tranche 3 Preparation
(i) A resettlement framework (RF) applicable to all subprojects implemented under the Investment Program. The RF will be reviewed and submitted for ADB concurrence	The RF has been reviewed and updated; and submitted to ADB for review and concurrence.
(ii) An Initial Poverty and Social Assessment (IPSA) indicating land acquisition impacts, magnitude, and type and likelihood of impacts on Indigenous Peoples (IP).	An IPSA has been prepared during preparation of Tranche 2 and Tranche 3.
(iii) A Resettlement Plan prepared in conformity with this updated RF for each sub-project or component that entails physical and/or economic displacement. Each land acquisition and resettlement plan (LARP) will detail the compensation measures adopted and their costs and will identify both a schedule and the actors responsible for implementation. The LARPs for each	For Tranche 2, LARPs for each subproject or for number of subprojects, considering the proximity and implementation timing etc., will be prepared based on the completed and approved detailed design. For Tranche 3, one LARP covering the 2

Resettlement Framework Program Processing Requirements	Tranche 2 and Tranche 3 Preparation
subproject will be submitted to ADB for review and concurrence.	subcenters has been prepared based on feasibility study report. It has been submitted to ADB for review and concurrence. During detailed design, the LARP will be updated per subproject/component.

II. OBJECTIVES, LEGAL AND POLICY FRAMEWORK

11. The main objective of this RF is to set out a policy and entitlement framework, as well as procedures for preparing and approving subproject LARPs as per SPS. It provides tools to project proponents and stakeholders that will ensure that all affected entities receive the appropriate assistance, compensation and access to project planning in a timely manner to enable them to maintain a level of well-being, which is at least equivalent to or better than what it would have been without the subproject. To achieve this, the 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). All provisions of this updated RF are based on the applicable Mongolian Laws and the 2009 Safeguard Policy Statement (SPS).

In this section of the RF, the following paragraphs have been updated to reflect the following:

- (i) Paras. 41-45 of the agreed RF have been removed, as the “Regulation on Purchasing Land and Taking Back and Swapping Land with Compensation on the Territory of the Capital City”, enacted by Presidium of MUB Citizen’s Representative Khural by Resolution No. 126 on 8 July 2014, was voided by the same authority on 18 April 2017 with its Resolution No. 59. With this resolution, the Chairman of the MUB Citizen’s Representative Khural, has commissioned the Mayor of UB to implement LAR activities in accordance with the Law on Land, Law on Allocation of Land to Mongolian Citizens for Ownership and other related rules and regulations.
- (ii) Paras. 36-38 reflects the new regulation, “Regulation on Taking over Land for and Releasing Land from State Special Needs, Determining the Size and Boundaries, and Use of Land” by Cabinet enacted in 2017 to complement the Law on Land on issues related to land acquisition for state special needs and releasing land from state special needs. This regulation replaced the previously used regulation from No. 28 from 2003 “Regulation on Taking over Land for and Releasing Land from State Special Needs”.
- (iii) Para. 39 was added to reflect the changes in determining the based value of land per 1m² as set by Government of Mongolia, resolution No. 182 on 20 June 2018 for Determining Land Value Category (Zone), Base Value, and Land Fee. Thus, in the case of the land market value is less than the Government determined value as set in this resolution, the base value of 1m² land as determined in this resolution shall be applied for compensation for the lost land.
- (iv) Para. 43, Table 4: Comparison of IR Related Provisions in Mongolian Law and the ADB SPS changed to Table 5: Gap Analysis and Gap-Filling Measures. This was done to show the gaps between the ADB IR policy principles and the Mongolian legislation and practice and the measures to fill the gaps. The previous table just showed some inconsistencies between ADB IR requirements and Mongolian legislation and practices.

A. Mongolian Laws and Regulations

12. In Mongolia there is no dedicated and comprehensive law that regulates issues of land acquisition and resettlement. Although the Constitution of Mongolia has provisions that justify exercising of eminent domain power, none of the land related legislation provides the power of eminent domain to the state or any other entity. According to the current Mongolian legislation, any land acquisition, including the ones for public needs such as land for public sewer main collector pipes, shall take place through negotiation and agreement. If negotiations fail, then the case must be resolved at the courts. The laws are silent on land expropriation but do provide provisions on exchange of land or taking over land with compensation for state special needs. However, the related procedures are incomplete, imprecise and fail to properly protect the rights of affected persons and property rights. The basic legislative framework for LAR and related issues consists of: i) Constitution of Mongolia, ii) Law on Land, iii) Law on Allocation of Land to Mongolian Citizens for Ownership and iv) Civil Code of Mongolia. In addition to these laws, Government Decree No. 287 from 2017, “Regulation on Taking Over Land for and Releasing Land from State Special Needs, Determining the Size and Boundaries, and Use of Land”, which replaced the previously used Annex 4 of the Government Decree No. 28 from 2003, “Regulation on Taking Over Land for and Releasing Land from State Special Needs”, and the Annex 3 to the GOM Resolution No. 182 dd 20 June 2018 “Government Resolution on Determining Land Value Category (Zone), Base Value, and Land Fee,” is used in the LAR activities.

B. The Constitution of Mongolia

13. The Constitution of Mongolia (1992)⁴ sets the fundamental principles for human and property rights. The following provisions are related the protection of human and property rights, and the acquisition of land for public needs:

- (i) The State recognizes all forms of both public and private property and shall protect the rights of the owners, Article 5.2;
- (ii) The owner’s right shall be limited exclusively by due process of law, Article 5.3; and
- (iii) The State shall have the right to hold land owners responsible in connection with the manner the land is used, to exchange or take it over with compensation on the grounds of special public need, or confiscate the land if it is used in a manner adverse to the health of the population, the interests of environmental protection and national security, Article 6.4.

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

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

⁴ Amended three times on 24 Dec 1999, 4 Dec 2000, and 14 Nov 2019, respectively.

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

C. Law on Land

16. The Law on Land (2002)⁵ regulates issues related to land possession and land use by individuals and legal persons. Law on Land determines three types of land tenure, namely land ownership, land possession and land use. These are defined in the Article 3 of Law on Land.

- (i) "to own land" means to be in legitimate control of land with the right to dispose of this land. Only Mongolian citizens can own Land. All land, except those, which are given to Mongolian citizens, is the property of the State, i.e. public property. "Land ownership" is comparable to the "freehold" tenure in many other countries. The Law on Allocation of Land to Mongolian Citizens for Ownership deals with land ownership related issues. Further details on land ownership are provided in the next part, which examines particularly this law.
- (ii) "to possess land" means to be in legitimate control of land in accordance with purpose of its use and terms and conditions specified in respective contracts. The land possession right can be obtained only by the citizens and legal persons of Mongolia. The respective local governors make the decision for provision of land possession rights. The land possession rights are provided for 15-60 years, with possible extension of 40 years. The size of land plot for land for possession is up to 0.07 ha for household residential use. The size of land for commercial purposes depends on the type of activities and is set in the contract between the state and land possessor. In current practice, the state, as the owner of the land, provides land possession rights to the interested Mongolian persons. This right is registered in the cadastral/land information system operated by the organization in charge of land affairs – the Agency for Land Administration and Management, Geodesy and Cartography (ALAMGaC) and its local offices in the aimag that are called Aimag Land Affairs, Construction and Urban Development Agency. In the Capital city-Ulaanbaatar this responsibility is under the Land Management Agency (LMA). Land possession right is transferable and can be used as collateral as well. Land possession can be registered in the State Registration of Property Rights, which is operated by the General Authority of State Registration.
- (iii) "to use land" means to undertake a legitimate and concrete activity to make use of some of the land's characteristics in accordance with contracts made with owners and possessors of land. Land use rights can be given to Mongolian citizens, companies and organizations or foreign countries, international organizations, foreign legal persons, companies with foreign investment, foreign citizens and stateless persons for specific purpose, duration, conditions and under contract. Land use rights for the foreign citizens and stateless persons (who reside in Mongolia for more than 183 days) can be provided only for family residence purpose through auctioning by the respective local governor. The duration for such rights shall be for 5 years and is renewable for 5 years at a time. Provision of land use rights for specific period of time for foreign countries, international organizations, and foreign legal persons under leasing and concession agreement shall be decided by the Parliament of Mongolia. The

⁵ The Law on Land was revised in 2002 and amended 30 times, between 2 Jan 2003 - 13 Nov 2019, since then..

boundaries and procedures of use shall be set by the Government of Mongolia. As for the companies with foreign investment, the land use rights shall be provided in accordance with the law and in this case the Government of Mongolia decides the duration of the tenure.

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

18. The Law on Land regulates that land under possession can be exchanged or taken over, i.e. acquired, for the state special needs. Article 16 lists 14 types of land use as the land that belongs to the state special needs as follows:

- (i) land under special protection of the state⁶;
- (ii) national border strip land;
- (iii) land for ensuring national defense and security;
- (iv) land for foreign diplomatic missions and consulates, and representative offices of international organizations;
- (v) land for scientific and technological tests, experiments, and for environmental and climatic permanent observations;
- (vi) inter-aimag reserve pasture land;
- (vii) hay field land for state fodder fund;
- (viii) contracted oil field to be used for exploration according to product sharing agreement;
- (ix) free zone area;
- (x) land for construction and use of nuclear facilities; - land for artisanal mining; and
- (xi) land for border point zone;
- (xii) land for national level considerable development, infrastructure projects and programs; and
- (xiii) land for construction of centralized facility for hazardous waste.

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

20. The law sets that central state administrative organization in charge of land affairs⁷ shall make a preliminary agreement with the land possessor to exchange or take over its land wholly

⁶ Law on Special Protected Area (1994) specifies, Article 3, that there are four categories of special protection land: i) strictly protected areas, ii) natural complex area, iii) nature reserves iv) monument area.

⁷ In Mongolian legislative practice ‘*central*’ state administrative organization in charge of.....’ means respective ministry for certain sector(s) and government functions. In this case, central state administrative organization in

or partially with compensation for state special needs. After that a proposal shall be sent to the Cabinet for decision to acquire the land. Once the Cabinet makes a decision to acquire the land, based on this decision, respective local Governor shall conclude a contract for land acquisition with the land possessor, provide the compensation and acquire the land. The affected land possessor shall vacate the land within 90 days after concluding the contract and hand over to the disposal of the respective Governor. The acquisition of land, which is used for residential purposes, can be implemented only between May 15 to September 15. This is due to the inconveniences associated with relocation/moving in cold period of the year.

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

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

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

24. The Law on Land does not recognize any land use without proper permission, i.e. land ownership, possession and use rights, from relevant state bodies. The persons using land without permission are obliged to vacate the land upon the request by the local Governor. If the entity did not vacate the land within the time specified by the Governor, forcible measures shall be taken to clear the land and associated costs are to be provided by the entity using the land without permission.

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

D. Law on Allocation of Land to Mongolian Citizens for Ownership

26. The Law on Allocation of Land to Mongolian Citizens for Ownership (2002)⁸ regulates procedures for allocating land for ownership and other relations associated with this tenure. Only Mongolian citizens can obtain land ownership rights. It can be obtained free of charge in accordance with this law or purchased. Land, which are already held under ownership rights by individuals, are freely traded and transferred on the market.

27. This law was enacted as part of socio-economic reform since early 1990s and is effective starting from 1 May 2003. The law enables private ownership of land for Mongolians and provides opportunities to capitalize on land assets. Land is given to all Mongolian citizens, regardless of age and sex, one time free of charge until 1 May 2028. Land is privatized in accordance with the land management plans for family (residential) needs and commercial use. Initially, the allocation process was implemented on first come first served basis and mostly the people who already held land parcels under possession rights upgraded them into land ownership rights. In Ulaanbaatar, currently, new land parcels are being allocated in designated areas as per the land use planning. The size of land parcels allocated for ownership for family needs vary depending on location. In the Capital city – Ulaanbaatar and along the national level main roads connecting aimags with Ulaanbaatar, individuals are entitled to up to 0.07 hectares, in the aimag centers up to 0.35 hectares, and in soum centers and villages up to 0.5 hectares land parcels, respectively. The size of land parcels for commercial use depends on the type of activities (agricultural, industrial etc.) and decided based on the size of existing land parcel under possession, if applicable, and scope and nature of the business. The land ownership right for commercial use is obtained by purchasing the land directly from the state or through auctioning. Cadastral information on parcels under land ownership is registered in the cadastral/land information system operated by the ALAMGaC and its local offices in the aimag, Department of Land Affairs, Construction and Urban Development. In the Capital city Ulaanbaatar this responsibility is under the LMA. The land ownership rights are registered in the State Registration of Property Rights in accordance with the General Law on State Registration.

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

28. The law defines that land under ownership can be exchanged or taken over for three types of state special needs, namely: i) land for ensuring national defence and security; ii) land for scientific and technological tests, experiments, and for environmental and climatic permanent observations; and iii) land for national scale roads, lines and network, and other constructions and facilities.

29. The Cabinet shall make the decision for land acquisition and it shall state clearly the purpose for acquisition and justification that the land taking is unavoidable. Before this decision is made, the state administrative organization in charge of land affairs⁹ shall enter into

⁸ Law on Allocation of Land to Mongolian Citizens for Ownership was enacted in 2002 and became effective since 1 May 2003. It was amended 9 times, between 23 Jun 2005 and 21 Jun 2018.

