

Environmental Monitoring Report

Semestral Report (January-June 2021)
September 2021

Mongolia: Sustainable Tourism Development Project

Prepared by the Ministry of Environment and Tourism of Mongolia for the Asian Development Bank (ADB).

CURRENCY EQUIVALENTS

(as of 1 January 2021)

Currency unit	–	tugrik (MNT)
MNT1.00	=	\$0.00035
\$1.00	=	MNT2849.89

ABBREVIATIONS

ADB	-	Asian Development Bank
GoM	-	Government of Mongolia
MET	-	Ministry of Environment and Tourism
GASI	-	General Agency for Specialized Inspection
KhAG	-	Khuvsgul Aimag Government
AKSPA	-	Administration of Khuvsgul Special Protected Areas
PIU	-	Project Implementation Unit
EIA	-	Environmental Impact Assessment
GEIA	-	General Environmental Impact Assessment
DEIA	-	Detailed Environmental Impact Assessment
EMP	-	Environmental Management Plan
EMP	-	Environmental Monitoring Program
EMR	-	Environmental Monitoring Report
CW	-	Construction Work
IEE	-	Initial Environmental Examination
IA(s)	-	Implementing Agency(s)
EA	-	Executing agency

WEIGHTS AND MEASURES

ha	-	hectare
kg/d	-	kilogram per day
km	-	Kilometer
km ²	-	square kilometer
m	-	meter
m ²	-	square meter
m ³	-	cubic meter
m ³ /d	-	cubic meters per day
m ³ /s	-	meters per second
mg/m ³	-	milligrams per cubic meter
Mg/L	-	Milligrams per Liter
mm	-	millimeter
mu	-	unit of land area equal to 1/15 ha or 667 m ²

NOTE

In the report, "\$" refers to US dollars

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SUMMARY PROJECT INFORMATION

GENERAL INFORMATION	
Project title:	Sustainable Tourism Development Project
Date of project effectiveness:	6 August 2019
Executing agency:	Ministry of Environment and Tourism (MET)
Implementing agency:	Department of Protected Area Management and Department of Tourism Policy Coordination of MET
PIU (name of agency):	
PIU Environment Officer (name, email):	Mr. Purevjamts Bayarmandal, purevjamts.ba@gmail.com
Loan implementation consultant/firm:	Not applicable
Construction supervision company(ies):	See Table 1.
Contractor(s):	None yet
ADB web link to EMP:	https://www.adb.org/projects/documents/mon-50013-002-iee-0
Domestic web link to EMP:	https://eic.mn/eia/generalreport.php?menuitem=1&count=10&page=4&general_evaluation=3&project_aimag=67&action=more&generalreport_id=6113
ENVIRONMENTAL SAFEGUARD MONITORING	
ADB environment safeguard category:	B
Environmental report prepared as per ADB requirements for this category:	Initial Environmental Examination
Domestic safeguard report:	EBA Report
Quarterly period covered by this report:	1 January to 30 June, 2021
# EMRs to date including this report:	2
Agency/person responsible for environmental impact monitoring:	None yet (to be filled when contractors for the consulting services have been mobilized)
Agency/person responsible for EMP performance monitoring:	Mr. Purevjamts Bayarmandal, PIU Environment Officer
Agency/person responsible for independent compliance monitoring:	None required for this project
Overall status of environmental safeguards:	On track

ADB = Asian Development Bank, EBA = Environmental Baseline Assessment, EMP = environmental management plan, EMR = environment monitoring report, PIU = project management office.

EXECUTIVE SUMMARY

A. Overview

1. This semi-annual report presents the status of compliance with the environment management plan (EMP) during the project implementation from January 1 to June 30, 2021. The key environment issues caused by project construction have been discussed, and corresponding improvement measures and follow up actions have been suggested according to the issues found.

