

Draft Resettlement Framework

November 2018

Mongolia: Improving Access to Health Services for Disadvantaged Groups Investment Program

CURRENCY EQUIVALENTS

(as of 2 November 2018)

Currency unit	–	togrog (MNT)
MNT1.00	=	\$0.0004
\$1.00	=	MNT2,565.500

NOTE

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

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Date 30 November 2018

Ref. 3/379

To: ADB Office in Mongolia

Attention: Mrs. Altantuya Jigjidsuren, Senior Social Sector Officer

From: Dr. R. Oyunkhand, Head of Policy Planning Department, Ministry of Health

Subject: Endorsement Letter

Dear Mrs. Altantuya,

We would like to submit the a) Resettlement Framework, b) Initial Environmental Examination, c) Indigenous Peoples Planning Framework, d) Environmental Management Plan, and e) Environmental Assessment Review Framework for the Proposed Multitranchise Financing Facility Mongolia: Improving Access to Health Services for Disadvantaged Groups (Tranche 1).

The above safeguard documents have been prepared in accordance with ADB's Safeguard Policy Statement (2009) (SPS) and applicable Mongolian laws and regulations.

The Ministry of Health hereby confirms the content of the safeguard documents and makes the commitment that it will be implemented on a timely basis.

Yours sincerely,

Oyunkhand Ragchaa
Head of Policy Planning
Department

081033

**Resettlement Framework
November 2018**

**Improving Access to Health Services for
Disadvantaged Groups Investment Program**

Prepared by the Municipality of Ulaanbaatar for the Asian Development Bank.

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Abbreviations

ADB	Asian Development Bank
AP	Affected Person
DMS	Detailed Measurement Survey
EMA	External Monitoring Agency
GOM	Government of Mongolia
GRM	Grievance redress mechanism
IR	Involuntary Resettlement
LARP	Land Acquisition and Resettlement Plan
M&E	Monitoring and evaluation
MFF	Multitranches Financing Facility
MUB	Municipality of Ulaanbaatar
PIU	Project Implementation Unit
RF	Resettlement Framework
SPS	Safeguard Policy Statement
FHC	Family Health Center
CHDHC	Chingeltei District Health Center
KHUDH	Khan-Uul District Hospital
RDCKH	Regional Diagnostic Center of Khovd Aimag
SHC	Soum Health Center

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 replacement cost of an asset lost due to Project-related impacts

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

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

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.

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

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

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

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

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

Family Health Centre: Under scope of reform of the health sector, Family Health Centers were founded in 2002 and as of today, the centers operated as primary units delivering primary care to individuals on the basis of tripartite agreement entered by and among the Family Health Center, district Governor, and district Health Center. There are a total 142 Family Health Centers operating in 8 districts of Ulaanbaatar and depending on number of population of khoroos, they deliver primary care to about 3,000–18,700 individuals in average.

District hospital/ Health Center: According to relevant law, district general hospitals offer outpatient and inpatient treatments in 7 fields including gastroenterology, pediatric, obstetrics, general surgery, dental, neurology, and infectious diseases. In fact, it is rare for the district health centers to provide these health services. Chingeltei and Khan- Uul district general hospitals only provide non-surgical health services through their outpatient and inpatient clinics.

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

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

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

I. Introduction

1. This Resettlement Framework has been prepared and will serve as a guide in the social screening and categorization, impact assessment, and preparation of Land Acquisition and Resettlement Plans (LARPs) for the proposed Improving Access to Health Services for Disadvantaged Groups Investment Program (“program”). The program will be implemented as a Multitranche Financing Facility (MFF) in three tranches.

II. Program Description

2. The proposed program will reinforce past and ongoing reform efforts of the Government of Mongolia and development partners to improve access to quality health services. It will help expand the availability and use of quality primary and secondary health services in disadvantaged areas of Ulaanbaatar (*ger* [traditional tent] areas), in Khovd and Uvs *aimag* (province) and selected *soums* (*aimag* subdistrict). It will also assist in reducing high out-of-pocket expenses for health nationwide.

3. The program will deliver four major outputs to address the key constraints identified above through implementation of the Tranche 1, Tranche 2 and Tranche 3 projects: (i) urban and rural primary health care strengthened, (ii) district and *aimag* hospital services improved, (iii) strategic purchasing model strengthened, and (iv) capacity in procurement and financial management of relevant government entities for health strengthened.

(i) **Urban and rural primary healthcare strengthened.** This output will (a) help in reforming primary health care service organization, strengthening quality management, and promoting the use of information technology; (b) establish 10 model Family Health Centers (FHCs) in poorer *ger* areas of Ulaanbaatar and 6 *Soum* Health Centers (SHCs) in selected *aimags*, including green technology; to reduce the CO₂ footprint of these facilities; (c) implement models of integrated primary and secondary services to promote continuity of care; (d) implement public–private partnership (PPP) maintenance and service delivery models; and (e) carry out a program of institutional and human resources development for primary health care (PHC) planning, budgeting, regulation, and supervision, backed by information technology of the Ulaanbaatar City and *aimag* health departments. The output will also establish a national emergency system for the capital city and *aimags* backed by telemedicine and air transport.

(ii) **District and *aimag* hospital services improved.** This output will (a) establish a new district hospital in the Chingeltei district of Ulaanbaatar, including green technology; (b) renovate and expand the Khan-Uul district hospital, Khovd and Uvs *aimag* hospitals, including green technology; (c) support hospital autonomy through regulations, accountability mechanisms, management systems, improved contracting capacity, and capacity building; and (d) explore PPP and outsourcing models related to maintenance and selected health services.