⁹ State administrative organization in charge of land affairs means a government agency under a ministry (which is referred to in the laws as **central** state administrative organization compared to state administrative organization). In current Governmental organizational setup, this agency is called Administration of Land Affairs, Geodesy and Cartography.

preliminary agreement on land acquisition with the landowner not less than one year prior to the decision. The compensation is provided from the state budget. The landowner and state administrative organization in charge of land affairs shall have preliminarily agreed on the following:

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

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

31. Compared to the Law on Land, the Law on Allocation of Land to Mongolian Citizens for Ownership specifies more in detail the procedures for land acquisition and the subjects that need to be agreed with the affected persons. This includes the value of the land and immoveable properties, replacement land, loss to incur, compensation and its provision and timing etc. However, the law does not address rehabilitation and social safeguard issues, the principles for land and property appraisal, the completeness and clarity of the processes and procedures related to LAR are still weak. As is the case for the Law on Land, possible exercising of the eminent domain power of the state, if necessary, for public purposes is not legislated.

E. Civil Code

32. In the absence of legal provisions regulating LAR in the context of local scale public infrastructure facilities, including sewage pipes, the Civil Code (2002) ¹⁰ provides a legal framework which place LAR in the context of negotiated settlement. This implies that the State and affected persons engage with each other contractually as equal and autonomous legal

¹⁰ The Civil Code was amended 21 times since it was approved in 2002. The amendments were made between on 7 Jul 2005 and 22 Mar 2019.

persons and participants in a civil legal relationship (Article 1). Citizens and organizations, as well as aimags, the capital city, soums and districts are able to enter into civil legal relations with regard to objects of material and non-material wealth and their acquisition and possession (Articles 6, 7 and 8). The affected persons and MUB shall enter into contractual relations, which will specify the entitlements, compensation and allowances, rehabilitation and social safeguard measures as required by the Mongolian Civil Code and other legislation, and the ADB policy and principles.

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

F. Regulation on Taking Over Land for and Releasing Land from State Special Needs, Determining the Size and Boundaries, and Use of Land

34. The Cabinet enacted this regulation in 2017 to complement the Law on Land on issues related to land acquisition for state special needs and releasing land from state special needs. This regulation replaced the previously used regulation from 2003 “Regulation on Taking over Land for and Releasing Land from State Special Needs”, which was adopted by the Government Decree No. 28 from 2003.

35. This regulation provides the processes and procedures for land acquisition for state special needs and releasing land from state special needs, and specifies the roles and responsibilities of the stakeholders. The regulations follow the provisions and procedures that are set in the Law on Land Allocation to Mongolian Citizens for Ownership, articles 32 and 37, and Law on Land, articles 42 and 43, which were described in the previous part. In addition the regulation provides the details of the use of different databases, such as cadastral database, mining cadaster database, the scale of maps to be used, and cross checking of the different databases at different organizations for overlap and associated rights, and determining the size and boundary of the land to be acquired. Also, the regulation provides details on the compensation for the land and properties, which follow the above mentioned articles of Law on Land Allocation to Mongolian Citizens for Ownership and Law on Land, but also, the regulation provides details for determining the compensation for land and properties using the existing land price information from the Land Exchange, and the right of APs to use certified appraisers, the payment of the compensation, and sources of compensation and the procedures for resolution of disputes.

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

the issues that are not clearly addressed in the Law on Land Allocation to Mongolian Citizens for Ownership and Law on Land.

G. Government Resolution on Determining Land Value Category (Zone), Base Value and Land Fee

37. Government of Mongolia issued resolution No. 182 on 20 June 2018 for Determining Land Value Category (Zone), Base Value, and Land Fee. This new resolution provides the base value for 1 hectare of land within MUB territory (annex 3 of the resolution). This resolution overrides the previously applied Government resolution No. 152 dd 25 June 1997, which provided the base value for land within MUB and other parts of the Mongolia. Thus, in the case of the land market value is less than the government determined value as set in this newly adopted resolution, the base value of 1m2 land as determined in this resolution shall be applied for compensation for the lost land. See Annex 2 for the base value as set by the Government.

H. ADB Involuntary Resettlement Policy Requirements

38. The 2009 ADB Safeguard Policy Statement outlines the requirements that ADB borrowers/clients are required to meet in delivering involuntary resettlement 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.

39. 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, i.e. occupant of land without land rights, 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.

40. The ADB's Policy requires preparation and disclosure of Land Acquisition and Resettlement Plans (LARP). The LARP should describe in detail affected people's entitlements; 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 LARP, including payment of compensation and provision of other resettlement entitlements.

I. Assessment of Policy Gaps

41. Table 4 outlines the key provisions of existing Mongolian laws and practices relevant to land acquisition and resettlement and indicates their compatibility or inconsistency with the ADB IR safeguards.

Table 4: Gap Analysis and Gap-Filling Measures

ADB SPS	Legal Provisions and Local Practice	Gap-filling Measures
<p>Policy Principle 1: Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.</p>	<p>Land Management Agency assesses resettlement impacts but it does not include past impacts.</p>	<p>During LARP planning, IR screening, census to be carried out to include both land tenure holders and occupants of land without land rights, and gender analysis.</p>
<p>Policy Principle 2: Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs.</p> <p>Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations.</p> <p>Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.</p>	<p>Affected households are informed about the project through issuance of letter and household-level consultations. Public consultation and information disclosure are limited. Provision of compensation and assistance are limited to affected persons with ownership, possession and land use rights.</p> <p>Households, which receive assistance under the Government food stamp program, are the only group considered as vulnerable. It does not consider households – occupants of land without land rights, who may be considered as “separate households” living on the same plot and who may be vulnerable and may need special attention and support.</p> <p>MUB has established a grievance procedure at the city level.</p> <p>There is no provision in the law. Social preparation phase is not practiced.</p>	<p>Identification of the poor and vulnerable groups as early as the screening process so they can participate, and their concerns are taken into account during consultations and planning</p> <p>Documentation of the consultation and information disclosure activities and grievances received.</p> <p>Other vulnerabilities such as women or elderly headed, households with disabled members are considered as vulnerable in the project. It also takes into consideration on separate households living on the same plot – occupants of land without land rights who may be poor and may need special attention and support</p> <p>Project level grievance redress mechanism has been established.</p> <p>For tranche 3, works on preparation of relocation site and construction of social housing are carried out.</p>
<p>Policy Principle 3: Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods,</p>	<p>In the case of land under ownership title, the compensation is based on market rates assessed by certified appraisers. For land under possession and land use rights, no eligibility for compensation unless converted to an ownership title.</p>	<p>Land tenure holders and occupants of land without land rights are eligible to receive different entitlements. Affected land tenure holders are entitled to compensation and rehabilitation for affected land and non- land assets at full replacement cost.</p>

ADB SPS	Legal Provisions and Local Practice	Gap-filling Measures
(ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.	The practice of using the government determined land value (Cabinet Resolution No. 182, 2018) is used if the market rate is lower than the government determine land value. There is no mechanism in place in terms of providing specific assistance to those who are occupants of land without land rights.	Occupants of land without land rights are eligible for entitlements for non-land assets at full replacement cost and provision of social housing, either rental or rent-to-own assistance, such that to restore the livelihood of affected persons to at least pre- project level or better.

ADB SPS	Legal Provisions and Local Practice	Gap-filling Measures
<p>Policy Principle 4: Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.</p>	<p>No relocation site and housing is offered. Transitional support is provided upto 6 months.</p>	<p>Relocation site will be offered to the land tenure holders, in case they prefer land for land compensation over cash compensation. Social housing, rental or rent-to-own, will be offered to the occupants of land without land rights. Trainings and skills development, employment opportunities will be offered.</p>
<p>Policy Principle 5: Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.</p>	<p>No specific supports and assistances are provided.</p>	<p>Identification of the poor and vulnerable groups as early as screening process so they can participate, and their concerns are taken into account during consultations and planning. Monitoring of the standards of living of the displaced poor and other vulnerable groups will be carried out.</p>
<p>Policy Principle 6. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.</p>	<p>The Civil Code of Mongolia is the legal basis for contractual agreements on the transfer of land from affected persons to the government (Chapter 15, Articles 1, 6, 7, 8, 109 and 112, among others).</p>	<p>Recognition of negotiated settlement, where there is a willing buyer and a willing seller. The LARP details the consultation process adopted in the negotiated settlements and the disclosure of information to affected persons.</p>
<p>Policy Principle 7: Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.</p>	<p>No specific supports and assistances are provided.</p>	<p>Assistance and support to be provided based on needs and socioeconomic situation of each. Compensation for loss of non-land assets will be at full replacement costs. Social housing, rental or rent-to-own, will be provided.</p>
<p>Policy Principle 8: Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound</p>	<p>This is not required under the law and not practiced.</p>	<p>LARP to be prepared and disclosed as per ADB SPS.</p>

ADB SPS	Legal Provisions and Local Practice	Gap-filling Measures
implementation schedule.		
Policy Principle 9: Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the updated LARP and its updates to affected persons and other stakeholders.	This is not required under the law and not practiced.	LARP to be prepared and disclosed as per ADB SPS.
Policy Principle 10: Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.	This is not required under the law and not practiced.	LARP to be prepared and disclosed as per ADB SPS. LAR activities and budget is included in the USGADIP as part of the program.
Policy Principle 11: Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.	In practice, payment is done in tranches: 60% of the compensation upon agreement and the remaining 40% is paid once the household vacate the land and property and show the photo to the Land Management Agency.	Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the LARP under close supervision throughout project implementation.
Policy Principle 12: Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.	No monitoring during implementation.	Apart from internal monitoring by the PMO, external monitor to be engaged to carry out its own verification and monitoring. Resettlement monitoring reports will be disclosed.

III. ELIGIBILITY AND ENTITLEMENTS

42. All affected entities are eligible for entitlements, as stipulated in ADB's Safeguard Policy Statement, including owners, possessors, users, legal occupants, occupants of land without land rights and lessees. The eviction of affected persons without land rights is a violation of the ADB's Safeguard Policy Statement. All affected persons who are occupants of land without land rights in areas designed for the land allocation are treated as potentially legal. The lost land and properties will be compensated based on the principle of full replacement cost. The eligibility and entitlements for specific types of losses are summarized in the entitlement matrix.

In this section of the RF, the following paragraphs have been updated to reflect the following:

- (i) Para. 47, the term “unlicensed occupants” is replaced with “occupants of land without land rights” as this term provides more accurate description of this type of APs. Also, for better clarity this type of APs are explained in footnote 22 on page 21 as follows: “Occupant of land without land rights includes two types of households, (a) AHs who live on public lands without official permission, and (b) AHs who live on the land plot of land tenure holders and who do not have any land rights, and includes AHs who are children, siblings, relatives, acquaintances and lessees of the land tenure holders. To verify and determine the occupants of land without land rights that live on the land plot of land tenure holders as being separate households, the following will be used: (a) “Population & Household Registration Book” and official letter of reference by the Khoroo Administration; and (b) Residential address on the national identification card with the affected land plot address.”
- (ii) Para. 47, bullet point 7, the compensation for land is clarified that it will be at “negotiated price based on land market value determined through certified professional appraisers or the government determined base value of land”, instead of “... compensated at the replacement cost based on market rates for comparable land or the applicable government compensation fixed rate..”. This clarification is provided to emphasize that the compensation is agreed based on negotiations between the APs and MUB.
- (iii) Para. 47, bullet point 8, the eligibility of the occupants of land without land rights in case of full loss of their land, i.e. their residences, will be provided security of tenure through social housing in the form of rental or rent-to-own apartments, instead of adequate alternative site, i.e. land plot with security of tenure. The provision of adequate alternative land plot is impossible in UB, due to unavailability of such land within the city, and thus social housing is offered.
- (iv) Para. 47, bullet point 10, in this bullet point, it is added that land possession rights will be provided for the remaining land without land rights, if this will be in compliance with LMA procedures.
- (v) Para. 47, bullet point 14, in this case, a sentence is added to clarify that APs who have satisfactory evidences and documents will be eligible for compensation for land and assets for which they do not have formal legal rights, but have a claim, which is well grounded and backed with satisfactory evidences.
- (vi) Para. 47, bullet point 17, a sentence is added to determine the compensation for loss of business, in case the businesses cannot provide any evidence of their income. It may happen that the businesses do not have official documentation to prove their income and, in case of lack of documentation, there are difficulties to assess the business income. In such cases, the solution is to compensate based on the minimum wages for the period of interruption of business.
- (vii) Para. 47, bullet point 20. For vulnerable and poor households, “ensure employment opportunities for at least one member of working age, with requirement of guaranteed employment” was added to their entitlements to ensure possible employment.
- (viii) Para. 47, last bullet point. The entitlements for vulnerable and poor households were clarified with “preferential employment” and opportunities or other assistance “for livelihood restoration measures including skill development, support for business and employment opportunities and equipment provision”.
- (ix) Para. 48, table 5: Eligibility and Entitlements. Annex 1: Comparison of Tranche 2 Entitlements with Proposed Revisions for the details of the proposed changes and clarifications provides the details of what has been revised and updated. The two main revisions and updates include the following:
 - (a) In case of compensation for land for land, the replacement plot location is made clear and available, in tranche 1 implementation it was not clear and was not really available;
 - (b) In case of occupants of land without land rights, the previous RF required to provide “adequate alternative site” with security of tenure, i.e. land plots, which were not available in UB and made the LARPs not implementable. Thus, this revised RF will provide social housing, which will be made available by the USGADIP, instead of land plots.
- (viii) In addition to the above two crucial revisions and updates, clarifications about the

entitlements were done. For instance, it was clarified who is occupier of land without land rights, what are the specific entitlements of the vulnerable affected households, how to provide loss income in case of lack of sufficient proof documents, and added impact on schooling on children, and the texts were reformulated for clarity.