B. Progress in implementing the EMP.

2. In general, the project has been implemented mostly in accordance with EMP requirements.

3. **Contractual arrangement.** Relevant environmental requirements have been included in the bidding document. PIU has provided both the EMP and EBA report to all consulting service tender participants.

4. **Institutional setup.** PIU have designated environment officer to conduct environment management. An environment person has been appointed by each contractor and each supervision company to be responsible for the implementation of environmental mitigation measures and internal monitoring.

5. **Mitigation measures implementation.** Due to the COVID-19 pandemic that has occurred worldwide the PIU has prepared a "Health and Safety plan guideline for contractors during COVID-19" in accordance with ADB supervision and provided to consulting services.

6. **Internal monitoring.** Currently an environmental officer of the PIU has been working on the project EMP implementation and supervision with the support of MET.

7. **External monitoring.** Not applicable at this stage of project implementation.

8. **Public consultation and GRM.** During the reporting period, the project has not received any grievances or complaints. In order to maintain an effective and operational GRM system, the PIU will proactively work together with all relevant stakeholders. The project contractors, soum and aimag focal points will be also the main players of the system.

9. **Training.** Two environmental trainings were conducted during the reporting period which covered a project EMP implementation and environmental monitoring. Khentii aimag and Khuvsgul aimag government and related stakeholders have participated in the training.

C. Key issues

10. "Consulting service for Road design and supervision" (hereafter CS17) DEIA report has been finalized and endorsed by MET.

11. As for the Consulting service for Architectural design and supervision of the Chingis Khaan Tourism Complex (hereafter CS21) the contract has been awarded on December 11, 2020. "Sunny trade" LLC is working on the task with completion of 80 percent. Additionally, due to CKTC concept has changed DEIA work is currently on hold to continue with the new design concept.

12. Consulting service for Sanitation and Solid waste engineering and supervision (hereafter CS18) and Consulting service for Architectural design and supervision for Khuvsgul Lake National Park Headquarters and Visitor Center; and, Murun Square (hereafter CS19) contract has been awarded and consulting services sub-contracted DEIA firm which is “Shurenzaviya” LLC and company has been working on the report.

13. An extended team of 34 people from the PIU and its consulting firms including CS16, CS19 and Consulting service for Master planning for Khankh soum (hereafter CS20) had a six-day field visit to Murun, Khatgal and Khankh with the provision of official letter from State Emergency Commission to travel to Khuvsgul. Murun soum. During the field visit, a kick-off meeting of CS19 and CS20 consulting services was held at Soyombo hall of Khuvsgul aimag Governor’s office on 26 February 2021 in inclusive of about 60 participants.

14. Due to the globally occurring COVID-19 pandemic, PIU has prepared a “Report on COVID-19 impact on project implementation and measures taken by PIU” which covered situation of last 6 months and submitted it to ADB.

D. Lessons learned.

15. On DED of Khatgal-Jankhai-Toilagt road, state expertise had made the recommendation of emergency exit on right side of Jankhai davaa, which could result the destruction almost 5 ha of forest.

16. Per clause 34.2, Land law states that citizens, companies and organizations who have acquired the right to **possess land for undertaking production and services** shall have a general environmental impact assessment test made within 90 working days upon receiving **that right**. After such assessment, a contract on land possession shall be made, the certificate issued, and a record made in the state registry, the article 7.3, the Law on Environmental Impact Assessments states that the project implementer shall submit a project description, the technical and economic feasibility study, **the work drawings** and other related documents to the state central administrative body in charge of nature and environment or the local government for screening according to the classification contained in the appendix to this Law and a screening shall be conducted accordingly and article 12.1.1, Construction law, Authorities issued permits, **drawing orders**, codes and regulatory documents, standards have been developed on the basis of technological tasks and equipment research equipment passports, specifications, engineering and exploration as well as Methodology for Strategic and Cumulative Environmental Impact Assessments approved by the order 117 of the Minister of Environment and Green Development, section 2.2 states that authority to use or possess of land must be submitted for the approval of DEIA etc. Thus, in order to fulfill above laws and procedures, some regulatory arrangements needed to be taken by the PIU with several sectoral state expert entities as well as including explanatory meetings and requesting the governors and the Minister of MET issuing the authorization letters to use the land for the project, particularly roads construction and building KLNP headquarter and visitor center. These long processes took a bit of time which caused some delays of the final outcomes of the DEIA and DED approval.