(iii) **Strategic purchasing model strengthened.** This output will (a) implement a strategic purchasing model to shift state funding for health from financing budget lines to purchasing services; (b) implement a capacity building program on strategic purchasing for Ministry of Finance (MOF), Ministry of Health (MOH), and the National Council on Health Insurance (NCIH); (c) implement an institutional development program for system performance analysis and evidence-based decision making of MOH; and (d) strengthen the health insurance organization (HIO) in planning, contracting and contract management, costing, and fund management.

(iv) **Capacity in procurement and financial management of relevant government entities for health strengthened.** This output will (a) assess internal processes and implement a continuous institutional and capacity building program for procurement, financial, and risk management procedures at relevant government entities (MOH, government procurement agency [GPA]); and (b) strengthen capacity to monitor and undertake internal audit and risk management functions of investment programs executed by MOH.

4. Tranche 1 includes all four outputs mentioned above. Output 1 will design and construct four FHCs (10th and 14th Khoros in Khan-Uul district, 19th Khoroo in Chingeltei district, and 17th Khoroo in Bayanzurkh district) with expanded services and pilot an integrated primary and secondary care model, reform PHC financing and contracting, introduce an electronic health record system for PHC, introduce low-carbon technology, establish a national emergency system, and strengthen Ulaanbaatar City Health Department's planning and management capacity. Output 2 will expand and renovate hospitals in Khan-uul district, Khovd and Uvs *aimags*, National Emergency Call Center in Ulaanbaatar city, and 5 SHC's in Dashinchilen, Erdene, Erdenemandal, Bayan-Undur, and Tarialan *soums*, strengthen hospital autonomy, and introduce low-carbon technology in hospital building construction. Output 3 will design and initiate reforms of the strategic purchasing systems. Output 4 will assess needs and implement a capacity building program for MOH and GPA's procurement, financial, and risk management, throughout the entire duration of the program.

5. Under Tranche 1 of the program, the following primary health centers will be established.

- (i) Orkhon Tushee FHC, BZD-17th khoroo
- (ii) Undrakh Ireedui-FHC, CHD-19th khoroo
- (iii) Amin tus FHC, KHUD-10th khoroo
- (iv) Enkh-Amgalan Ulziit, FHC, KHUD 14th khoroo
- (v) Erdenemandal *soum*, Arkhangai *aimag*
- (vi) Dashinchilen *soum*, Bulgan *aimag*
- (vii) Erdene *soum*, Dornogovi *aimag*
- (viii) Tarialan *soum*, Khuvsgul *aimag*
- (ix) Bayan-Undur *soum*, Uvurkhangai *aimag*

4. Under Tranche 1, renovation and expansion of district and aimag hospital services will be carried out as follows:

- (i) Khovd Diagnostic center
- (ii) Uvs aimag hospital
- (iii) Khan-Uul District Hospital
- (iv) Emergency Call Coordination center in UB

7. Under Tranche 2, the following primary and district level hospitals will be built:

- (i) Renchinlkhumbé *soum* Khuvsgul aimag
- (ii) Chingeltei District Hospital

8. Under Tranche 3, the following primary health centers will be built in Ulaanbaatar:

- (i) Ariun chanar FHC, BGD-10th khoroo
- (ii) Enkht FHC, BGD-18th khoroo
- (iii) New FHC between 4th and 5th khoroo area, BZD
- (iv) New FHC, between SKHD-12,13,14th khoros
- (v) Amgalan-Urkh FHC, KHUD-11th khoroo
- (vi) NOVA FHC, BDZ-20th khoroo, Gachuurt

III. Screening and Potential LAR Impacts

9. Based on preliminary designs, an assessment of land acquisition and resettlement impacts from the program activities for all 21 health facilities including *Aimag* Centers, FHCs, District hospitals, and SHCs was made. **Table 1** presents land related information of the entire facilities.

Table 1: Land related information of the facilities

No	Names	Land size (m2)	Land title	Remarks
Tranche 1				
1	Orkhon Tushee FHC, BZD-17 th khoroo	950	Possession	No LAR impacts. Land certificate issued in May 2018
2	Undrakh Ireedui-FHC, CHD-19 th khoroo	1000	Possession	No LAR impacts. Land certificate issued in June 2018.
3	Amin tus FHC, KHUD-10 th khoroo	800	Possession	No LAR impacts.
4	Enkh-Amgalan Ulziit, FHC, KHUD 14 th khoroo	1000	Possession	No LAR impacts. Land certificate issued in June 2018.
5	Erdenemandal soum, Arkhangai aimag	19350	Possession	No LAR impacts. Land certificate issued in May 2018.
6	Dashinchilen soum, Bulgan aimag	13000	Possession	No LAR impacts.
7	Erdene soum, Dornogovi aimag	10000	Possession	No LAR impacts.
8	Tarialan soum, Khuvsgul aimag	8724.4	Possession	No LAR impacts. Land certificate issued in May 2018.
9	Bayan-Undur soum, Uvurkhangai aimag	8681 800	Possession	No LAR impacts.
10	Uvs aimag hospital			No LAR impacts. Land certificate issued in April 2017.
11	Khovd aimag, Diagnostic center	44200	Possession	No LAR impacts.
12	Khan-Uul District Hospital	39000	Possession	No LAR impacts.
13	Emergency call coordination center, UB	985 2152	Possession	No LAR impacts.
Tranche 2				
1	Chingeltei District Health Center	-	-	About 32 households live on the lands considered for locating the DHC, resulting in potential LAR impacts.
2	Renchinlkhumbе soum, Khuvsgul aimag	14680	Possession	No LAR impacts. Land certificate issued in May 2018.
Tranche 3				
1	Ariun chanar FHC, BGD-10 th khoroo	121	Possession	
2	Enkht FHC, BGD-18 th khoroo	-	-	The center runs its activity in the Apartment building having 125m2 area.
3	New FHC between 4 th and 5 th khoroo area, BZD.	-	-	Location is determined and order will be issued.
4	New FHC, between SKHD-12,13,14 th khoroo	-	-	The center will be built on public land with good development.
5	Amgalan-Urkh FHC, KHUD-11 th khoroo	127	Possession	Has land certificate with 500m2.
6	NOVA FHC, BDZ-20 th khoroo, Gachuurt	361 881	Possession	