43. The land acquisition and resettlement (LAR) by the government for projects in urban areas is based on negotiation and contracts with affected persons according to the Civil Code of Mongolia. The project will adopt a negotiated LAR practice involving contractual agreements negotiated between the affected persons and the Land Management Agency of MUB on the basis of the Civil Code of Mongolia. Each AP may experience a combination of the losses indicated in the first column of the entitlement matrix. Each case must be investigated and determined carefully so that all possible losses of the AP are covered.

44. To bridge the gap between Mongolian Law and ADB SPS, this Resettlement Framework provides a policy framework and entitlement provisions, which integrate both, while ADB policy requirements prevail in cases of discrepancies.

45. To establish a land acquisition and resettlement policy framework with clear eligibility and entitlement provisions for the Project, which addresses the gaps between local laws or practice and the ADB SPS, the following principles will guide the development of entitlements.

- (i) Design and implementation of the subproject will make every effort to avoid and minimize LAR impacts, including temporary impacts during construction.
- (ii) The project will adopt a negotiated LAR practice involving contractual agreements on the basis of the Civil Code of Mongolia.
- (iii) All compensation and allowances will be determined and paid or provided as specified in the contractual agreements and land and property titles registered with the State Administrative Authority in charge of State Registration of Property Rights. The parties to the contracts will retain their own legal copies.
- (iv) 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.
- (v) Adequate GRMs will be established.
- (vi) The APs, regardless of whether they are landowners, possessors or those without land rights, will not be served notices or demand letters regarding claims by the government to their properties. All LAR related notification of APs and negotiation of agreements will be carried out by the LMA staff with the support of Project staff in individual as well as in public consultations with the APs. Khoroo governors, social workers and land administrators shall assist in identifying, consulting, and formulating with APs and the project staff special measures such as allocation of new plots and income restoration schemes for affected vulnerable persons.
- (vii) All APs will be eligible for entitlements irrespective of their property status, including occupants of land without land rights, and of the type of use of their property (residential, commercial, public or community). The eligibility and entitlements will be clearly defined in the eligibility and entitlements matrix.
- (viii) Affected land will be compensated either at negotiated price based on land market value determined through certified professional appraisers or the government determined base value of land, whichever is higher, or, in the case of full loss of a plot of land, with replacement land, including land preparation and restoration of utility services (electricity, water, etc.), as applicable. The

District Land Management Office will assist the APs to identify and approve the relocation plot. The loss of 50 percent or more of a plot is considered a full loss eligible for compensation for the entire plot, if the AP so desires.

- (ix) Occupants of land without land rights 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 and security of tenure through social housing either as rental apartment housing at subsidized Governmental rates, or rent-to-own apartment housing at subsidized Governmental rates, as well as compensation at full replacement cost for loss of non-land assets, such as dwellings and other improvements to the land.
- (x) Occupants of land without land rights in case of partial loss of less than 50 percent of their land will be awarded a land possession right for remaining land, if this will be in compliance with LMA procedures. All taxes and fees associated with grant of possession rights will be covered by the subproject.¹¹
- (xi) All APs agreeing to receive replacement land or APs with pending land right approval for ownership or possession or APs with possession right seeking ownership right, will be provided with a commitment in the form of a Mayor's decree towards allotment of the replacement plot and its ownership right prior to displacement in the relocation site for APs agreeing to receive replacement land and in their current land for APs with pending land right approval for ownership or possession or APs with possession right seeking ownership right, if the APs desire so, but not exceeding 3 months after conclusion of a contractual agreement between the MUB and the AP and will be registered with the State Administrative Authority in Charge of state registration of property rights.
- (xii) Affected structures¹² will be compensated at full replacement cost based on prevailing market rates for comparable types of structures without deduction of depreciation. Materials may also be salvaged by the APs.
- (xiii) In cases of joint property ownership, the written notarized consent of the partners in a common property relationship or of an adult family member will be required.
- (xiv) Those APs who do not have formal legal rights, but have a claim to such land or assets, i.e., in the process of obtaining land possession or ownership rights, will be compensated for both the lost land and structures. This will be subject to satisfactory evidences and documents, that the land or assets ownership or possession rights will be granted.
- (xv) Temporary disturbances, including removal of fences and civil works on land outside ROW, will be compensated in cash based on negotiated agreement 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.
- (xvi) 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

¹¹ The occupants of land without land rights can obtain legal title to their remaining land, in the case of partial loss of lands occupied, provided that the occupation is on lands permitted for the existing use and the provision of title is legally possible within existing planning and legal requirements. There were cases where the APs – occupants of land without land rights were settled in the flooding area in the river basin, where it is not possible to provide land rights as this is both dangerous to the lives of the APs in case of flooding, as well as environmentally harmful to the river contamination (solid waste and wastewater) by the residents. Therefore, with this point, it is made clear that not every occupants of land without land rights will be eligible to obtain land rights for the remaining land.

¹² Including houses, fences, sheds, latrines, garages and other immovable structures built on affected land.

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.

- (xvii) 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 similar businesses in subproject areas. If the above will be not be possible, the AH shall be compensated based on minimum wages for the period of interruption of business.
- (xviii) For permanent business loss, compensation shall include also any costs required for physical and financial reestablishment of business.
- (xix) Land lessees, including those living in gers, will be provided with a cash refund of advance rental payment made proportionate to duration of remaining lease period, where applicable.
- (xx) For vulnerable and poor households, ensure employment opportunities for at least one member of working age, with requirement of guaranteed employment. Depending on nature of impact, other support may include: cash assistance up to a maximum of six months, guaranteed at the rate of minimum subsistence level 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.
- (xxi) All relocation, transfer and transaction expenses (fees and duties) will be included in the contract price of the affected properties.
- (xxii) An eligibility cut-off date will be set for the subprojects at the time of the census and detailed measurement of affected land and property.
- (xxiii) Cash compensation will not be taxable, and all fees and transaction costs to register property will be paid by the project owner.
- (xxiv) ADB SPS information disclosure and public consultation provisions will be observed.
- (xxv) Loss of income will be compensated through short-term financial compensation equivalent to the loss, i.e. for the period of interruption of business or employment. Vulnerable and poor households will also be provided with preferential employment opportunities or other assistance for livelihood restoration measures including skill development, support for business and employment opportunities and equipment provision.

46. The above described entitlements are summarized in the eligibility and entitlement matrix in the table below. The eligibility and entitlement matrix below has been updated based on the experiences and learnings from tranche 1, see Annex 1: Comparison of Tranche 2 Entitlements with Proposed Revisions for the details of the proposed changes and clarifications

Table 5: Eligibility and Entitlements

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements
Land (residential/ commercial/ public/ community)	<p>Full loss of plot (>50%)</p> <p><i>Households with land losses lesser than 50% will be eligible for the entitlements for full loss of plot in the following cases:</i></p> <p>(i) <i>the remaining land has irregular shape, not feasible to build house or other structures</i></p> <p>(ii) <i>the condition of the remaining land is not feasible to continue normal residence and/or business activity to generate income</i></p> <p>(iii) <i>Distance between the affected person's house and the pit latrine at the remaining land is lesser than the acceptable standard distance which may negatively affect the health of the affected persons</i></p>	Landowner and possessor	<p>The AH may choose between the following options:</p> <p>Land for land compensation through provision of replacement plot at the resettlement site^{11F 1312F 14}.</p> <p>OR</p> <p>Cash compensation at negotiated price based on land market value determined through certified professional valuers or the government determined base value of land, whichever is higher.</p> <p>All taxes, registration, transaction and transfer costs included in the negotiation agreement.</p> <p>All government charged transaction costs related to acquisition of new housing / land provided as lump sum and included in the negotiation agreement.</p> <p>Priority to enrol in livelihood restoration measures including skill development, support for business and employment opportunities and equipment provision.</p>
		Occupant of land without land rights ^{13F 15}	<p>The AH may choose between the following options:</p> <p>(i) Rental apartment housing at subsidized Governmental rates;</p> <p>OR</p> <p>(ii) Rent-to-own apartment housing at subsidized Governmental rates</p> <p>All taxes, registration, transaction and</p>

¹³ A resettlement site is being developed by MUB under Tranche 2. It will have access to basic urban infrastructure (electricity, water, road and public transport) apart from access to kindergarten and school facilities.

¹⁴ Affected persons with land ownership rights will be entitled for replacement plots with ownership rights, while the affected persons with land possession rights will be entitled for replacement plots with possession rights.

¹⁵ Occupant of land without land rights includes two types of households, (i) AHs who live on public lands without official permission, and (ii) AHs who live on the land plot of land tenure holders and who do not have any land rights, and includes AHs who are children, siblings, relatives, acquaintances and lessees of the land tenure holders. To verify and determine the occupants of land without land rights that live on the land plot of land tenure holders as being separate households, the following will be used: (i) "Population & Household Registration Book" and official letter of reference by the Khoroo Administration; and (ii) Residential address on the national identification card with the affected land plot address.

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements
			<p>transfer costs included in the negotiation agreement.</p> <p>AHs who do not want to participate in (i) and (ii) above and chose to relocate on their own, based on informed decision, will still be entitled to receive relocation and transitional period assistance.</p> <p>Priority to enrol in livelihood restoration measures including skill development, support for business and employment opportunities and equipment provision.</p>
		Land user	<p>Advance notice of at least 6 months to initiate termination procedures as agreed in the land use certificate with MUB</p> <p>All taxes, transaction and transfer costs associated with termination of the land use license to be paid to the land user.</p>
		Lessee	<p>The residential AH may choose between the following options:</p> <p>(i) Rental apartment housing at subsidized Governmental rates;</p> <p>OR</p> <p>(ii) Rent-to-own apartment housing at subsidized Governmental rates.</p> <p>Relocation and transitional assistance for a period of 3 months for lessees not opting for (i) or (ii) above.</p> <p>Business and land lessees will be eligible to assistance in identification of alternate location, on a lease basis.</p> <p>All taxes, registration, transaction and transfer costs included in the negotiation agreement.</p> <p>Liaison support with landowner for any eligible refund of rental/lease advances paid.</p>
	<p>Partial loss of plot (<50%)</p> <p>In some cases, even if the loss is less than 50%, it may be full loss as the remaining land cannot be used for original purpose. In</p>	Landowner, possessor	<p>Cash compensation at negotiated price based on land market value determined through certified professional valuations or the government determined base value of land, whichever is higher.</p> <p>All taxes, registration and transfer costs included in the negotiation agreement.</p>
		Occupant	<p>In case the AH cannot continue occupying</p>

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements
	such cases, if the AH decides, he/she can request that the land is fully acquired and would be eligible to the entitlement provisions applicable to full loss of plot.	of land without land rights	the remaining land, the AH will be entitled to the provisions applicable to occupant of land without land rights experiencing full loss (>50%)
		Land user	Continuation of use right on remaining land If continuation of use rights on the remaining land is not viable or possible, advance notice of at least 6 months to initiate termination procedures as agreed in the land use certificate with MUB All taxes, transaction and transfer costs associated with termination or continuation (in case of partial loss) of the land use license to be paid to the land user.
		Lessee	Liaison support for continuation of rental / leasing arrangements within the plot. Liaison support with landowner for any eligible refund of rental/lease advances paid, caused due to the partial loss of the rented/leased land.
Structures (residential/ commercial/public/ community)	Full loss of structure and relocation	Landowner, possessor, user, occupant of land without land rights	Cash compensation at full replacement cost for impacted assets and structures determined through professional valuation, without deduction for salvaged materials or the asset/structure depreciation. Right to salvage materials from the compensated affected structures.
	Partial loss of structure	Owner, possessor, user, occupant of land without land rights	Cash compensation at full replacement costs for impacted assets and structures determined through professional valuation, without deduction for salvaged materials or the asset/structure depreciation. Right to salvage materials from the compensated affected structures
	Moving or relocation of ger	Landowner, possessor, user, occupant of land without land rights, lessee	Cash compensation for cost of taking down and rebuilding of ger and for transportation to the new location or within the plot, as applicable;
Relocation of residential households	Relocation of residences to a different location or within the same plot	Landowner, possessor, user, occupant of land without land rights	Relocation and transitional period assistance for a period of 6 months for households requiring to move to a different location and for a period of 3 months for households requiring to move within the plot partially affected

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements
Temporary disturbance	Occupation of lands (outside RoW of subprojects) for temporary period during construction, impacts on structures.	Landowner, possessor, user, occupant of land without land rights	Cash compensation negotiated with AP for: (i) the fence/structures affected due to temporary occupation; and (ii) rental fee for land for the period of temporary occupation. Enable continued access to land, residences and businesses in the remaining plot; Restoration of land to original status prior to handing over the lands to the landowner
Businesses ¹⁴ F ¹⁶	Any business loss due to land acquisition or construction activities by Project	All businesses temporarily affected ¹⁵ F ¹⁷	Cash compensation towards the disruption in businesses, equivalent to the loss of business incomes for a period of 3 months, calculated based on tax receipts/other valid documents,. If such documents are not available, the business loss shall be assessed based on the current average net income of typical/similar businesses in project areas determined by certified professional valuers. If the above will be not be possible, the AH shall be compensated based on minimum wages for the period of interruption of business.
		All businesses requiring relocation to a different location	Cash compensation towards the relocation and transitional assistance for business incomes, equivalent to the loss of business incomes for a period of 6 months, calculated based on tax receipts/other valid documents, or, if such documents are not available, based on the current average net income of typical/similar businesses in the project areas determined by certified professional valuers. If the above will be not be possible, the AH shall be compensated based on minimum wages for the period of interruption of business. Livelihood restoration measures including skill development, support for business and employment opportunities and equipment provision, based on the skills assessment

¹⁶ Businesses will include any business entities (registered or otherwise), formal or informal, operating at household level, activity that is carried out full time or part time and include any household activity that contributes to the income of the affected household.