E. Corrective actions

17. During the screening process of CS17 DEIA, professional council of MET has discussed the “Emergency exit” and made recommendation of “Not to build” due to cost of the damage is higher than the necessity of building the emergency exit. Thus, DEIA has been finalized as without the “Emergency exit”.

I. INTRODUCTION

A. Purpose of the report

18. In accordance with the EMP requirements, the borrower/client is required to prepare semi-annual environment monitoring and progress reports that specify the project EMP implementation, compliance issues, corrective actions, etc. This report is for the implementation period from January 1 to June 30, 2021.

B. Project outcome, outputs and subcomponents

19. The project is aligned with the following impact: sustainable economic growth and environmental improvement in Khuvsgul and Khentii aimags achieved. The project will have the following outcome: sustainable and inclusive tourism in the KLNP and OBNP developed.

20. The project comprises four outputs which are briefly described as below.

- **Output 1: Inclusive planning and capacity for community-based tourism enhanced.** This output will strengthen the institutional framework for tourism planning and increase the number of local beneficiaries from tourism. The project will (i) revise the development plans for the three largest settlements at the KLNP and OBNP to include livelihood targets, natural resource use, and spatial planning for about 9,000 residents, based on growth projections and compatibility with park management; (ii) establish tourism concession manuals and an ecotourism certification program for each park, to embed social and gender targets and environmental standards in the concession process, strengthen links with local goods and services, and provide a stable business framework for 63 tour camp operators and more than 500 employees; (iii) strengthen the KLNP tourism council (para. 10) and replicate this at the OBNP to guide tourism planning; (iv) install information facilities in the Khuvsgul Aimag capital (the gateway for most visitors to the KLNP) to promote KLNP products and services; and (v) build on the previous community and gender initiatives by providing vocational training for small tourism businesses and service providers, and installing 11 women-led tourist markets, as outlets for the JFPR-trained vendors.
- **Output 2: Enabling infrastructure for tourism constructed.** At the KLNP, the project will (i) upgrade 37.9 kilometers (km) of unsealed roads; (ii) construct eight small car parks (linked with the women-led tourist markets; output 1); and (iii) improve traffic control and safety, focusing on the sites subject to the highest seasonal congestion, unregulated public access, and vehicle-induced pollution. At the OBNP, the project will (i) construct a tourism center, the Chinggis Khaan Tourism Complex (CKTC); (ii) establish supporting infrastructure, comprising ticket collection booths, information signs, and three car parks; and (iii) upgrade a short access road (2.6 km), and extend (by 4.5 km) the soum power line, to the CKTC site.
- **Output 3: Waste management improved.** This output will (i) facilitate the installation of low-cost and gender-sensitive toilet systems at about 102 tour camps, campsites, and project-funded car parks. The project will replicate successful JFPR-funded toilet designs, procedures for operation and maintenance (O&M), and CWMTs, including sustainable financing for the CWMT salaries; and scale these up at the KLNP and OBNP; (ii) construct three wastewater treatment plants (WWTPs); and (iii) upgrade three landfill sites, for a total new capacity of 72,500 cubic meters, and develop new procedures for recycling and waste management.
- **Output 4: Park management strengthened.** This output will (i) construct a KLNP headquarters and visitor center, two fee collection stations, and a road control station. This

will improve revenue collection, strengthen the visitor experience, promote local goods and services, and improve protection of the park's core zone and wilderness values; (ii) rehabilitate 15 km of public trails subject to high seasonal use; (iii) revise the KLNP and OBNP management plans with the project measures, including O&M costs and financing sources for the project facilities; (iv) prepare a 4-year action plan for each park, to guide the implementation of the revised management plans; and (v) train park and soum government staff to implement the revised plans.