10. For Tranche 1, there will be no LAR impacts during the construction of new buildings for hospitals and health centers in the following locations as all construction works will be carried out on their own possessed land which are free of any disputes and unencumbered. Accordingly, there is no need to develop LARP. This conclusion is further confirmed by the letters by the relevant *Aimag* land Department and *Soum* Governors. Detailed information is given in Due Diligence Report.

Table 2: Program components and potential IR impacts

1.	Resettlement Framework for the Entire Investment Program (For Tranche 1 to Tranche 3)		
	Tranche 1	Tranche 2	Tranche 3
	PPTA findings and due diligence: Category C	During Loan Implementation screen impacts as per RF guides	During Loan Implementation screen impacts as per RF guides
	<ul style="list-style-type: none"> • Khovd Diagnostic Center; • Uvs aimag hospital; • Khan-Uul District Hospital; • Emergency Center in UB; • Orkhon Tushee FHC, 17th khoroo, Bayanzurkh District; • Undrakh-Ireedui FHC, 19th khoroo, Chingeltei District; • Amin tus FHC, 10th khoroo, Khud and • Enkh-Amgalan Ilziit FHC, 14th khoroo KHUD' • Erdenemandal soum, Arkhangai aimag • Dashinchilen soum, Bulgan aimag • Erdene soum, Dornogovi aimag • Tarialan soum, Khuvsgul aimag • Bayan-Undur soum, Uvurkhangai aimag 	<ul style="list-style-type: none"> • RENCHINKHUMBE soum Khuvsgul aimag • Chingeltei District Hospital 	<ul style="list-style-type: none"> • Ariun chanar FHC, BGD-10th khoroo • Enkht FHC, BGD-18th khoroo • New FHC between 4th and 5th khoroo area, BZD • New FHC, between SKHD-12,13,14th khoros • Amgalan-Urkh FHC, KHUD-11th khoroo • NOVA FHC, BDZ-20th khoroo, Gachuurt
2.	Resettlement Plan is not required because there are no IR impacts	The site being considered for Chingeltei district hospital will impact about 32 households living on the site, and result in LAR impacts. RP to be prepared. RF will guide in the preparation of an RP.	RP to be prepared if IR is triggered. RF will guide in the preparation of an RP

12. An assessment of the land acquisition and resettlement impacts from the program activities for Chingeltei District Hospital and FHCs in UB for Tranche 2 confirms that there will be LAR impacts triggered. In line with the provisions of this RF, if involuntary resettlement impacts are triggered for any of the program components, a Land Acquisition and Resettlement Plan need to be prepared in accordance with approved Resettlement Framework. The program activities for Tranche 3 will be made based on detailed designs of the components, and RP will be prepared in the event of any LAR impacts identified.

IV. Objectives, Legal and Policy Framework

13. The main objective of this RF is to set out a policy and entitlement framework, as well as procedures for preparing and approving program LARP as per SPS. It provides tools to program proponents and stakeholders that will ensure that all affected entities receive the appropriate assistance, compensation and access to program 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 program. To achieve this, the affected entities will 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 will be provided opportunities to participate in any decision making pertinent to involuntary resettlement (IR). All provisions of this RF are based on the applicable Mongolian Laws and the 2009 Safeguard Policy Statement (SPS).

A. Mongolian Laws and Regulations

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

B. ADB SPS: Involuntary Resettlement Policy Requirements

15. The 2009 ADB Safeguard Policy Statement outlines the requirements that ADB borrowers/clients are required to meet in delivering IR safeguards to ADB supported projects. The overriding objectives of the safeguards are: *"To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups."*

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

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

C. Assessment of Policy Gaps

18. There are several significant policy gaps between the Mongolian legal framework and the ADB IR safeguards. According to Mongolian law or practice (i) non-titled occupants of land (without ownership or possession license), including lessees of land and structures, are not eligible for compensation and rehabilitation entitlements; (ii) income and livelihood rehabilitation is not normally considered in local land acquisition practice; (iii) transaction costs are not included in compensation payments; (iv) there are no program internal grievance procedures preceding dispute resolution by governors and the courts; (v) public consultation and information disclosure is not practiced; (vi) an eligibility cut-off date is not declared; (vii) there is no limitation on commencement of civil works until after completion of all land acquisition procedures, and (viii) there is no need to prepare a LARP or to undertake monitoring and evaluation activities. See table below:

Table 31: Comparison of IR Related Provisions in Mongolian Law and the ADB SPS and Gap-Filling Measures