¹⁷ Temporarily affected businesses refer to those businesses that would be affected by involuntary resettlement impacts, which would result in either partial or full impacts on businesses and incomes during the period of construction.

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements
			and an assessment of needs of the individual households. Facilitation by MUB to obtain all licenses required for reestablishment of the businesses.
Employment	Employment loss due to land acquisition or construction activities	All affected employees of affected businesses	Compensation for loss of employment for 3 months wages for workers/employees that have been engaged for at least 1 year; otherwise entitlement is 1-month wage. Other labor benefits and retrenchment allowances according to the national labor law. Liaison support with the business owner towards continued employment Skill development support for business and employment opportunities. Preferential employment in project-related workforce, if available and desired by affected employees.
Any impacts or risks that may result to further hardship on Vulnerable HHs ^{16F} ¹⁸	Any impacts or risks that may require Additional measures or support or assistance given their vulnerability to address any impacts or risks caused by the project or improve their socio-economic conditions	Vulnerable APs	(i) Livelihood restoration measures including skill development, support for business and employment opportunities; and equipment provision towards improvement of incomes (ii) Cash assistance up to a maximum of six months at guaranteed lowest living level for vulnerable APs who are elderly and disabled who are not able to avail (i) above. (a) Preferential access to employment opportunities for affected vulnerable APs in the working age group, with requirement of guaranteed employment to at least one member of the affected household. (b) Facilitate enrolment of elderly and disabled APs in the state support programs/schemes, if not enrolled already. (c) Facilitate access to assistance that they are entitled to according to the Social Welfare Law. (d) Assistance in form of liaison support with authorities in reconstitution of business or

¹⁸ ~~Vulnerable groups are distinct groups of people (poor, elderly, female-headed households and households with disabled family member(s)) who may suffer disproportionately from resettlement.~~

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements
			employment.
Impact on Schooling on young school children	Access to kindergarten and school facilities for affected kindergarten/school children	All displaced AHs with children requiring transferring from their kindergarten /school.	Coordinate with concerned schools or “Ministry of Education” to ensure that school children are accepted and enrolled in school/kindergarten at the new relocated location.
Unidentified Losses	Unanticipated impacts	All APs	To be identified during project implementation. Measures will be formulated as appropriate according to ADB policy and reported to ADB prior to implementation.

IV. SOCIO ECONOMIC INFORMATION

46. Early screening of the scope and scale of resettlement impacts helps avoid or minimize displacement, leads to more informed project decision-making (scheduling and budgeting), helps resettlement planners achieve goal of improving living conditions and standards of living of affected populations, and facilitates monitoring and evaluation activities. To that end, a range of surveys will be incorporated into resettlement planning to ensure that entitlements are measured and stored including census, asset inventory and household socioeconomic surveys.

In this section of the RF, a summary of the socioeconomic information (para. 54) of the affected persons and the scope of land acquisition and resettlement impacts in Tranche 3 subprojects has been included.

47. As detailed in Section I, a preliminary estimate of potentially affected households and their assets has been conducted.

48. A socio-economic survey (SES) of a sample of potentially affected households and businesses for the Tranche 2 and Tranche 3 subcenters has been completed. The survey has collected information on basic household socio-economic data, including indicators of living standards and conditions, the education profile, land tenure status, housing and living conditions. The survey also aimed to assess the needs, demands, and aspirations of resident households in terms of urban subcenter development and urban service delivery.

49. For tranche 2, A total of 121 households (33%) were surveyed between 12-15 November 2016 (65 households in the Denjiin 1000, 35 households in Dambadarjaa, 10 households in Selbe, and 9 households in Bayankhoshuu subcenters). Questionnaire design was based on ADB guidance. Completed surveys were reviewed by researchers responsible for quality assurance and survey data was then entered into the database. Survey results, disaggregated where possible to ascertain possible differences in the situation and perceptions of women and men, will help inform land acquisition planning and implementation.

50. In summary, the surveyed households have an average household size of 4. Seventy seven percent live in houses while the remaining households live in ger and housing types

made of bricks, wood and concrete. More than half (55%) claimed to have land ownership certificate while those who have possession certificate is 9%. Unemployment rate in the 4 subcenters is high at 35%. Those interviewed residents expressed interest to get employed as unskilled laborers in the construction industry. All of the surveyed households are connected to the central power grid while almost all has access to the water distribution kiosk. Coal and wood are mainly used as main source of energy for heating and cooking. Collection of solid waste by trucks is at 72%.

51. For tranche 3, it is estimated that there are total of 1,350 affected entities, 1,324 households and 26 affected businesses. 5,170 APs in 1,324 households and 26 business entities will be affected. In Tolgoit subcenter there are 2,387 APs in 628 households, and in Sharkhad subcenter there are 2,505 APs in 696 households. There 252 employees in the 26 affected businesses and 87 AHs who have livelihood/income earning activities on their land parcel. There are 846 affected land parcels, 372 partially and 474 fully affected, in the ROW of the Tranche 3 subprojects, the affected land area of these land parcels is 297,740m². The preliminary results of the inventory and valuation of the impacted structures show that there are 17 different types of structures such as residential houses, wooden fences, latrines, garages, iron gates, concrete area, pit for waste water, gers to be moved etc. and 8,893 impacted objects, 2,291 in Tolgoit and 6,602 in Sharkhad. Total of 664 residential houses will be acquired fully and permanently.

52. Following detailed engineering design and ground validation for each sub-project, a 100% census of affected people will comprise the main survey that will form the basis of preparation of LARPs for tranche 2 and tranche 3. Information will be collected in such areas as household demographics, family structure (relation, age, residence status, occupation), and household livelihoods and economic information (income, occupation). The census will also provide: (i) enumeration and collection of basic socio-economic information of the affected population; and (ii) registration of the affected population as per their residency or locality.

53. An asset inventory (Detailed Measurement Survey, or DMS) will record land and other impacted assets at household, enterprise and community levels. Asset identification will include, but not be limited to: (i) land including classification, use, holdings, and tenancy; (ii) structures including organization, size, building materials, and other characteristics of private and public structures in the area of direct influence; and (iii) water, power, and telecommunication networks including potable water supply, sanitation, solid waste management and communication networks.

54. In addition to the census and DMS, a more complete socio-economic baseline survey will be implemented, sampling a portion of households affected by the subproject. This will collect more detailed demographic data than the census, as well as information on migration, employment and livelihood strategies, income and expenditure, education, health, transport, vulnerability, community needs and social cohesion.

55. Vulnerable households and their special needs will be identified in the census and socio-economic survey and specified in the LARPs. Subsequent consultation and measures for the re-establishment and enhancement of their livelihoods will be taken to safeguard against impoverishment and to reduce their vulnerability.

56. Vulnerability indicators will be established to identify vulnerable people and their households among APs. Potentially vulnerable households include those with one or a

combination of the following conditions: (i) poverty line or less per capita per month income; (ii) single parent headed households without children/others contributing income; (iii) elderly head of household without children/others contributing income; (iv) occupants of land without land rights; and (iv) disabled persons.

57. A database to be used as a baseline for subsequent socio-economic assessment search that may be required to identify income restoration and rehabilitation measures, vulnerable groups, other development interventions, and monitoring and evaluation programs.

58. To ensure a clear understanding and due consideration of the specific needs and problems of female APs and to safeguard their livelihoods, a number of gender provisions will be adopted by the land acquisition and resettlement process of the Project: (i) women will receive compensation pertaining to their economic activities in their name; (ii) female heads of households will be registered as the recipients of compensation and rehabilitation measures due to their households; (iii) land titles for replacement land will be registered in the name of women, when land lost to the project was legally owned by women; (iv) women will be included in the participation process in all consultation meetings alongside male APs; (v) due consideration is to be given to complaints and grievances lodged by affected women; and (vi) access for women to project related employment opportunities and targeted needs based special assistance will be guaranteed in case of loss of livelihood.

V. CONSULTATION AND PUBLIC PARTICIPATION

59. Affected entities must be fully informed, closely consulted, and encouraged to participate in any decision making pertinent to land acquisition and resettlement, including the final design of road and infrastructure, and facilities, preparation of contractual agreements, determination of prices for assets to be transferred, selection of replacement plots and the restoration of livelihoods.

In this section of the RF, the following paragraphs have been updated to reflect the following:

- (i) Paras. 67-70 were added to provide information about the public consultation meetings organized with (i) Tranche 2 APs during the update and revision of this RF and (ii) Tranche 3 APs informing them of the provisions of the RF. Table 6: List of Public Consultation Meetings was added to provide the details of the consultations carried out with the APs and other key stakeholders.

60. Disclosure of information to and consultation with APs at an early stage 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 the final design and LARP, insofar as they are compatible with applicable local law and the ADB IR safeguards.

61. During disclosure of the draft and updated LARPs and this RF, the entitlement matrix will be explained to the APs in detail with compensation measures for affected land, structures, businesses, and employment income each presented separately. Measures to protect vulnerable people will be described and the subprojects GRM will be explained.

62. The consultation and public disclosure process for each subproject with land acquisition impact will at minimum involve the following steps:

- (i) Individual consultations with APs during and after the census and socio-economic survey, and compensation valuation, to ensure that they have understood the Project's parameters and their own rights, and have had the opportunity to provide input.
- (ii) Public consultation meeting (early in the project process) open and accessible to all APs and other interested community members to inform APs and other stakeholders about the land acquisition and resettlement planning process, its guiding legal and policy framework and its anticipated scope of impact (who is identified as a potential AP)
- (iii) Public consultation meeting open to all APs to announce declaration of the entitlement cut-off date and identify its geographical scope.
- (iv) Public consultation meeting with all APs to disclose the draft LARP, including eligibility and entitlements, compensation for land and structures, grievance procedures and monitoring, and to discuss changes and other concerns of the APs and other stakeholders.
- (v) Continued individual consultations to prepare contract negotiations and address individual concerns.
- (vi) Individual negotiations of contract terms with AP households.
- (vii) Public consultation meeting with all APs to disclose and discuss revised draft LARP.
- (viii) Public consultation meeting with all APs 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.
- (ix) Additional individual and public consultation meetings will be held throughout the planning and implementation of the LARP as required by any issues arising.
- (x) Attendance lists and minutes of all public consultations will be kept and appended to LARPs and subsequent monitoring reports.
- (xi) Use of an accessible, identifiable project information board or project information office.
- (xii) Documentation of the consultation and participation process.

63. English version of the LARPs will be endorsed by the MUB and submitted to ADB for review and concurrence. Each LARP will list the public consultations conducted and planned. This RF and the LARPs prepared will be uploaded on the ADB website (Mongolian and English versions).

64. Communities, including the affected persons, in the Tranche 2 and Tranche 3 subcenters were consulted during the update of the RF.

- (i) The public consultations with the affected people in Tranche 2 started from May 2019 and will be continued throughout the preparation and update of the LARPs for Tranche 2 during 2020.
- (ii) Public consultations with the Tranche 3 affected people were organized in November 2019. More public consultation meetings with the Tranche 3 affected people shall be organized during the detailed design and preparation of the updated LARPs throughout 2020–2021.

65. The initial two meetings, for both tranches, were meetings to provide an overall introduction and the key information on USGADIP, ADB safeguards and consultations on the overall subcenter development and planning. The subsequent meetings were specifically focusing on the LAR, including detailed information on eligibility and entitlements of the AHs. As

of November 2019, total of 22 public consultation meetings (tranche 2 – 15 meetings and tranche 3 – 7 meetings) were held. During the meetings the following information were provided (i) USGADIP and its progress, (ii) general information on ADB's LAR safeguard policy and principles, comparison with Mongolian legislation requirements, changes that have been proposed to the RF (2016), eligibility and entitlements, compensation valuation of land, assets and structures adopting principle of replacement cost, GRM, LAR implementation procedures, cut-off date for tranche 2 AHs, and (iii) the planned roads, infrastructures and social facilities, and the scope of LAR. The meetings were held from 24 May – 23 November 2019 for representatives of about 1,122 AHs, 551 female and 571 male, see table 6 List of Public Consultation Meetings for the date, venue and number of participants for each meeting. The meetings were held at the Citizens Hall of the respective khoroots of the subcenters or at the schools located in the neighbourhood of the subcenter residents and AHs.

66. In addition to the consultations on the RF provisions, consultations with the representatives of AHs were organized during the subproject design, SES and valuation of the affected land and structures in the subcenters. During the meetings, the APs were interested in the project activities, possibilities for connection to infrastructure networks, and the valuation of the land and properties.