C. Project implementation progress

21. The project became effective on June 13, 2019. As of July 15, 2021, the project physical progress was 6.0% against the elapsed implementation period of 33.8% (24 months out of 71 months since loan effectiveness).

II. ENVIRONMENTAL MANAGEMENT DURING THE REPORTING PERIOD

A. Institutional setup

1. Institutional responsibilities

22. **EA/IA.** The Ministry of Environment and Tourism is the executing agency (EA). The Department of Tourism Policy Coordination (DTPC) and the Department of Protected Areas Management (DPAM) are the implementing agencies (IA). The Project Steering Committee (PSC) has been established to help guide the project. The IA has established a project implementation unit (PIU) to coordinate the project implementation and management. Ms. Oyunshur Zandansuren (oyunshur.tourism@gmail.com) of the DTPC has been designated for coordination between MET and PIU on a daily basis.

23. **PIU environment officer.** The PIU is responsible for environmental management and mitigation measures implementation, including: (i) EMP implementation; (ii) supervision of contractors' performance for environmental management (iii) training to contractors on the mitigation measures implementation; (iv) incorporating environmental management, monitoring, and mitigation measures into construction and operation management plans; (v) developing and implementing internal routine environmental monitoring; (vi) reporting to the MET and related agencies about the EMP implementation progress; and (vii) replying to petitions and/or complaints from the affected people. Mr. Purevjamts Bayarmandal (purevjamts.ba@gmail.com) has been designated as PIU environment safeguard officer.

24. **Environment person of construction supervision companies (CSCs).** Environment persons of CSCs will have the principal responsibility for observing contractor construction activities, and for ensuring that those activities are accomplished in compliance with the Project's environmental requirements, specifications, goals and objectives. Under supervision of PIU environment safeguard officer they will ensure coordination at field level with representatives of government agencies in charge of EMP supervision as well as those in charge of control and monitoring activities. During this reporting period, corresponding CSCs environment persons have been appointed for all the work contracts that have entered construction stage (Table 1).

25. **Environment person of contractors.** An environment person will be appointed by each Contractor to be responsible for the implementation of environmental mitigation measures and internal monitoring. During this reporting period, corresponding environment persons have been appointed for all the work contracts that have entered construction stage (Table 1).

26. **Environment monitoring agency (EMA).** By the requirement of project EMP, the environmental monitoring agency will be recruited by contractors with the purpose of implementing environmental monitoring for the construction projects and the background monitoring.

27. The detailed contact lists of the environment person of contractors and construction supervision companies are not available at this stage of project implementation and will be provided in the next EMR.

2. Incorporation of environmental requirements into consulting service packages

28. In accordance with requirements of the loan agreement and EMP, the following environmental provisions have been clearly listed in the bidding documents and contracts. The PIU has provided the EBA report and EMP to all the participants of tenders.

29. The PIU has included the EMP and other environmental safeguard requirements to the bidding documents for various consulting service packages; i.e. all the designing and supervising firms shall recruit the DEIA company with domestic certification as sub-contractors. Additionally, in the process of bidding and evaluation, each proposal has been assessed by EMP requirements and budget allocation.

Table 1. List of Designated Environment Persons of the CSCs

No.	CS package name	Organization	Name of organization	Environment person name	Contact
1	CS17 Road design and supervision firm	CS Firm	"SRP engineering consult" LLC	Mr. Batbileg D.	(976) 88022070
		Sub-contractor	"Gazar Delkhii" LLC		
2	CS18 Sanitation and solid waste engineering and supervision firm	CS Firm	"NAP Group" LLC	Ms. Oyuntsetseg Ts.	(976) 88011478
		Sub-contractor	"Shurenzaviya" LLC		
3	CS19 Architectural Design and Supervision Firm for Khuvsgul Lake National Park Headquarters and Visitor Center; and, Murun Square	CS Firm	"NAP Group" LLC	Ms. Oyuntsetseg Ts.	(976) 88011478
		Sub-contractor	"Shurenzaviya" LLC		
4	CS21 Architectural Design and Supervision for Chinggis Khaan Tourism Complex	CS Firm	"Mon Energy consult" LLC	Mr. Adiyasuren Ts.	(976) 99192160
		Sub-contractor	"Sunny trade" LLC		