LAR issues	Provisions of Mongolian law	ADB policy principles	Gap-Filling Measures
Involuntary Resettlement	<p>Invoking eminent domain is only legally recognized when taking back land for special needs of the State including, lines and networks and other objects of national scale (Law on Allocation of Land to Mongolian Citizens, Articles 32 and 37; Land Law, Articles 42 and 43). This law does not apply to the USGADIP and consequently, the Civil Code will apply.</p> <p>Current practice by government in local scale projects entails a demand letter with threat of sanctions and offer of payment of compensation.</p>	<p>Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.</p>	<p>This program does not fall under “Regulation on Taking Over Land for and Releasing Land from State Special Needs”.</p> <p>The program adopts the IR objectives: <i>“to avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.</i></p>
Negotiated Settlement	<p>The Civil Code of Mongolia is the legal basis for contractual agreements on the transfer of land in the ROW from affected entities to the government (Chapter 15, Articles 1, 6, 7, 8, 109 and 112, among others).</p>	<p>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>Recognition of negotiated settlement, where there is a willing buyer and a willing seller.</p>
Eligible Affected Entities	<p>Licensed owners, possessors and users of land can transfer their titles to other legal persons recognized under the Land Law (Articles 35 and 38) and the Law on Allocation of Land to Private Citizens (Article 27).</p> <p>Non-titled occupants of land as illegal possessors are not eligible to transfer the land occupied or receive compensation (Land Law, Article 27.4).</p>	<p>Displaced persons in a project area could be of three types: (i) persons with formal legal rights to land lost in its entirety or in part; (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws; and (iii) persons who lost the land they occupy in its entirety or in part who have</p>	<p>Titled and non-titled affected entities are eligible to receive different entitlements.</p> <p>Titled affected entities are entitled to compensation and rehabilitation for affected land and non-land assets at replacement cost.</p> <p>Non-titled affected entities are eligible for entitlements for non-land assets at replacement cost and to</p>

LAR issues	Provisions of Mongolian law	ADB policy principles	Gap-Filling Measures
	<p>The Civil Code recognizes the right of a long term non-owner occupant of ownerless immovable property (incl. land) to own it after 15 years, if registered in the State register (104.2).</p>	<p>neither formal legal rights nor recognized or recognizable claims to such land.</p> <p>The borrower/client will provide adequate and appropriate replacement land and structures or cash compensation at full replacement cost for lost land and structures, adequate compensation for partially damaged structures, and relocation assistance, if applicable, to those persons described in items (i) and (ii) above prior to their relocation. For those persons described in item (iii) above, the borrower /client will compensate them for the loss of assets other than land, such as dwellings, and also for other improvements to the land, at full replacement cost.</p> <p>The entitlements of those under item (iii) is given only if they occupied the land or structures in the project area prior to the cutoff date for eligibility for resettlement assistance</p> <p>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>rehabilitation assistance, possibly including replacement land, such that to restore the livelihood of affected persons to at least pre-project level or better.</p>
<p>Compensation for land</p>	<p>Contractually agreed payment for land transferred to the government.</p> <p><i>In the case of land under ownership title, the compensation is based on market rates assessed by certified appraisers. For land under possession and use title, no compensation. The practice of using the</i></p>	<p>Prompt compensation at full replacement cost.</p>	<p>Land compensation at replacement cost based on land valuation at average market value within 1 year before the delivery of compensation or replacement land of similar size and quality.</p>

LAR issues	Provisions of Mongolian law	ADB policy principles	Gap-Filling Measures
	<p><i>government land valuation tariff (Cabinet Resolution 103, 2003) is used if the market rate is lower than this tariff. Replacement land can be provided if an affected entity's entire land or large part thereof is acquired.</i></p>		
Compensation for structures	<p>Contractually agreed payment for transfer of structures located on land acquired.</p> <p>The value of structures is determined at market rates, with depreciation deducted from gross value of the structure. <i>Affected entities can be permitted to salvage materials.</i></p>	Prompt compensation at full replacement cost.	The calculation of full replacement cost for assets will be based on prevailing market rates for comparable types of structures, cost of labor and transportation. There will be no depreciation and no deduction for salvageable materials.
Joint property ownership	<p>The Civil Code recognizes common property ownership and family property rights (Articles 108, and 125-128).</p> <p>Common property ownership requires permission of other owners to dispose of part of the property (108.4).</p> <p>Family property includes 'other properties accrued since the marriage, notwithstanding in which name of spouses or family members the property is registered' (126.2.4).</p> <p>Disposal of immovable (incl. land) family property requires mutual agreement (128.1) and certified written permission from an adult family member (128.2).</p>	<p>A resettlement plan will be based on the social impact assessment and through meaningful consultation with the affected persons. A resettlement plan will include measures to ensure that the displaced persons are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with resettlement alternatives. During the identification of the impacts of resettlement and resettlement planning, and implementation, the borrower/client will pay adequate attention to gender concerns, including specific measures addressing the need of female headed households, gender-inclusive consultation, information disclosure, and grievance mechanisms, to ensure that both men and</p>	No conflict with ADB SPS. Joint signatures are encouraged.

LAR issues	Provisions of Mongolian law	ADB policy principles	Gap-Filling Measures
		women receive adequate and appropriate compensation for their lost property and resettlement assistance, if required, as well as assistance to restore and improve their incomes and living standards.	
Easement (property servitude)	Legal provision for easements or property servitude, allowing the use of another person's property for specific public or private purposes is permitted under local law; mutual agreement and payment of a fee are required (Civil Code, Article 151, Land Law, Article 48 and Law on Allocation of Land to Private Citizens, Article 33).	The involuntary resettlement requirements apply to full or partial, permanent or temporary resulting from involuntary restrictions on land use.	No conflict with ADB SPS
Rental of land or house	The Civil Code, Chapter 25 regulates the lease of property, including land and houses. If ownership is transferred the new owner incurs all rights and obligations of a lessor (Article 297). No provisions for lessee rights in case of land acquisition for a project, except that termination of a lease requires a 3-month notice (Article 294.3)	Refers to "persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land". See eligible entities above.	Lessee is considered an affected entity and eligible to receive entitlements based on the type and degree of impacts.
Community and public resource losses	Affected community and public assets can be transferred through contractual agreement under the Civil Code. The cost of moving affected infrastructure is included in cost of civil works under the Project.	See eligible entities above.	Common property resources or public structures and infrastructure affected by land acquisition are eligible for compensation.
Income and livelihood rehabilitation	No provisions for income and livelihood restoration in contractual agreements for transfer of property.	Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement	Assistance for economic and social rehabilitation due to loss of jobs, incomes and livelihoods, including (i) income compensation or support