Table 6: List of Public Consultation Meetings

#	Date	Venue	Participants
Tranche 2			
1	24 May 2019	Citizen Hall of Khoroo#17 of Sukhbaatar District (at 1100 hours)	91 (48f,43m)
2	24 May 2019	Citizen Hall of Khoroo#17 of Sukhbaatar District (at 15 hours)	
3	8 Jun 2019	Citizen Hall of Khoroo#17 of Sukhbaatar District (at 11 hours)	108 (61f, 47m)
4	8 Jun 2019	Citizen Hall of Khoroo#17 of Sukhbaatar District (at 14 hours)	
5	11 Jun 2019	Citizen Hall of Khoroo#17 of Sukhbaatar District (at 16 hours)	68 (10f, 58m)
6	11 Jun 2019	Citizen Hall of Khoroo#17 of Sukhbaatar District (at 19 hours)	
7	14 Jun 2019	Citizen Hall of Khoroo#16 of Sukhbaatar District	27 (15f, 12m)
8	21 Sep 2019	School No. 57 (at 1000 hours)	274 (166f, 108m)
9	21 Sep 2019	School No. 17 (at 1130 hours)	
10	21 Sep 2019	Cultural Center, Khoroo#14, Chingeltei District (at 1400 hours)	
11	21 Sep 2019	School No. 57 (at 1510 hours)	
12	14 Oct 2019	Citizen Hall of Khoroo#17 of Sukhbaatar District	20 (10f, 10m)
13	15 Oct 2019	Citizen Hall of Khoroo#10 of Chingeltei District	17 (7f, 10m)
14	24 Oct 2019	Citizen Hall of Khoroo#40 of Songinokhairkhan District (at 1100 hours)	32 (19f, 13m)
15	24 Oct 2019	Citizen Hall of Khoroo#40 of Songinokhairkhan District (at 14 hours)	
Tranche 3			
16	1 Nov 2019	School No. 79, Khoroo#17, Bayanzurkh Discript	81 (25f, 56m)
17	15 Nov 2019	Citizen Hall of Khoroo#17 of Bayanzurkh District (at 1200 hours)	53 (31f, 22m)

#	Date	Venue	Participants
18	15 Nov 2019	Citizen Hall of Khoroo#17 of Bayanzurkh District (at 1400 hours)	76 (31f, 45m)
19	15 Nov 2019	School No. 106, Songinokhairkhan District (at 1700 hours)	38 (23f, 15m)
20	16 Nov 2019	School No. 107, Songinokhairkhan District	109 (34f, 75m)
21	21 Nov 2019	School No. 42, Songinokhairkhan District	63 (39f, 24m)
22	23 Nov 2019	School No. 42, Songinokhairkhan District	65 (32f, 33m)
		Total	1,122 (551f, 571m)

67. For tranche 2 and 3 affected persons, the revised eligibility and entitlement matrix was explained in detail and the matrix was distributed to the APs. The discussions on the eligibility and entitlements were held with the participants of the consultations. The APs did not have particular suggestions or issues related to the eligibility and entitlements, but expressed that they expect that compensation will be fair and acceptable to the APs. The APs were more interested in exactly how much would they receive as compensation for their land and structures, and how the valuation of their land and structures are done. The USGADIP consulting team and PMO, have explained in detail about the eligibility and entitlement and the compensation and how the valuations are made. The APs were provided the contact details of PMO for further clarifications and information and for submission of their suggestions and concerns.

VI. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION

In this section of the RF, the following paragraphs have been updated to reflect the following:

- (i) Paras. 71–75 were revised to reflect the changes in the institutional arrangements and implementation based on Tranche 1 experiences and lessons learnt. Table 7 included to clarify the roles and responsibilities of MUB organizations in LAR implementation. The program Steering committee was renewed, and the program Director officially appointed in Jun 2019. Also, the LAR working group of MUB was established in Feb 2020 to support LAR implementation for tranches 2 and 3 implementation.

68. The executing agency (EA) and implementing agency (IA) for the program is the Municipality of Ulaanbaatar. The Mayor of MUB has the overall responsibility for policy and coordination of the program implementation as the chairman of the USGADIP Steering Committee (SC), established in Jun 2019 by the Mayor's Resolution A/586 to establish the SC. The First Vice Mayor for the development policy of MUB is the Director of USGADIP, appointed in Jun 2019 by the Mayor's resolution B/111, and has the responsibility for program implementation, support and monitor the PMO activities. A program management office (PMO) was established in July 2014 by the order of MUB Mayor. The MUB, with support from the PMO and Land Management Agency (LMA) will ensure compliance with assurances, including safeguards and preparation, updating and implementation of LARPs. The PMO is supported by consultant teams, including specialists in land acquisition and resettlement, to ensure the effective implementation of project related land acquisition and resettlement activities. The roles and responsibilities of key stakeholders involved in the land acquisition and resettlement process is presented in Table 7 below.

Table 7: Institutional roles and responsibilities in LAR implementation

Responsibilities and involvement of stakeholders			
PMO	LMA	Governor's office/Municipality	Governor/Mayor
Preparation and approval of land acquisition and redevelopment plan (LARP) and submission of the approved plan to LMA			
Negotiations with affected households/residents in accordance with LARP and compilation of documents	Negotiations with affected households/residents in accordance with LARP and compilation of documents		
	Preparation of draft Governor's decree according to the negotiations		
	Review and comments on draft Governors decree /by 2 managers and 3 divisions**/	Review and comments on draft Governors decree /by 7 managers and 4 divisions*/	
			Issuance of Governor's decree on allocation of compensation
	Conclusion of contract with affected households according to Governor's decree and collection of supplementary documents as appendixes of the contract		
	Confirmation of contract /Signed by 3 managers/	Monitoring on whether contract components are complete, request of funding from Ministry of finance and transfer of the funding to LMA account	
	Receipt of funding from Treasury of MUB and transfer of compensation to resident's account		
Internal audit and reporting to ADB	Acquisition of land from those who received compensation		
<p>* Municipality of UB city</p> <ol style="list-style-type: none"> 1. Governor of the capital city and Mayor of UB city 2. First deputy of the governor in charge of development policies 3. Deputy of the governor in charge of urban development issues of capital city 4. Deputy of the governor in charge of air and environmental pollution of capital city 5. Head of Governor's office 6. Adviser to the Governor 7. Adviser to the Governor 8. Division of public administration 9. Division of development policy and planning 10. Division of finance and treasury 11. Division of legacy 		<p>** Land management agency of the Municipality of UB city</p> <ol style="list-style-type: none"> 1. Head 2. Deputy head 3. Financial division 4. Administration division 5. Land acquisition division /head, senior officer 	

69. For each of the two subcenters to be taken up under Tranche 3 of the MFF, a resettlement specialist and two land acquisition and resettlement assistants have been hired within the PMO. The PMO resettlement staff will work closely with the land managers of the LMA in the planning, implementation of LARPs under Tranche 3. The PMO resettlement staff, with support from consultant teams' LAR specialists will (i) ensure that resettlement safeguard requirements are met in the formulation and implementation of the LARP. (ii) ensure LAR safeguard compliance and submission of a satisfactory LARP to MUB and ADB for review and concurrence prior to any resettlement implementation and the commencement of civil works.

70. Training and capacity building of PMO resettlement staff and the LMA land managers were carried out as part of Tranche 1 implementation. As part of Tranche 3 implementation, training programs and workshops will continue to be organized for the staff of the PMO, MUB, Khoroo and other government officials involved in LAR activities, including members of LAR WG, representatives of the APs and other stakeholders about the LARP provisions and implementation arrangements, as well as the principles and safeguards requirements of ADB resettlement policy, the updated and agreed RF and legislation of Mongolia. The workshop will also highlight the differences between the provisions of the ADB's Safeguard Policy Statement and the Mongolian laws and explain how to ensure that the ADB's Safeguard Policy Statement requirements are met.

74. The implementation of Tranche 1 subprojects and the training programs to the PMO and LMA staff during Tranche 1 implementation, have enhanced the capacities to carry out negotiations with the affected persons, valuation of land, structures and assets impacted consistent with ADB SPS requirements of replacement costs, and also in meaningful

engagement with the communities and affected persons in ensuring timely redress of grievances. PMO has been working closely with the LMA to minimize the current 77-day (average) period taken between the signing of the contract with the affected persons and the disbursement of compensation. This has been due to the multiple layer of approvals and checks on the compensation payments agreed in the contract, which is already based on an approved Mayor's decree. Capacity building efforts and business process enhancement of the current land acquisition and approval procedures of LMA will be carried out during Tranche 3 implementation towards minimizing this delay, and to ensure timely payment of compensation and assistance consistent with the requirements of LARP prior to displacement.

71. In accordance with the agreed RF, a Land Acquisition and Resettlement Working Group (LAR WG) for the tranche 2 and tranche 3 has been established by the Mayor's resolution A/192 in February 2020. The LAR WG is responsible for the overall management and supervision of the LAR activities for all the subprojects, and for timely decisions for LAR issues. The First Vice Mayor of MUB in charge of development policy is the chairman. The secretary is the Coordinator of USGADIP's PMO. The members are comprised of relevant district governors, officials of Land Management Agency, municipal water supply, road, state registration departments, Office of the Mayor, Capital city – Ulaanbaatar Housing Corporation, Capital city – Ulaanbaatar Property Use and Management Department, and representatives of APs. The LAR WG will have quarterly meetings to discuss the progress of LAR activities and any pending issues, and provide support to the LMA and PMO. Where necessary, LAR WG will have more meetings by the request of LMA and PMO on urgent issues that need immediate decisions and actions. The implementation of the LARP will be the responsibility of the LMA, under the guidance of LAR WG and with close coordination and support of the PMO.

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

A. Procedural Steps

73. All subprojectLARPs will meet ADB SPS requirements, closely follow the provisions of this RF and observe the following procedures:

- (i) Identification of scope of land acquisition for every subproject (impact category A, B or C).
- (ii) Field verification and modification of design of infrastructure facility, as far as technically feasible, to avoid and minimize impact.
- (iii) Preparation of map of final design of infrastructure facility, ROW and land acquisition impacts, with design engineers.
- (iv) AP lists and cadastral maps, Detailed Measurement Survey and land valuation, as well as valuation of affected non-land assets on the basis of mapped impact.
- (v) Census of all APs and inventory of affected land, property and income losses.
- (vi) Notification of cut-off date and notification of APs.
- (vii) Socio-economic survey of AHs and identification of vulnerable households/persons.

- (viii) Preparation of draft and updated LARPs based on consultation with APs, including impact assessment, compensation standards, relocation and livelihood rehabilitation plans, itemized compensation and resettlement budget, institutional arrangements and grievance mechanism, implementation schedule and internal and external monitoring and evaluation procedure.
- (ix) Disclosure of draft LARPs and formal consultation meetings with APs.
- (x) Updating of LARPs.
- (xi) Disclosure of the updated LARPs to APs.
- (xii) Government endorsement and submission to ADB for review and approval.
- (xiii) Disclosure of approved LARPs (locally and on ADB website).
- (xiv) Implementation of LARPs.
- (xv) Inform the 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.
- (xvi) Validate the inventory of affected assets, and negotiate contractual agreements with the affected households.
- (xvii) Once the AP agrees, contractual agreements indicating the negotiated terms for each AP will be prepared and signed by the concerned AP, and notarized by a registered notary. After completing all the necessary agreements, the LAR WG and PMO will inform the APs about the date, venue, and time of the payment of agreed property transfer prices and other compensation or entitlements.
- (xviii) Provide an updated land management map prepared by the LMA 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.
- (xix) For affected persons choosing for replacement plot as the resettlement option, the District Governor will review and resolve the applications within 3 months, as specified by law, and issue orders allocating land rights certificates to the APs.
- (xx) Facilitate the process of consolidation, review, approval and allocation of compensation, including livelihood restoration measures, for the subprojects' APs.

78. The PMO, with the assistance of LAR specialists, is responsible for adequate monitoring and supervision of the implementation of the LARP and the resulting impacts on APs. The PMO will be responsible for reporting the progress in implementing the LARP to the LARC, MUB and ADB. The outline of the LARP is provide in the Annex 4.

VII. GRIEVANCE REDRESS MECHANISM

74. The MUB has established a Grievance Redress Mechanism (GRM) for USGADIP to support the affected persons on problems arising from land acquisition and associated impacts, and provide means by which the various conflicting stakeholders may be consulted and negotiated agreement reached, paying particular attention to the impacts on vulnerable groups. Affected persons will be informed and consulted about the detailed process of the GRM during the public and individual consultations, interviews and through the disseminations of pamphlets on the LARP and land acquisition and resettlement tasks. Importantly, affected persons will enjoy the right to access the judicial system at any time if they feel their grievance or concern is not being adequately addressed through the GRM.

In this section of the RF, the following paragraphs have been updated to reflect the following:

- | |
|--|
| (i) Para. 83 was revised to provide information on the GRM functionality and accessibility and |
|--|

key concerns of the APs.
(ii) Para. 84, Table 8 was revised to reflect the changes in the institutional arrangements.

75. A sample Grievance Action Form (GAF) was prepared during Tranche 1 and will still be used for Tranche 2 and Tranche 3 as reference and guide in the preparation of a more detailed form during implementation to cover the various aspects of land acquisition addressed by the LARPs and used in the grievance redress process to log and follow up any grievance. The sample form is presented in Annex 3. The GAF, a copy of which will be provided to AP, will at minimum contain the following:

- (i) Basic information about affected entities (name, address, contact number);
- (ii) Date of last disclosure meeting;
- (iii) Category of grievance filed (legal, technical/engineering, social, financial);
- (iv) Detailed description of grievance; and
- (v) Type of action taken (resolved at the PMO or LAR WG level or referred to higher authorities).