A. Implementation of the project mitigation measures

30. Implementation of the mitigation measures in the EMP is summarized in Table 1. This table is the same as Table EMP-2 of the EMP but has 1 additional column, to summarize the implementation status and compliance for each listed mitigation measure within the reporting period.

Table 2. Summary of potential project environmental impacts and mitigation measures

Item	Potential impacts / issues	Mitigation Measures prescribed in the EMP	Implementation status and compliance with EMP
A. DESIGN AND PRE-CONSTRUCTION PHASES			
Khuvsgul and Khentii subprojects			
Detailed design stage	Institutional strengthening	<ul style="list-style-type: none"> Confirmed the full-time status of the MET Environmental Officer for the project; 	Being complied with. PIU appointed the environmental

Item	Potential impacts / issues	Mitigation Measures prescribed in the EMP	Implementation status and compliance with EMP
	for EMP Implementation	<ul style="list-style-type: none"> Appointed PIU Environment Safeguard Officer; Organize and conduct training on EMP for relevant agencies. 	safeguard officer in May 2020.
	Preparation of Domestic Detailed EIA	<ul style="list-style-type: none"> Recruit domestic certified firm to prepare DEIA and any required environment baseline assessments; PIU environment safeguard specialist will: (i) facilitate recruitment and coordination of firm; (ii) review final decisions of MET and any safeguard conditions or mitigation measures; (iii) assess whether EMP needs updating. 	Being complied with. CS17 DEIA has been finalized and endorsed by MET. Due to concept of CS21 is changing DEIA work is on hold. CS18, CS19 contract has been awarded and DEIA work is underway.
	Updating EMP	<ul style="list-style-type: none"> Update mitigation measures defined in this EMP based on final detailed designs; Submit the updated EMP to ADB for review; In case of major changes of project location and/or additional physical components, determine whether the change is minor or major and consult with ADB. 	Not yet due. Requirements regarding domestic certified firm has incorporated in the procurement and TOR.
Construction Preparation	Environmental monitoring plan	<ul style="list-style-type: none"> Prior to construction, hire an EMA, to conduct environment monitoring in accordance with the EMP monitoring plan; Prepare detailed monitoring plan in accordance with the monitoring plan in this EMP. 	Not yet due. Due to the COVID-19 pandemic EMP has been updated.
	Detailed Designs	<ul style="list-style-type: none"> Review detailed engineering designs and ensure the EMP is adequate to manage any minor revisions in designs. 	Being complied with. CS17 has finalized in line with EMP requirement. CS18, CS19 and CS21 is in process of DEIA.
	Bidding and contract documents	<ul style="list-style-type: none"> Mitigation measures in the EMP are incorporated in all bidding documents; Bidding documents are sent to ADB for review; Prepare environmental contract clauses for contractors; Ensure that the contractors recruited conform with, and implement, the domestic Environmental Safeguard Clauses for Civil Works Contracts; including that each contractor shall a qualified environment specialist on the team. Especially for the contractor that will implement the road works; Ensure that the contractors fulfill any additional domestic safeguard requirements that are not otherwise covered in this EMP. 	Being complied with.
	EMP training	<ul style="list-style-type: none"> Provide training on construction environmental management, 	Not yet due.