LAR issues	Provisions of Mongolian law	ADB policy principles	Gap-Filling Measures
		<p>strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible. 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>for the period of interruption of business or employment, and (ii) priority employment in project civil works, especially to poor and vulnerable households.</p>
<p>Relocation and transaction costs</p>	<p>The Mongolian Law on State Registration of Property Allocation Rights and Other Related Rights requires payment of registration duties and service fees for the registration of immovable property with the State Administrative Authority in charge of state registration of property rights (Article 9).</p> <p>All registration and other fees, as well as cost of relocation, are responsibility of parties to a contract and can be included in a contract.</p>	<p>The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any.</p>	<p>Relocation and transfer expenses, including fees for the registration of properties and other administrative charges, are part of the replacement cost of lost assets and included in compensation.</p>

LAR issues	Provisions of Mongolian law	ADB policy principles	Gap-Filling Measures
Grievance procedure	The Land Law refers disputes over land to the governors of administrative units and eventually the courts (Article 60). The Civil Code and Law on Allocation of Land to Private Citizens refer various types of disputes to the courts.	Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns.	An adequate GRM for affected people has been established for the program.
LARP information disclosure and public consultation	No provision for public consultation and information disclosure. In practice, all cases involve a period of negotiation.	Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.	Affected entities are to be fully informed and closely consulted on compensation and resettlement options. Draft, final and revised LARPs is to be disclosed and discussed, as well as published on ADB's website.
Cut-off date	Not applicable	A cut-off date will be established by the host government procedures. Entitlement is given only if they occupied the land or structures in the project area prior to the cutoff date for eligibility for resettlement assistance.	An eligibility cut-off date is to be set when the program is officially notified, the program area is delineated or the census of the affected population is taken, to prevent influx of non-eligible persons and land speculation.
Notification period for vacating property and commencement of civil works	Time period for vacating a property may be defined in contract. Civil works commence in parallel with acquisition of property, but without defined waiting period.	Pay compensation and provide other resettlement entitlements before physical or economic displacement.	Cash compensation and/or replacement of assets must be completed before displacement; land acquisition procedures, except for rehabilitation measures, must be completed before commencement of civil works.

V. Eligibility and Entitlements

19. All affected entities are eligible for entitlements, as stipulated in ADB's Safeguard Policy Statement, including owners, possessors, users, legal occupants, non-titled occupants and lessees. The eviction of unlicensed affected persons is a violation of the ADB's Safeguard Policy Statement.

All affected persons who are unlicensed occupants of land 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.

20. The land acquisition and resettlement (LAR) by the government for projects is based on negotiation and contracts with affected persons according to the Civil Code of Mongolia. The program will adopt a negotiated LAR practice involving contractual agreements negotiated between the affected persons and the Land Administration Department 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.

Table 4: Eligibility and Entitlements

Type of Loss/ Application	Specification	Eligibility	Compensation entitlements
Land (residential/ commercial/ public/ community)	Full loss of plot (>50%)	Owner, possessor	The AP may choose between the following alternatives: Land for land compensation through provision of replacement plot of comparable value and location as lost plot; Ownership license and state registration OR Cash compensation at market rates or the government compensation tariff, whichever is higher, based on contractual agreement All taxes, registration and transfer costs are waived or included in compensation prices
		Unlicensed occupant of land	Relocation assistance sufficient to restore standard of living at an adequate alternative site with security of tenure (ownership or possession certificate and state title registration).
		User	Replacement plot with use license OR, if feasible and desired Ownership license and State title registration All taxes, registration and transfer costs are waived or included in compensation prices
		Lessee	The AP may choose between the following alternatives: Allocation of plot with ownership license and State registration; All taxes, registration and transfer costs are waived or included in compensation price; OR Cash refund at rental fee rate for duration of remaining lease period
	Partial loss of plot (<50%)	Owner, 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 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 APs decide, he/she can request that the land is fully acquired.
		Unlicensed occupant of land	Ownership or possession certificate 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
		User	Continuation of use license on remaining land
		Lessee	Cash refund at rental fee rate and proportionate to duration of remaining lease period
Structures (residential/ commercial/public / community)	Full loss of structure and relocation	Owner, possessor, unlicensed occupant of land	Cash compensation for replacement of lost structure at market rate determined through professional valuations without deduction of depreciation, based on contractual

Type of Loss/ Application	Specification	Eligibility	Compensation entitlements
			agreement and no deduction for salvaged materials
	Alteration to structure	Owner, possessor, unlicensed occupant of land	Cash compensation for lost part of structure and reconstruction of remaining structure at market rate without deduction of depreciation, based on contractual agreement and no deduction for salvaged materials
	Moving back of fences	Owner, possessor, unlicensed occupant of land	The AP may choose one of the following alternatives: Cash compensation for relocation of fence at market rate without deduction of depreciation, based on contractual agreement and no deduction for salvaged materials OR Replacement/reconstruction of the fence by the subproject owner / contractor
	Moving or relocation of ger	Owner, possessor, unlicensed occupant of land, lessee	Cash compensation for cost of taking down and raising of ger and for transport, as applicable; to be included in contractual agreement
Temporary disturbance	Removal of fence, civil works on land outside ROW, restoration of land and fences	Owner, possessor, unlicensed occupant of land	Cash compensation fee negotiated with AP. Access to land and residences Fences will be moved by civil works contractor There is no deduction for salvaged materials
Businesses or Livelihood Impacts (operating within the affected land)	Any business/livelihood loss due to land acquisition or construction activities by Program	All APs temporarily affected	Cash compensation equivalent to the loss, for the period of interruption of business/livelihood based on tax receipts/other valid documents or, if these are not available, based on the average net income of typical/similar businesses (or livelihood type) in program areas.
		All affected entities permanently affected	Cash compensation equivalent to the loss, i.e., for the period of interruption of business/livelihood based on tax receipts/other valid documents or, if these are not available, based on the average net income of typical road businesses or similar businesses (or livelihood type) in the program areas. AND Any costs required for physical and financial reestablishment of business / livelihood activities. If the business/livelihood activities 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