76. As a grievance is addressed, the type of action taken will also be recorded on the GAF, in order to document how the grievance was resolved.

77. The PMO will be the initial recipient of the grievance, establish a complaint registry system, and maintain records of all grievances and status of resolution. The PMO will make every effort to solve the issues of the APs at the early stage with the help of the members of the LAR WG and/or LMA, Khoroo and/or other relevant units of the Districts and MUB, and LARC.

78. During implementation of Tranche 1, the PMO has harmonized its GRM with MUB's grievance redress procedures, which is regulated by the In parallel to the USGADIP GRM, the affected persons can lodge their grievances by visiting MUB's office or submitting the grievance by means such as SMS, smart UB application, phone and website. Within this system, the grievance recipient of MUB will convey it to PMO through a web portal where PMO is registered and has access to its designated window where the grievances are posted. Based on the reports of the external monitoring of the resettlement plan implementation of Tranche 1, consultations carried out with affected persons including the complainants to ADB's office of Special Project Facilitator confirm that (i) the existing GRM process established has been accessible to the communities and the affected persons are familiar with the existence of the GRM, which is evident from the number of grievances that have been registered during the Tranche 1 implementation. A key concern on the GRM process has been the delays in resolving concerns related to disbursement of compensation payments after signing contracts with the affected persons even after displacement from the original location. It is now agreed with MUB that no displacement shall occur prior to full payment of all compensation and assistance negotiated with the affected person and laid down in the Mayor's decree for award of compensation. While this is likely to delay some civil work activities, MUB is working closely with the PMO in expediting an early payment of compensation and resettlement assistance and to minimize the multiple approvals required between the Mayor's decree and payment of compensation. ADB will closely monitor the actions taken on grievances during the implementation of Tranche 2 and 3.

79. The GRM process is presented below in Table 8. The APs shall be actively involved in all stages of the grievance redress procedures.

- (i) Step 1: An aggrieved AP shall submit grievances to the Resettlement Specialist of the PMO, who will log a complaint in the GAF. Then he/she will contact relevant member of the LMA and/or PMO. The grievance will be presented, addressed and resolved within 1 week within the PMO and LMA level. The PMO Resettlement Specialist will record its deliberations and inform the concerned parties within the same week of its findings and recommendations and present these to the PMO and LMA for action.
- (ii) Step 2: If the grievance is not resolved within 2 weeks from its lodging, the grievance will be submitted by PMO to the related divisions/offices/district of MUB and its resolution is recommended to the head of related divisions/offices/district of MUB for approval and action within 1 more week.
- (iii) Step 3: If still unresolved within another week, the PMO will present the issue to LAR WG to resolve the issue and make recommendations to the chairman of LAR WG, who is MUB Vice Mayor. The Vice Mayor shall initiate action within another week.
- (iv) Step 4: If the preceding stakeholders cannot resolve the grievance, it is referred to the courts. Mongolian legislation and the ADB SPS will guide all decisions.

Table 8: Grievance Redress Mechanism Timelines

Steps	Actors /Actions	Timing
1	AP lodges grievance with PMO, where the PMO assigns the grievance redress to the Resettlement Specialist	1week
	PMO Resettlement Specialist addresses grievance with the support of LMA and PMO, informs AP and proposes resolution	
	PMO and/or LAR WG initiates action for resolution	1week
If grievance is not resolved		
2	PMO submits grievance to relevant division/office/district of MUB	1week
	Relevant division/office/district of MUB addresses grievance, informs AP through PMO and proposes resolution	
	Relevant division/office/district of MUB initiates action for resolution with the support of PMO	1week
If grievance is not resolved		
3	PMO submits grievance to LAR WG	1week
	LAR WG addresses grievance and informs AP through PMO and proposes resolution	
	LAR WG initiates action for resolution with the support of PMO	1week
If grievance is not resolved		
4	Grievance is referred to courts	Open

80. With specific regard to land disputes, in accordance with the Land Law (Article 60, “Settlement of Land Related Disputes”), these will be settled by the relevant Khoroo Governor. Where this is unsuccessful, the dispute shall be settled by a higher-level authority, or in court. Alternatively, residents may also go directly to the District Land Management Office.

81. If an AP is still not satisfied and believes they have been harmed due to noncompliance with ADB policy and they have made good faith efforts to solve their problems by working with the PMO and MUB, and ADB Project Team, they may submit a complaint to ADB’s Office of

Special Project Facility or Office of Compliance Review in accordance with ADB's Accountability Mechanism (<https://www.adb.org/site/accountability-mechanism/main>).

VIII. MONITORING AND EVALUATION

82. Monitoring of compliance with the LARP during implementation will be carried out by the PMO, External Monitoring Agency (EMA) which may be a local consulting firm or NGO, or a qualified individual. Monitoring will be conducted with both internal and external indicators. All data in the internal and external monitoring need to adopt disaggregation by sex (gender), to the extent possible.

In this section of the RF, the following paragraphs have been updated to reflect the following:

- (i) Reference to participation of affected people in internal monitoring has been removed. Para 88 provides the scope of internal monitoring of LARP implementation, consistent with SPS requirements. Efforts to ensure participation of affected people in LARP preparation and implementation will be taken up by the PMO and will be captured in the internal monitoring by PMO. Further APs, through their representative in the LAR working group are involved in the monitoring of the implementation of the land acquisition and resettlement provisions. Accordingly, the second objective of internal monitoring has been modified to "monitor the participation of affected persons", instead of "monitoring the participation of affected people in internal monitoring.
- (ii) In para. 93, "The EMA will carry out post-implementation evaluation on the basis of the socio-economic baseline surveys 1 year... " – this was changed from 2 years to 1 year. It will be difficult to find APs after 2 years, for tranche 1, PMO has difficulties to find some of the APs after few months since the completion of LAR activities. Also, "... after the completion of land acquisition activities in each tranche to ascertain whether the subproject was able to implement the objectives and provisions of the LARP....", instead of "each tranche", it was stated "each subproject". It is more practical to conduct M&E at the tranche level compared to each subproject.

83. The PMO will conduct internal monitoring of LARP implementation and submit monthly reports to the MUB. The PMO will also include the results of internal monitoring in its quarterly reports to the ADB. These reports will also focus on the progress of LARP implementation. The Project mid-term review will include a separate section on the progress of LARP implementation. Internal monitoring reports will also be included in the completion audit that will be conducted upon completion of the land acquisition and resettlement activities. The PMO will prepare this resettlement completion report for submission to the ADB.

84. The objectives of internal monitoring will be to monitor the following: (i) proper execution of the responsibilities of key stakeholders; (ii) participation of affected people; (iii) protection of the rights of affected entities under Mongolian laws, the ADB Safeguard Requirements, and this RF and the subprojects LARPs; (iv) adequate and prompt payment of compensation; and (v) timely grievance redress.

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

86. Sex disaggregated data for each of the monitored indicators will be collected and monitored during the RP implementation: The following are some of the internal monitoring key indicators that will be covered as part of the internal monitoring.

- (i) Number of displaced persons,
- (ii) Number of information sessions and other consultation activities conducted with affected persons,
- (iii) Status of land acquisition, compensation payment and entitlement delivery,
- (iv) Status of livelihood restoration activities and impact of these activities on displaced persons,
- (v) Provision of replacement land, social housing,
- (vi) Number and length of time taken to redress grievances, and
- (vii) Nature and types of grievances.

87. External monitoring and evaluation will be conducted to provide independent concurrent and ex-post evaluation of resettlement in the Project as a whole to: (i) assess the effectiveness, impact and sustainability of resettlement measures; (ii) determine whether Safeguard compliance has been met; and (iii) learn strategic lessons for future policy formulation and planning. For this project the MUB will be responsible for engaging an EMA which will investigate and assess LARP implementation in each subproject and regularly report to the subproject LARC, the PMO and ADB.

88. External monitoring will be carried out semi-annually during the implementation of LARPs and its results will be reported to the PMO and ADB in semi-annual reports at the end of each input. The resettlement specialists of the project implementation consultant's team will review and discuss the external monitoring design with the EMA. The external monitoring process will include the following: (i) review and verification of the internal monitoring reports of the PMO; (ii) identification and selection of impact indicators; (iii) impact assessment through quantitative and qualitative surveys; (iv) consultation with local stakeholders; (v) assessment of compliance with local laws, the ADB's SPS on IR, RF and the LARP; (vi) recommendation of land acquisition process modification and adaptation measures; (vi) lessons learned for future resettlement policy formulation and planning; and (viii) all data collection and analysis will be disaggregated by gender.

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

- (i) Economic status of affected households, including employment, income and household assets.
- (ii) Status of vulnerable persons, in terms of food security, household demographics, livelihoods and health.
- (iii) Impact of land acquisition on women, children, elderly, the poor and other vulnerable groups.
- (iv) Degree of support for and post land acquisition status of affected vulnerable households.
- (v) Perceptions of affected entities regarding the implementation of the land acquisition process.
- (vi) Participation and involvement of affected entities in LARP implementation.
- (vii) Effectiveness and fairness of valuation, compensation, assessment and disbursement measures.
- (viii) Implementation and effectiveness of income restoration measures.
- (ix) Effectiveness and fairness of GRMs.
- (x) Level of satisfaction among affected entities in the post-resettlement period.
- (xi) Adequacy of resettlement funds and results of financial audits.

90. The EMA will carry out post-implementation evaluation on the basis of the socio-economic baseline surveys 1 year after the completion of land acquisition activities in each

tranche, to ascertain whether the subproject was able to implement the objectives and provisions of the LARP. If the objectives have not been achieved, the EMA will recommend remedial measures.

I. BUDGETING AND FINANCING

91. The total cost of land acquisition and resettlement including the cost of compensation, rehabilitation, administration and monitoring is an integral part of the Project cost. Each sub-project LARP will include a budget section with a table of costs for all compensation expenses including administration and contingencies.

In this section of the RF, the following paragraphs have been updated to reflect the following:

- (i) In para. 97, the disbursement of the compensation payment is clarified that it must be provided before vacating the land and assets, and no land and assets will be acquired unless 100% of the compensation payment is provided. %. Also, 60% payment of compensation, instead of 50%, will be provided to the APs within 1 month after conclusion of agreement for LAR.
- (ii) Para. 98 was added to provide information on the estimated budget for tranche 3 LAR.

92. Finances for implementation of LARPs will be provided by MUB from government funds. The MUB is responsible for timely allocation of funds needed to implement land acquisition for each tranche. Allocation will be reviewed semi-annually based on the budget requirements indicated in the LARPs.

93. The PMO will work with the MUB, Land Management Agency of MUB (LMA), and other MUB departments and divisions to manage the process of formal contractual agreements with the affected persons and disbursement of compensations. After having concluded contractual agreements about the transfer of the affected assets from the affected persons to the government, the LMA will consolidate all financial commitments of the contracts and refer these to the MUB. The MUB will initiate the transfer of funds to the affected persons. The MUB with the assistance from LMA and PMO resettlement specialist will be responsible for delivery of entitlements to the affected persons.

94. Payment of at least 60% of compensation for the land and structures will be made within 1 month after conclusion of contractual agreements about the transfer of affected assets from the affected persons to the MUB. The remaining payment will be paid before vacating the affected land and/or assets. Disbursement of compensations and entitlements will be carried out via the bank transfer to the bank account of the affected persons. No land will be acquired by the MUB or handed over to the PMO for commencing construction works prior to full payment of due compensation and provision of other resettlement entitlements to the affected person.

95. For tranche 3, the total preliminary estimated cost for implementation of LAR is MNT 50,075,014,453 (USD18,322,362). This resettlement budget is an integral part of the tranche 3 project costs.

ANNEX 1: Comparison of Tranche 2 Resettlement Framework Entitlements with Proposed Revisions

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
Land (residential/ commercial/ public/ community)	<p>Full loss of plot (>50%)</p> <p><i>Households with land losses lesser than 50% will be eligible for the entitlements for full loss of plot in the following cases:</i></p> <p>(iv) <i>the remaining land has irregular shape, not feasible to build house or other structures</i></p> <p>(v) <i>the condition of the remaining land is not feasible to continue normal residence and/or business activity to generate income</i></p> <p>(vi) <i>Distance between the affected</i></p>	Landowner and possessor	<p>The AP may choose between the following alternatives:</p> <p>Land for land compensation through provision of replacement plot of comparable value and location as lost plot; Ownership license and state registration</p> <p>OR</p> <p>Cash compensation at market rates or the government compensation tariff, whichever is higher, based on contractual agreement</p> <p>All taxes, registration and transfer costs are waived or included in compensation prices</p>	<p>The AH may choose between the following options:</p> <p>Land for land compensation through provision of replacement plot at the resettlement site^{17F 1918F. 20}</p> <p>OR</p> <p>Cash compensation at negotiated price based on land market value determined through certified professional valuers or the government determined base value of land, whichever is higher.</p> <p>All taxes, registration, transaction and transfer costs included in the negotiation agreement.</p> <p>All government charged transaction costs related to acquisition of new housing / land provided as lump sum and included in the negotiation agreement.</p>	<p>The sub-centers taken up for infrastructure development under Tranche 2 and Tranche 3 are fully developed and there are no vacant plots within the sub-centers that could be used to provide replacement plot of comparable value and location as lost plot to the affected households, without triggering secondary involuntary resettlement impacts to purchase the replacement lands.</p> <p>During the implementation of tranche 1, replacement land was not the preferred option of the displaced land owners and possessors, as the negotiated price for land and structure compensation was found more beneficial to the affected</p>

¹⁹ A resettlement site is being developed by MUB under Tranche 2. It will have access to infrastructure (water supply, sewer and drainage networks, roads, electricity, heating network and public transport) apart from access to kindergarten and school facilities.