Item	Potential impacts / issues	Mitigation Measures prescribed in the EMP	Implementation status and compliance with EMP
		implementation, supervision, to contractors and CSCs, in accordance with the training plan in this EMP.	
	Establish GRM	<ul style="list-style-type: none"> Responsibility for GRM implementation is assigned to MET and PIU environmental and social specialists and soum government focal points; All agencies aware of, and trained in, the GRM, and will help support the environmental and social officers when necessary; Key contact details for the GRM (phone number, fax, address, email) provided on the MET, PIU and/or soum government public websites, and information boards at construction sites. 	Being complied with. Project GRM has been established.
	Location of work camps	<ul style="list-style-type: none"> Prior to any works, identify specific site locations for camps and assess these for adequacy of construction requirements and to minimize ecological and social impacts, especially to avoid sites along shoreline of Khuvsgul Lake or Eg River (Khuvsgul subproject), and along the Balj River and its tributaries (Khentii subproject); Obtain approval from soum government, KLNP (Khuvsgul subproject) and OBNP (Khentii subproject) Administrations, LASI and PIU for the locations. 	Not yet due.
	Reconfirmation of borrow and spoil sites and asphalt plants	<ul style="list-style-type: none"> Based on the finalized quantities of spoil and asphalt needed calculated in the DEDs, reconfirm the sites to be used that are identified in the IEE, and ensure they have sufficient capacity to provide the volumes needed; Obtain MET and soum governments approval for the required material volumes (rock, gravel) and site use. 	Being complied with. By the order number 222 of 2014 by Government of Mongolia official request has be sent to Ministry of Road and Transportation Development on June 28, 2021.

CKTC = Chinggis Khaan Tourism Complex, CSC = construction supervision company, DED = detailed engineering design, EA = executing agency, EMA = Environmental Monitoring Agency, IA = implementing agency, KLNPA = Khuvsgul Lake National Park Administration, LASI = local agency for specialized inspection, OBNPA = Onon-Balj National Park Administration, PAM = project administration manual, PIU = project implementation unit, PSC = project steering committee, TOR = terms of reference.

31. **Project DEIAs.** During the reporting period, CS18 and CS19 contracts have been awarded and domestic certified firms for DEIA have been subcontracted. Thus, currently there are 3 firms have working on DEIA of the project which is “Gazar Delkhii” LLC (CS17), “Shurenzaviya” LLC (CS18 & CS19) and “Sunny trade” LLC (CS21).

32. For each consulting service package, the PIU environmental safeguard officer held a meeting with respective firm to give a detailed information and recommendation in regards to project EMP and its implementation.

33. **Progress of DEIAs.** Detailed environmental impact assessment of Road design and supervision consulting service has been mobilized on November 18, 2020. Currently,

“Gazar Delkhii” LLC has completed the DEIA report for road project of Khuvsgul sub-project and on May 28, 2021 proceeded to the screening process and on June 15, 2021 endorsed by MET. Now, “Gazar Delkhii” LLC is working on road project of Dadal soum of Khentii aimag with progress of fieldworks and surveys has been completed.

34. As for the architectural design and supervision of the Chingis Khaan Tourism Complex, the contract has been awarded on December 11, 2020. “Sunny trade” LLC is working on the task with completion of 80 percent. Additionally, due to CKTC concept has changed DEIA work is currently on hold to continue with the new design concept.

35. “Shurenzaviya” LLC has started its work on DEIA, as of late February, 2021 for CS19 and late March, 2021 for CS18. Currently, firm has 90 percent completion of DEIA of CS19 and expected to proceed the screening in August to get endorsement of MET. As for CS18, DIEA progress is about 30 percent with the preliminary studies and fieldworks, surveys have been done.

36. **Emergency exit.** During the screening process of CS17 DEIA, professional council of MET has discussed the “Emergency exit” and made recommendation of “Not to build” due to cost of the damage is higher than the necessity of building the emergency exit. Thus, DEIA has been finalized as without the “Emergency exit”.