Type of Loss/ Application	Specification	Eligibility	Compensation entitlements
			will be provided within 1 year of displacement
Employment	Any employment loss due to land acquisition or construction activities	All temporarily laid-off employees of affected businesses	Compensation for loss of employment income for the period of interruption of employment.
		All permanently laid-off employees of affected businesses	Compensated with cash indemnity for 3 months wages for workers/employees that have been engaged for at least 1 year; otherwise entitlement is 1-month wage. AND Other labor benefits and retrenchment allowances according to the national labor law, Skills development trainings for new employment opportunities. Assistance to find new employment.
Higher risks of impoverishment /hardship due to loss of resource base	Permanent loss of livelihood	All vulnerable	Preferential employment in program-related workforce, if available and desired by affected entities; Cash assistance up to a maximum of six months at guaranteed lowest living level and assistance in reconstitution of business or employment AND any assistance that they are entitled to according to the Social Welfare Law.
	Loss of land	All vulnerable	Assistance with selecting a replacement plot and with preparation of contracts and administrative process of provisions of replacement plot
	Loss of structure	All vulnerable	Assistance with house relocation and other construction activities (new housing should meet minimum standard), registration of property titles, relocation expenses, minimum housing guarantee.
	Livelihood support	Any household member of a vulnerable entities	Preferential treatment for temporary employment during construction; Employment training (3–6 months).
	Temporary Disturbance	All vulnerable and/or severely affected entities	Preferential treatment to avoid, minimize or mitigate disturbance as quickly as possible.
Relocation	Transport/ transition costs	All APs to be relocated	Provision of allowances to cover transport costs on actual cost basis at current market rates; to be included in contractual agreement 6-months transition period assistance amounting to MNT1,800,000 (MNT300,000 per month X 6 months) for households whose houses are fully affected by land acquisition. Assistance to find an alternative plot or to find comparable house to rent, as applicable
Unidentified Losses	Unanticipated impacts	All APs	To be identified during program implementation; measures will be formulated as appropriate according to ADB policy and reported to ADB prior to implementation

VI. Screening, Categorization and Impact Assessment

21. The due diligence carried out for each of the 13 components proposed to be taken up under Tranche 1 and the letters of confirmation by the relevant *Aimag* land department and *Soum* governors confirms that there will be no LAR impacts due to the implementation of Tranche I components. However, if during program implementation, in the event of any changes in the design or location that may trigger LAR impacts, a LARP has to be prepared and submitted to ADB for review and concurrence.

22. For subsequent tranches, if the involuntary resettlement is triggered, following detailed engineering design and ground validation for each health facilities, a census and socioeconomic information of affected people will be made. Information will be collected in such areas as tenure status; household demographics, family structure (relation, age, residence status, occupation), and household livelihoods and economic information (income, occupation); and their vulnerability or if they will be at risk of being vulnerable.

23. An asset inventory (Detailed Measurement Survey, or DMS) will record land and other impacted assets at household, enterprise and community levels regardless of tenure status. 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.

24. Vulnerable households and their special needs will be identified in the census and socioeconomic 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.

25. 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) untitled landholders; and (v) disabled persons.

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

27. To ensure a clear understanding and due consideration of the specific needs and problems of women APs and to safeguard their livelihoods, a number of gender provisions will be adopted by the land acquisition and resettlement process of the Program: (i) women will receive compensation pertaining to their economic activities in their name; (ii) women 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 program 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 program related employment opportunities and targeted needs based special assistance will be guaranteed in case of loss of livelihood.

VII. Consultation and Public Participation

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

29. Disclosure of information to and consultation with APs at an early stage ensures that they can express their opinions, apprehensions and objections. Program 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 laws and the ADB IR safeguards.

30. During disclosure of the draft and final LARPs, 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 GRM will be explained.

31. The consultation and public disclosure process for each component with land acquisition impacts will at minimum involve the following steps:

- Individual consultations with APs during and after the census and socioeconomic survey, to ensure that they have understood the Program's parameters and their own rights, and have had the opportunity to provide input.
- Public consultation meeting (early in the component design stage) 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)
- Public consultation meeting open to all APs to announce declaration of the entitlement cut-off date and identify its geographical scope.
- Public consultation meeting with all APs to disclose the draft LARP, including eligibility and entitlements, grievance procedures and monitoring, and to discuss changes and other concerns of the APs and other stakeholders.
- Continued individual consultations to prepare contract negotiations and address individual concerns.
- Individual negotiations of contract terms with AP households.
- Public consultation meeting with all APs to disclose and discuss draft LARP.
- Public consultation meeting with all APs to disclose final RP and to announce the date, venue, and time of the payment of agreed property transfer prices and other compensation or entitlements.
- Additional individual and public consultation meetings will be held throughout the planning and implementation of the LARP as required by any issues arising.
- Attendance lists and minutes of all public consultations will be kept and appended to LARPs and subsequent monitoring reports.
- Use of an accessible, identifiable information board or information office for dissemination of information regarding the component.
- Documentation of the consultation and participation process.