²⁰ Affected persons with land ownership rights will be entitled for replacement plots with ownership rights, while the affected persons with land possession rights will be entitled for replacement plots with possession rights.

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
	<p><i>person's house and the pit latrine at the remaining land is lesser than the acceptable standard distance which may negatively affect the health of the affected persons</i></p>				<p>households, and the compensation amounts were sufficient to buy replacement plot or apartment of comparable value and location. Of the 683 landowners who were affected due to partial or full loss of lands, cash compensation was preferred by 100% of the AHs, as the negotiated compensation was found attractive and sufficient enough to buy equivalent land plots/apartments in their location of choice. The transaction prices (land value) for lands between private individuals on a negotiation basis was found to be significantly lower than transactions with the government agencies. Affected households choosing to relocate at the proposed resettlement site (being developed under the project) will be entitled to receiving connection to services including potable water supply, sewerage, heating and electricity.</p>

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
					<p>No change. This provision only clarifies that a certified professional valuer will be engaged to determine the land market value.</p> <p>All taxes, registration and transfer costs will be explicitly mentioned in the negotiation agreement. The earlier provision for waiver of taxes, registration and transfer costs has been removed due to difficulties in implementation for the land agency.</p> <p>Priority to enrol in livelihood restoration measures including skill development, support for business and employment opportunities and equipment provision.</p> <p>This is a new provision which refers to transaction costs when the affected persons buy a new land or apartment.</p> <p>This is a new provision to clarify that the APs who are relocated will have priority for livelihood restoration measures</p>
		Occupant of land without land rights ²¹	Relocation assistance sufficient to restore standard of living at an adequate alternative site with security of	<p>The AH may choose between the following options:</p> <p>(i) Rental apartment</p>	In the absence of an adequate alternate site to relocate the occupants of land

²¹ *Occupant of land without land rights* includes two types of households, (i) AHs who live on public lands without official permission, and (ii) AHs who live on the land plot of land tenure holders and who do not have any land

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
			tenure (ownership or possession certificate and state title registration)	<p>housing at subsidized Governmental rates;</p> <p>OR</p> <p>(ii) Rent-to-own apartment housing at subsidized Governmental rates</p> <p>All taxes, registration, transaction and transfer costs included in the negotiation agreement.</p> <p>Relocation and transitional period assistance.</p> <p>AHs who do not want to participate in (i) and (ii) above and chose to relocate on their own, based on informed decision, will still be entitled to receive relocation and transitional period assistance.</p> <p>Priority to enrol in livelihood restoration measures including skill development, support for business and employment opportunities and equipment provision.</p>	<p>without land rights, MUB will build and offer social housing for AHs, either on a rental or rent-to-own basis²².</p> <p>Access to social housing at subsidised rates, by the government agencies, is a recent initiative in Mongolia and is being scaled up by NOSK to meet the growing housing needs of the citizens of Ulaanbaatar. Consultations with NOSK inform that while the number of affordable housing units being developed in the capital city is less than 2000, more than 17,000 applications have been received till date, due to lower rentals and better locations of the apartments, apart from the expected security of tenure of the NOSK units compared to the private sector.</p> <p>This is a new</p>

rights, and includes AHs who are children, siblings, relatives, friends, and acquaintances of the land tenure holders. To verify and determine the occupants of land without land rights that live on the land plot of land tenure holders as being separate households, the following will be used: (i) "Population & Household Registration Book" and official letter of reference by the Khoroo Administration; and (ii) Residential address on the national identification card with the affected land plot address.

²² Currently MUB's NOSK (Capital city Housing Corporation), is offering social housing at MNT6,000 per m² for rent and for rent-to-own to pay the down payment of 30% within 5 years in addition to the rent. This NOSK rates and requirements shall be adopted. In order to be affordable, the size of the units shall be at least 30 sq. m and the total payment including the rent and utilities should be under MNT250,000.

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
					provision to clarify that the APs who are relocated will have priority for livelihood restoration measures
		Land user	<p>Replacement plot with use license OR, if feasible and desired, Ownership license and State title registration</p> <p>All taxes, registration and transfer costs are waived or included in compensation prices.</p>	<p>Advance notice of at least 6 months to initiate termination procedures as agreed in the land use certificate with MUB</p> <p>All taxes, transaction and transfer costs associated with termination of the land use license to be paid to the land user.</p>	<p>In accordance with the law of Land in Mongolia, 2002, "A certificate of land use " means a document certifying rights of land use granted to foreign countries, international organizations, and companies with foreign investment, foreign legal entities, foreign citizens and stateless persons.</p> <p>A Mongolian citizen, organization or company will be entitled to a certificate of land use only in special protected areas, where ownership and possession rights are not granted. There are no such special protected areas within the project boundaries. The same entitlement provisions, as applicable to</p>

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
					foreign entities, citizens or organization, shall apply in the event of any affected person with land use rights being a Mongolian citizen, organization or company. The entitlement of ownership license and state title registration has been deleted as the law of Land in Mongolia does not permit land ownership and consequently registration of land ownership title for foreign citizens or foreign entities, or to Mongolian entities or organizations within specially protected areas.
		Lessee	<p>The AP may choose between the following alternatives:</p> <p>Allocation of plot with ownership license and State registration</p> <p>All taxes, registration and transfer costs are waived or included in compensation price</p> <p>OR</p> <p>Cash refund at rental fee rate for duration of remaining lease period</p>	<p>The residential AH may choose between the following options:</p> <p>(i) Rental apartment housing at subsidized Governmental rates;</p> <p>OR</p> <p>(ii) Rent-to-own apartment housing at subsidized Governmental rates.</p> <p>Relocation and transitional assistance for a period of 3 months</p>	The revised entitlement provisions are consistent with and exceeds the Safeguard requirements 2 on involuntary resettlement for displaced persons who have neither formal legal rights nor recognized or recognizable claims to the lands occupied.

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
				<p>for lessees not opting for (i) or (ii) above.</p> <p>Business and land lessees will be eligible to assistance in identification of alternate location, on a lease basis.</p> <p>All taxes, registration, transaction and transfer costs included in the negotiation agreement.</p> <p>Liaison support with landowner for any eligible refund of rental/lease advances paid.</p>	<p>The provision of allocation of plot with ownership licence and state registration has been substituted with rental/rent-to-own apartment housing for the following reasons: (i) lack of adequate alternative plots within Ulaanbaatar that could be allotted to lessee AHs, (ii) Government of Mongolia's initiatives and policies to improve the air quality the capital city through transition from the individual chimneys burning raw coal to centralized heating facilities in apartment complexes; and (iii) lessees not being entitled to be compensated for replacement land either under the law of the land in Mongolia or under ADB requirements.</p> <p>It might happen that the APs do not opt for both option (i) and (ii), then they will have a choice for relocation and transitional</p>

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
	Partial loss of plot (<50%) In some cases, even if the loss is less than 50%, it may be full loss as the remaining land cannot be used for original purpose. In such cases, if the AH decides, he/she can request that the land is fully acquired, and would be eligible to the entitlement provisions applicable to full loss of plot.	Landowner and possessor	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 prices	Cash compensation at negotiated price based on land market value determined through certified professional valuations or the government determined base value of land, whichever is higher. All taxes, registration and transfer costs included in the negotiation agreement.	assistance No change
		Occupant of land without land rights	Ownership or possession and state title registration for adjacent unlicensed land will be provided by government. All taxes, registration and transfer costs are waived or included in compensation prices	In case the AH cannot continue occupying the remaining land, the AH will be entitled to the provisions applicable to occupant of land without land rights experiencing full loss (>50%)	The provision for providing ownership or possession rights and state title registration of the adjacent unlicensed land to occupants of land without land rights is not acceptable to the MUB as (i) it sets a precedence and will certainly increase opportunistic squatting on public lands, and (ii) will have a significant impact for MUB to implement its urban redevelopment program in the capital city. Instead alternative entitlements have been included for such occupants, with a security of tenure, in form

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
					of affordable social housing.
		Land user	Continuation of use on remaining land	Continuation of use right on remaining land. If continuation of use rights on the remaining land is not viable or possible, advance notice of at least 6 months to initiate termination procedures as agreed in the land use certificate with MUB All taxes, transaction and transfer costs associated with termination or continuation (in case of partial loss) of the land use license to be paid to the land user.	For land users, if they cannot continue to use the land, clear measures are proposed for such APs
		Lessee	Cash refund at rental fee rate and proportionate to duration of remaining lease period	Liaison support for continuation of rental / leasing arrangements within the plot. Liaison support with landowner for any eligible refund of rental/lease advances paid, caused due to the partial loss of the rented/leased land.	Added new provision that the partially affected lessee shall be entitled to continuation of rental / leasing arrangements within the plot.
Structures (residential/ commercial/ public/ community)	Full loss of structure and relocation	Landowner, possessor, user, occupant of land without land rights	Cash compensation for replacement of lost structure at market rate determined through professional valuations without deduction of depreciation, based on contractual agreement and no deduction for salvaged materials.	Cash compensation at full replacement costs for impacted assets and structures determined through professional valuation, without deduction for salvaged materials or the asset/structure depreciation. Right to salvage	No change

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
				materials from the compensated affected structures.	
	Partial loss of structure	Owner, possessor, user, occupant of land without land rights	Cash compensation for lost part of structure and reconstruction of remaining structure at market rate without deduction of depreciation, based on contractual agreement and no deduction for salvaged materials	Cash compensation at full replacement costs for impacted assets and structures determined through professional valuation, without deduction for salvaged materials or the asset/structure depreciation. Right to salvage materials from the compensated affected structures	The extent of structure to be demolished will be assessed by the structural engineer of MUB based on (i) land required; (ii) structural conditions that will determine the continued safe use of the remaining structure; (iii) and building layout
	Moving or relocation of ger	Landowner, possessor, user, occupant of land without land rights, lessee	Cash compensation for cost of taking down and raising of ger and for transport, as applicable; to be included in contractual agreement	Cash compensation for cost of taking down and rebuilding of ger and for transportation to the new location or within the plot, as applicable;	The transport cost for relocation of the ger will be assessed based on labor and vehicle hire charges, if required.
Relocation of residential households	Relocation of residences to a different location or within the same plot	Landowner, possessor, user, occupant of land without land rights		Relocation and transitional period assistance for a period of 6 months for households requiring to move to a different location and for a period of 3 months for households requiring to move within the plot partially affected	New provision to clarify the support for AHs who are relocating their residences
Temporary disturbance	Occupation of lands (outside RoW of subprojects) for temporary period during construction, impacts on structures.	Landowner, possessor, user, occupant of land without land rights	Cash compensation fee negotiated with AP. Access to land and residences Fences will be moved	Cash compensation negotiated with AP for: (i) the fence/structures affected due to temporary occupation; and (ii) rental fee for land for the period of temporary occupation. Enable continued	Changes in the text for clarity in the second column, Original text was as follows: "Removal of fence/structures, civil works on land outside ROW, restoration of land and

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
			by civil works contractor There is no deduction for salvaged materials	access to land, residences and businesses in the remaining plot; Restoration of land to original status prior to handing over the lands to the landowner	fences". Added "Restoration of land to original status prior to handing over the lands to the landowner" for clear measures to support the affected persons.
Businesses2 1F ²³	Any business loss due to land acquisition or construction activities by Project	All businesses temporarily affected ²⁴	Cash compensation equivalent to the loss, for the period of interruption of business based on tax receipts/other valid documents or, if such documents are not available, based on the average net income of typical/similar businesses in project areas.	Cash compensation towards the disruption in businesses, equivalent to the loss of business incomes for a period of 3 months, calculated based on tax receipts/other valid documents. If such documents are not available, the business loss shall be assessed based on the current average net income of typical/similar businesses in project areas determined by certified professional valuers. If the above will be not be possible, the AH shall be compensated based on minimum wages for the period of interruption of business.	In addition to the earlier entitlements, a new provision included to compensate businesses based on minimum wages for business losses without any valid document evidences and also cannot be compared with other businesses. Also, it clarifies that the temporary loss period to be more 3 months.
		All businesses requiring relocation to a different	Cash compensation equivalent to the loss, i.e., for the period of interruption of business based on tax receipts/other valid	Cash compensation towards the relocation and transitional assistance for business incomes,	In addition to compensation for land and structures impacted, all businesses

²³ Businesses will include any business entities (registered or otherwise), formal or informal, operating at household level, activity that is carried out full time or part time and include any household activity that contributes to the income of the affected household.

²⁴ Temporarily affected businesses refer to those businesses that would be affected by involuntary resettlement impacts which would result in either partial or full closure of businesses during the period of construction.