37. **Fieldwork in Khuvsgul aimag.** From February 25th to March 2nd of 2021, an extended team of 34 people from the PIU and its consulting firms including CS16, CS19 and CS20 had a six-day field visit to Murun, Khatgal and Khankh with the provision of official letter from State Emergency Commission to travel to Khuvsgul. Murun soum. During the field visit, a kick-off meeting of CS19 and CS20 consulting services was held at Soyombo hall of Khuvsgul aimag Governor’s office on 26 February 2021 in inclusive of about 60 participants. During the meeting, the PIU presented the project expected outcomes, current implementation progress as well as activities to be carried out under CS19 and CS20 consulting services. The meeting was attended by representatives from aimag government agencies, tour camp operators as well as local CSO representatives who were interested in the project activities and gave their comments and feedback during the discussion session.

38. **Khatgal village.** The project extended team worked at Khatgal village with Governor of Khuvsgul aimag and had a consultation meeting with Khatgal authorities and other relevant officials. The joint team worked at the planned location of KLNP HQ/VC building and decided to change the original location of car park /opposite the road/ due to poor traffic management and safety issues. The CS19 consulting team was assigned to prepare a conceptual design of the KLNP HQ/VC building and car park in close consultation with CS17 consulting firm. During the visit a joint team i) worked at the current solid waste point and WWTP ii) had a meeting with authorities of Khatgal village and Alag-Erdene soum which is one the project target area and discussed on the design of Khatgal-Khuzuuvch shil 5.5 km road. iii) CS16 and CS20 consulting team had a consultation meeting with Administration of KLNP.

39. **Khankh soum.** The Project extended team worked from 27 February-2 March 2021 at Khankh soum. During the visit i) a kick-off meeting of CS20 consulting service was held at soum governor’s office with about 40 participants from community. ii) The joint team of the project and local representatives worked at the planned locations of landfill facility, WWTP, Khankh fee collection station and car parks. iii) The joint team visited the settlement area of the Khankh soum where CS20 consulting firm will work and prepare soum development plan. iv) CS16 team had a series of consultation meetings in different topics including revolving funds; survey of the capacity building trainings and development of

KLNP management plan. v) CS20 consulting team worked with officials from Khvusgul aimag department of Land administration, construction and urban development in order to determine the boundary of Khankh soum urban area (settlement area).

40. **The COVID-19 pandemic.** Due to the COVID-19 pandemic, the PIU followed all the guidelines and measures issued by the Government of Mongolia and ADB to prevent infection. For instance, the PIU organized several EC meetings under careful prevention measures and some virtual TWG meetings to implement the daily project activities in a timely manner. Other in-person workshops, seminars and trainings were canceled, postponed or re-scheduled for definite or indefinite durations.

41. Currently contractors have not been awarded yet, the PIU prepared the H&S plan guidelines during COVID-19 and got an endorsement from the MET. After contractors are awarded, the PIU will provide the guidelines to them for further implementation of the H&S plan. Accordingly, the EMP has also been updated with necessary actions regarding to the coronavirus outbreak.

42. In the light of recent situation of pandemic, which intensifying more, PIU has prepared report elaborating last 3 months of activities and possible impacts on project implementation. Moreover, report has been annexed to the QPR#5 to QPR#7.

43. The current pandemic situation is directly affecting project activities, causing time delays and staggering, contracted consulting services being unable to perform their given task due to lockdown, fieldworks have been postponed for an unknown period. But PIU is making an effort to maintain the project implementation phase by various approaches such as requesting assistance from PSC, MET, and State Emergency Council.

44. The main problem PIU is facing in the implementation due to the pandemic situation is mostly on the slowing down of the project phase. Thus, PIU is making a report regarding current impacts and countermeasures taken to inform ADB for the assistance and support for project implementation.

45. Based on Table 1: Of the 22 mitigation measures proposed in the EMP, 3 measures are being in complied; the rest 19 measures are not yet applicable as the works have not yet started.

46. **Conclusion.** Most mitigation measures are not yet implemented in this stage of project operation.