32. The LARP will be endorsed by the City Government of Ulaanbaatar 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).

VIII. Institutional Arrangements and Implementation

33. The executing agency (EA) is the MOH and implementing agencies (IA) for the program are the Municipality of Ulaanbaatar and the Health Department of Ulaanbaatar. A Project Implementation Unit (PIU) will be established under the MOH.

34. The PIU will ensure compliance with assurances, including safeguards and preparation, finalization and implementation of LARPs. Since the PIU is a relatively new entity, support will be provided by external staff, including specialists in land acquisition and resettlement, and by a member of the Technical Assistance Consultant Team who will be engaged—as part of the Capacity Building/Institutional Support TA—to ensure the effective implementation of program related land acquisition and resettlement activities.

35. In case IR is triggered during Tranche 1, Resettlement Plan Implementation Committee (RPIC) for the program will be established by Resolution of the Mayor of MUB. The same institutional arrangements are proposed for subsequent tranches.

36. Orientation workshops and discussions on resettlement planning were carried out during program preparation. Orientation workshops will continue to be organized and trainings specific to LARP planning and implementation will be conducted for the staff of the PIU, MUB, government officials involved in LAR activities, including members of Resettlement Plan Implementation Committee (which will be established), representatives of the affected persons and other stakeholders about the RP provisions and implementation arrangements, as well as the principles and safeguards requirements of ADB resettlement policy, the agreed RF and legislation of Mongolia. The training 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.

37. The RPIC is responsible for the overall development, management and supervision of the LAR activities in the program. The members are comprised of persons including MUB, MOH, UB Health Department, UB LAD, District LAD, relevant Khoroo Governor, resettlement specialist of the PIU, representative of APs and NGOs. Vice Mayor of Ulaanbaatar leads the RPIC.

38. The implementation of the LARP will be the responsibility of the RPIC and with close coordination and support of the PIU.

39. The PIU and LAR specialists will ensure that LAR safeguard requirements are met in the formulation and implementation of the LARP. The PIU, 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.

40. All LARPs will meet ADB SPS requirements, closely follow the provisions of this RF and observe the following procedure:

- Identification of scope of land acquisition for every component (impact category A, B, or C).
- Field verification and modification of design of infrastructure facility, as far as technically feasible, to avoid and minimize impact.
- Preparation of map of final design of infrastructure facility, ROW and land acquisition impacts, with design engineers.
- 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.
- Census of all APs and inventory of affected land, property, and income losses.

- Notification of cut-off date and notification of APs.
- Socioeconomic household survey and identification of vulnerable households/persons.
- Preparation of draft and final LARPs based on consultation with individual 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.
- Disclosure of Draft LARPs and formal consultation meetings with APs.
- Disclosure of the revised Draft LARPs to APs.
- Government endorsement and submission to ADB for review and approval.
- Disclosure of approved LARPs (locally and on ADB website).
- Implementation of LARPs.
- 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.
- Validate the inventory of affected assets and negotiate contractual agreements with the affected households.
- 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 RPIC will inform the APs about the date, venue, and time of the payment of agreed property transfer prices and other compensation or entitlements.
- Participating Community Based Organizations will work with APs and the Khorroos and facilitate communication and monitoring the land acquisition process.
- Provide an updated land management map prepared by the Land Administration Department of MUB 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.
- The District Governor will review and resolve the applications within 3 months, as specified by law, and issue orders allocating lands to the APs.
- Facilitate the process of consolidation, review, approval and allocation of compensation, including livelihood restoration measures, for the APs.

41. The PIU, 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 PIU will be responsible for reporting the progress in implementing the LARP to the RPIC, MUB, and ADB.

IX. Grievance Redress Mechanism

42. The grievance redress mechanism in this RF will be set up to show (i) how the GRM is set-up for the entire investment program, and (ii) a more harmonized approach in terms of how the program's grievance redress mechanism can integrate or use the existing practice of MUB's on grievance handling.

43. The MOH will establish a Grievance Redress Mechanism (GRM) for the program 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 RP 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.

44. A sample Grievance Action Form (GAF) has been prepared 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 1. The GAF, a copy of which will be provided to AP, will at minimum contain the following:

- Basic information about affected entities (name, address, contact number)
- Date of last disclosure meeting
- Category of grievance filed (legal, technical/engineering, social, financial)
- Detailed description of grievance
- Type of action taken (resolved at the RPIC level or referred to higher authorities)

45. 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.

46. The Project Implementation Unit will be the initial recipient of the grievance, establish a complaint registry system, and maintain records of all grievances and status of resolution. The PIU will make every effort to solve the issues of the APs at the early stage with the help of the members of the RPIC.

Table 5: Grievance Redress Mechanism

Steps	Actors /Actions	Timing
1	<i>AP lodges grievance with PIU, where the PIU assigns the grievance redress to the Resettlement Specialist</i>	1 week
	<i>PIU Resettlement Specialist addresses grievance, informs AP and proposes resolution</i>	
	<i>PIU initiates action for resolution</i>	1 week
<i>If grievance is not resolved</i>		
2	<i>PIU submits grievance to RPIC</i>	1 week
	<i>Relevant division/office of MUB addresses grievance, informs AP through PIU and proposes resolution to RPIC</i>	
	<i>RPIC initiates action for resolution with the support of PIU</i>	1 week
<i>If grievance is not resolved</i>		
3	<i>RPIC submits grievance to District Governor</i>	1 week
	<i>District Governor's office addresses grievance and informs AP and RPIC</i>	
	<i>District Governor initiates action for resolution</i>	1 week
<i>If grievance is not resolved</i>		
4	<i>Grievance is referred to courts</i>	<i>Open</i>

47. 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 Officer.