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
		location	<p>documents or, if such documents are not available, based on the average net income of typical road businesses <i>or similar businesses*</i> in the subproject areas.</p> <p><i>*Similar businesses” have been added since it is not just road businesses that may be affected</i></p> <p>AND</p> <p>Any costs required for physical and financial reestablishment of business.</p> <p>If the business needs to be relocated, the following options will be provided to the affected entities : (a) government will provide replacement land/shop space prior to relocation; or (b) if an acceptable plot of land/space cannot be agreed upon, net income loss of 1 year will be paid and, in consultation with the affected persons; the replacement land/shop space will be provided within 1 year of displacement</p>	<p>equivalent to the loss of business incomes for a period of 6 months, calculated based on tax receipts/other valid documents, or, if such documents are not available, based on the current average net income of typical/similar businesses in the project areas determined by certified professional valuers.</p> <p>If the above will be not be possible, the AH shall be compensated based on minimum wages for the period of interruption of business.</p> <p>Livelihood restoration measures including skill development, support for business and employment opportunities and equipment provision, based on the skills assessment and an assessment of needs of the individual households.</p> <p>Facilitation by MUB to obtain all licenses required for reestablishment of the businesses.</p>	<p>permanently affected will be entitled to relocation and transitional allowances, in addition to compensation at replacement cost for land and structures, consistent with entitlement provisions for full loss of land including commercial land and structures. In addition, these businesses will be entitled to cash compensation for the period of 6 months, the months are included for clarity.</p> <p>To provide long term sustainability for the businesses, the revised entitlement includes livelihood restoration measures that would contribute to restoring business incomes and livelihoods.</p>
Employment	Employment loss due to land acquisition or construction activities	All affected employees of affected businesses	Compensation for loss of employment income for the period of interruption of employment .	Compensation for loss of employment for 3 months wages for workers/employees that have been engaged for at least 1 year; otherwise entitlement is 1-	New provision to provide preference for affected employees in the project related workforce.

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
				<p>month wage.</p> <p>Other labor benefits and retrenchment allowances according to the national labor law.</p> <p>Liaison support with the business owner towards continued employment</p> <p>Skill development support for business and employment opportunities.</p> <p>Preferential employment in project-related workforce, if available and desired by affected employees.</p>	Merged the temporary and permanently affected employees into one provision and specified the period for which the compensation will be provided.
Any impacts or risks that may result to further hardship on Vulnerable HHs	<p>Any impacts or risks that may require</p> <p>Additional measures or support or assistance given their vulnerability to address any impacts or risks caused by the project or improve their socio-economic conditions</p>	Vulnerable APs	<p>Preferential employment in project-related workforce, if available and desired by affected entities;</p> <p>Cash assistance up to a maximum of six months at guaranteed lowest living level and assistance in reconstitution of business or employment</p> <p>AND</p> <p><i>any assistance that they are entitled to according to the Social Welfare Law.</i></p>	<p>(i) Livelihood restoration measures including skill development, support for business and employment opportunities; and equipment provision towards improvement of incomes</p> <p>(ii) Cash assistance up to a maximum of six months at guaranteed lowest living level for vulnerable APs who are elderly and disabled who are not able to avail (i) above.</p> <ul style="list-style-type: none"> • Preferential access to employment opportunities for affected 	<p>To provide sustainable livelihood restoration options to the AHs, a set of livelihood restoration measures will be available to the vulnerable AHs to enhance their skills, procurement of equipment that would improve their livelihoods apart from provision of employment opportunities. The livelihood support measures will be made available to all vulnerable AHs in the working age group, and cash assistance option will be</p>

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
				<p>vulnerable APs in the working age group, with requirement of guaranteed employment to at least one member of the affected household.</p> <ul style="list-style-type: none"> Facilitate enrolment of elderly and disabled APs in the state support programs/schemes, if not enrolled already. Facilitate access to assistance that they are entitled to according to the Social Welfare Law. Assistance in form of liaison support with authorities in reconstitution of business or employment. 	<p>made available only to the vulnerable APs who are elderly or disabled.</p> <p>Compensation and assistance to severely affected entities are covered under the provisions for full loss of plot (>50%) and/or impacts on business. In the event of AHs with full loss of plot or those whose businesses are affected are being identified as vulnerable, the provisions applicable to the vulnerable group will apply in addition to the entitlements.</p>

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
	Permanent loss of livelihood	All vulnerable APs	Assistance with selecting a replacement plot and with preparation of contracts and administrative process of provisions of replacement plot		Removed as the entitlements were already covered in the provisions for the impacts on AHs in the matrix.
	Loss of land	All vulnerable APs	Assistance with house relocation and other construction activities (new housing should meet minimum standard), registration of property titles, relocation expenses, minimum housing guarantee.		Removed as the entitlements are already covered in the provisions for the impacts on AHs in this matrix.
	Loss of structure	All vulnerable APs	Preferential treatment for temporary employment during construction; Employment training (3–6 months).		Removed as the entitlements are already covered in the provisions for the impacts on AHs in this matrix.
	Livelihood support	All vulnerable APs	Preferential treatment to avoid, minimize or mitigate disturbance as quickly as possible.		Removed as the entitlements are already covered in the provisions for the impacts on AHs in this matrix.
Impact on Schooling on young school children	Access to kindergarten and school facilities for affected schoolchildren	All displaced AHs with children requiring transferring from their kindergarten/school.	-	Coordinate with concerned schools or “Ministry of Education” to ensure that school children are accepted and enrolled in school/kindergarten at the new relocated location.	New. Timing of relocation of the AHs to be planned to avoid disruption during the school year. In the event of any relocation during the academic year, project to take measures to avoid any disruption in schooling.
Unidentified Losses	Unanticipated impacts	All APs	To be identified during project implementation; measures will be formulated as	To be identified during project implementation; measures will be formulated as appropriate according	No change

Type of Impacts/Risks	Specification	Eligibility	Compensation entitlements – T2 RF	Compensation entitlements (revisions proposed)	Remarks
			<i>appropriate according to ADB policy and reported to ADB prior to implementation</i>	<i>to ADB policy and reported to ADB prior to implementation</i>	

ANNEX 2: Base Value of Land in the Territory of Municipality of Ulaanbaatar

The table below is the Annex 3 to the Government of Mongolia Resolution No. 182 dd 20 June 2018 for Determining Land Value Category (Zone), Base Value, and Land Fee.

Land value category (zone), and based value of 1 hectare land in the Bayangol, Bayanzurkh, Chingeltei, Songinokhairkhan, Sukhbaatar, and Khan-uul districts of capital city

Land value category (zone) No.	Family/ Household common/ joint use	State/local budget organization's official use	Apartment housing use	Trade and all types of services	Oil/fuel products storage, fuel station	All types of car parking (garage), both above and under ground	Public use land	Engineering network, and its infrastructure facilities	Railway station and airport buildings and facilities	Railway and airport protection zone	Land for foreign diplomatic missions and consular offices, international organizations	Religion, church and temple	Production of leather, wool, and cashmere factory, wastewater treatment plant, and hazardous waste	All types of factories (except agriculture)	Agriculture factories	Mining exploitation land	Mining production/factory land
0	1 hectare land base value /million MNT/																
1	818.0	323.8	957.4	1280.0	1408.0	960.0	380.2	957.4	957.4	366.1	760.3	1309.5	1408.0	1408.0	-	-	-
2	764.0	220.8	652.8	1216.0	1344.0	768.0	259.2	652.8	652.8	249.6	518.4	892.8	1344.0	1344.0	-	1408.0	1408.0
3	490.0	176.6	522.2	1216.0	1280.0	576.0	207.4	522.2	522.2	199.7	414.7	714.3	1280.0	1280.0	-	1344.0	1344.0
4	436.0	132.5	391.6	1152.0	1216.0	576.0	155.5	391.7	391.7	149.8	311.0	535.6	1216.0	1216.0	-	1280.0	1280.0
5	382.0	132.5	391.6	1088.0	1216.0	512.0	155.5	391.7	391.7	149.8	311.0	535.6	1216.0	1216.0	-	1216.0	1216.0
6	273.0	117.8	348.2	960.0	1152.0	448.0	138.2	348.2	348.2	133.1	276.5	476.1	1152.0	1152.0	-	1216.0	1216.0
7	245.0	103.0	304.6	896.0	1088.0	384.0	121.0	304.6	304.6	116.5	241.9	416.7	1088.0	1088.0	-	1152.0	1152.0

Land value category (zone) No.	Family/ Household common/ joint use	State/local budget organization's official use	Apartment housing use	Trade and all types of services	Oil/fuel products storage, fuel station	All types of car parking (garage), both above and under ground	Public use land	Engineering network, and its infrastructure facilities	Railway station and airport buildings and facilities	Railway and airport protection zone	Land for foreign diplomatic missions and consular offices, international organizations	Religion, church and temple	On chemical toxic substance, skin, leather, wool, and cashmere factory, wastewater treatment plant, and hazardous waste	All types of factories (except agriculture)	Agriculture factories	Mining exploitation land	Mining production/factory land
0	1 hectare land base value /million MNT/																
8	191.0	88.3	261.1	1024.0	1024.0	256.0	103.7	261.1	261.1	99.8	207.4	357.1	1024.0	1024.0	96.0	1088.0	1088.0
9	136.0	58.8	174.1	896.0	896.0	384.0	69.1	174.1	174.1	66.6	138.2	238.0	896.0	896.0	64.0	1024.0	1024.0
10	109.0	88.3	261.1	896.0	1024.0	320.0	103.7	261.1	261.1	99.8	207.4	357.1	1024.0	1024.0	96.0	896.0	896.0
11	55.0	73.6	217.6	1024.0	960.0	256.0	86.4	217.6	217.6	83.2	172.8	297.6	960.0	960.0	80.0	1024.0	1024.0
12	27.0	58.9	174.1	768.0	896.0	256.0	69.1	174.1	174.1	66.6	138.2	238.0	896.0	314.0	64.0	960.0	960.0
13	18.0	58.9	174.1	768.0	896.0	128.0	69.1	174.1	174.1	66.6	138.2	238.0	896.0	462.0	64.0	896.0	896.0
14	-	29.4	87.0	576.0	768.0	128.0	34.6	87.0	87.0	99.8	69.1	119.1	768.0	105.0	32.0	896.0	896.0
15	-	29.4	87.0	448.0	768.0	102.4	34.6	87.0	87.0	33.3	69.1	119.1	768.0	84.0	32.0	768.0	768.0
16	-	23.6	69.6	192.0	384.0	102.4	27.7	69.6	69.6	26.6	55.3	95.2	384.0	76.0	25.6	384.0	768.0

ANNEX 3: Sample Grievance Action Form

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. Thank you.

☐ Request for Confidentiality

CATEGORY OF GRIEVANCE

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

Date	Place of registration	Project site:
Name (if not confidential)		
Home address		
District/Khoroo		
Phone number/email:		
Description of grievance/comment or suggestion:		
If includes attachment/note/letter, please tick here: <input type="checkbox"/>		

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: <input type="checkbox"/> Yes <input type="checkbox"/> No
Means of Disclosure:

ANNEX 4: Outline of Land Acquisition and Resettlement Plan

A LARP is required for all subprojects involving land acquisition and resettlement impacts. Its level of detail and comprehensiveness will be commensurate with the significance of potential resettlement impacts and risks.

A. Executive Summary

This section provides a concise statement of project scope, key survey findings, entitlements, and recommended actions.

- i. Project Scope
- ii. Key Survey Findings
- iii. Entitlements
- iv. Recommended Actions

B. Project Description

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

- i. General Description
- ii. Project Components
- iii. Project Area
- iv. Alternatives Considered

C. Scope of Land Acquisition and Resettlement

Discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities; describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project; summarizes the key effects in terms of assets acquired and affected persons; and provides details of any common property resources that will be acquired.

D. Socioeconomic Information and Profile

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including: define, identify, and enumerate the people and communities to be affected; describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account; discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

This section: identifies project stakeholders, especially primary stakeholders; describes the consultation and participation mechanisms to be used during the different stages of the project cycle; describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders; summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and

recommendations made were addressed in the resettlement plan; confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

F. Grievance Redress Mechanisms

This section describes mechanisms to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

G. Legal Framework

This section:

- i. describes national and local laws and regulations that apply to the project and identify gaps between local laws and ADB's policy requirements; and discuss how any gaps will be addressed;
- ii. describes the legal and policy commitments from the executing agency for all types of affected persons;
- iii. outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods;
- iv. set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided; and
- v. describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

H. Entitlements, Assistance and Benefits

This section:

- i. defines affected persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- ii. specifies all assistance to vulnerable groups, including women, and other special groups; and
- iii. outlines opportunities for affected persons to derive appropriate development benefits from the project.

I. Relocation of Housing and Settlements

This section:

- i. describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- ii. describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- iii. provides timetables for site preparation and transfer;
- iv. describes the legal arrangements to regularize tenure and transfer leases to resettled persons;
- v. outlines measures to assist affected persons with their transfer and establishment at new

- sites; and
- vi. describes plans to provide civic infrastructure; and (vii) explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

This section:

- i. identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- ii. describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- iii. outlines measures to provide social safety net through social insurance and/or project special funds;
- iv. describes special measures to support vulnerable groups;
- v. explains gender considerations; and describes training programs.

K. Resettlement Budget and Financing Plan

This section:

- i. provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation;
- ii. describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items);
- iii. includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs; and
- iv. includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

This section:

- i. describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- ii. includes institutional capacity building program, including technical assistance, if required;
- iii. describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- iv. describes how women's groups will be involved in resettlement planning and management.

M. Implementation Schedule

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction and provide land acquisition process and timeline.

N. Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the project for monitoring

and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.