48. 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 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 (www.adb.org/site/accountability-mechanism/main).

X. Monitoring and Evaluation

49. Monitoring of compliance with the LARP during implementation will be carried out by the PIU, 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.

50. The PIU will conduct internal monitoring of RP implementation and submit monthly reports to the MUB. The PIU will also include the results of internal monitoring in its quarterly reports to the ADB. These reports will also focus on the progress of RP implementation. The Program midterm review will include a separate section on the progress of RP 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 PIU will prepare this resettlement completion report for submission to the ADB.

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

52. 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 PIU will periodically review audits, and report any irregularities to the ADB, to allow for the early identification and resolution of problems encountered.

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

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

54. Under Tranche 1, there are no LAR impacts. Therefore, an external monitor will not be engaged. However, if LAR impacts will be significant under Tranche 2, an external monitor will be engaged. External monitoring and evaluation will be conducted 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 program the Ulaanbaatar City Government will be responsible for engaging an EMA which will investigate and assess RP implementation and regularly report to the program RPIC, the PIU and ADB.

55. External monitoring will be carried out semiannually during the implementation of LARPs and its results will be reported to the PIU and ADB in semiannual 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 PIU; (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 IRP and the RP; (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.

56. The following are some of the external monitoring key indicators:
- Economic status of affected households, including employment, income and household assets.
 - Status of vulnerable persons, in terms of food security, household demographics, livelihoods and health.
 - Impact of land acquisition on women, children, elderly, the poor and other vulnerable groups.
 - Degree of support for and post land acquisition status of affected vulnerable households.
 - Perceptions of affected entities regarding the implementation of the land acquisition process.
 - Participation and involvement of affected entities in RP implementation.
 - Effectiveness and fairness of valuation, compensation, assessment and disbursement measures.
 - Implementation and effectiveness of income restoration measures.
 - Effectiveness and fairness of GRMs.
 - Level of satisfaction among affected entities in the post-resettlement period.
 - Adequacy of resettlement funds and results of financial audits.
57. The EMA will carry out post-implementation evaluation on the basis of the socioeconomic baseline surveys 1 and 2 years after the completion of land acquisition activities in each component, to ascertain whether it was able to implement the objectives and provisions of the RP. If the objectives have not been achieved, the EMA will recommend remedial measures.

XI. Budget and Financing

58. Each LARP will include a budget section with a table of costs for all compensation expenses including administration and contingencies.
59. Finances for implementation of LARP 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 LARP.
60. The PIU will work with the MUB, Land Administration Department of MUB (LAD), and other state agencies 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 LAD 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 LAD and PIU resettlement specialist will be responsible for delivery of entitlements to the affected persons.
61. To ensure transparency and that APs are fully clear of the impacts and the compensation and assistance that they will receive, the following approach will be carried out.
- (i) The valuation slip with the details on the compensation valuation provided to APs initially for presenting the valuation will be replaced with officially signed and stamped letter from LA and be accompanied by the draft valuation report that is issued for each affected land parcel and improvements on it.
 - (ii) During the process, any forms that APs signed will be provided as a duplicate or as reference only with a note that the signed / official documents duly signed by respective agencies will be provided later.
 - (iii) Household Valuation Report will be provided together with the signed contract.

62. Compensation for the land and property will be paid 100% to the affected persons prior to moving. Details below will be part of the contract concluded between the affected person and the land agency.

- Affected persons are not obliged to demolish the house and clean the land
- If the affected persons received the compensation 100%, he/she is obliged to obey the contract.
- Materials shall be sent to the Mayor's ordinance issuing process within 7 calendar days after the affected person signs on a negotiation sheet and all required materials are submitted by the affected person.
- Mayor's ordinance to pay the compensation shall be issued within 10 calendar days if all materials are provided and free from any inconsistencies.
- Contract shall be concluded within 7 business days after the Mayor's ordinance to pay the compensation is issued and the affected person notified the account information.
- MUB will attempt to pay within 14 calendar days after signing the contract, but not exceeding 21 calendar days.
- Affected households will attempt to vacate the land and take any salvageable materials with them within 14 calendar days after signing the contract and receiving the compensation 100%, but not exceeding 21 calendar days.
- If the land has not been vacated by a complainant within 14 calendar days after signing the contract and receiving the compensation 100%, pursuant to the Clause 57.4 of the Article 57 of the Law on Land, compulsory eviction measures shall be taken and eviction expenses shall be imposed on a guilty person. In case the compensation is not transferred within stipulated timeframe, administrative sanctions shall be imposed on a relevant responsible civil servant.

ANNEX 1: SAMPLE GRIEVANCE ACTION FORM (GAF)

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 2. Outline of Resettlement Plan

A LARP is required for all the program components involving land acquisition and resettlement impacts. Its level of detail and comprehensiveness will be commensurate with the significance of potential resettlement impacts and risks. All LARPs shall be approved by EA authorities and all confirmations should be incorporated into the LARPs.

A. Executive Summary

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

- (i) Program Scope
- (ii) Component Description and IR impacts
- (iii) Key Survey Findings
- (iv) Entitlements
- (v) Recommended Actions

B. Program Description

This section provides a general description of the program, discusses program components that result in land acquisition, involuntary resettlement, or both. 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) Program Components
- (iii) Program Area
- (iv) Alternatives Considered

C. Scope of Land Acquisition and Resettlement

Discusses the program's potential impacts associated with the program components, and includes maps of the areas or zone of impact of the components or activities; describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment program; 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 component'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 key 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 program and resettlement information during 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 program 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 component 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 program.

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 program 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 program 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 program 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 program 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.