47. **Next steps** include:

- *Supervise and coordinate the domestic certified firm in the process of DEIA and any required environment baseline assessment.*
- *Review and endorsement of DEIA.*
- *Update the project EMP based on DEIA reports of each consulting services.*

B. Implementation of the project monitoring program

This section of the implementation is not yet available at this stage of the project.

C. Public consultations and grievance redress mechanism

48. **Grievance redress mechanism.** During the reporting period, the project hasn't received any grievances or complaints. In order to maintain an effective and operational

GRM system, the PIU will proactively work together with all relevant stakeholders. The project contractors, soum and aimag focal points will be also the main players of the system.

49. Any complaints submitted by the affected people will be received and registered by the PIU environment safeguard, social gender and field officers. Only eligible complaints will be received, registered and resolved accordingly. Eligible complaints include (1) the complaint pertains to the project activities; (2) the issues, arising in the complaints within the scope of environmental issues. Ineligible complaints include (1) the complaint, that is clearly not project-related; (2) the nature of the issue is outside the of the environmental issues and/or may be resolved by this GRM (such as allegations of fraud or corruption);

50. Any complaints from citizens related to the project will be received through the following channels (1) Face to face meetings; (2) Written complaints; (3) E-mails (piustdp@gmail.com); (4) Project website (www.stdp.mn); (5) Telephone call (office telephone number: 7777-1501); (6) Mail.

51. The contractor shall bear any and all costs of implementing the GRM, including meeting, travel, and/or accommodation costs of the government staff or affected person.

52. As of June 30, 2021, there are no complaints related to environmental impacts.

53. **Next steps.** For the next reporting period,

- *Conduct training on public consultation to the stakeholders*
- *Conduct public consultation meeting during next reporting period and properly document the process and results.*
- *If there are any petitions and/or complaints, the related agencies will make records in accordance.*

D. Training and capacity building

54. In kick-off meeting of Khentii and Khuvsgul subproject, PIU environmental safeguard officer organized an environment management training (Table 2) of half day with the participation of each aimag government officers and stakeholders. The training covered topics: Environmental baseline condition of project area, possible impacts, Mongolian national environmental laws and regulations, EMP implementation and supervision, Environmental monitoring, inspection and reporting. A total of 116 people of PIU participated in the training. At the end of each training session, participants were given half hour to ask questions so that the trainers could give clear understanding of what should be done and how to follow-up.

Table 3: Training for environmental safeguards conducted during the reporting period

Topic	Trainees	Content	# Trainees		Date	Outcomes
			M	F		
EMP implementation	Khentii and Khuvsgul aimag governments and stakeholders	<ul style="list-style-type: none"> Environmental conditions of project area, Possible impacts, Domestic environmental laws Roles, responsibilities, monitoring, inspection, reporting in EMP Environment monitoring program Mitigation measures 	72	44	6 Novemb er, 2020 and 14 January, 2021	Trainees demonstrated good understanding of project area ecological conditions, possible impacts and regulatory frameworks.
		Total trainees	72	44		Grand total: 116

55. **Results.** During the trainings, all the participants shows understanding towards project area ecological conditions, possible impacts and regulatory frameworks. After the training, trainees understand the EMP implementation, monitoring and reporting requirements as well as the ecological significance of the project implementing areas.

56. **Conclusion.** The environment management training carried out is in compliance with the EMP. The trainings helped the government officers and other stakeholders to have better understanding of national environmental law and regulations, the content of the EMP, and the implementation and management of the EMP.

57. **Next steps.** After the contract awarding of the consulting service firms relevant training will be organized to the stakeholders with regards to the EMP implementation. Moreover, with the progress of subprojects, new contractors and CSCs will be contracted, so next step is:

- *Environment management training will be held in accordance with EMP.*

E. Costs of EMP implementation during the reporting period

This section of the implementation is not yet available at this stage of the project.

F. Compliance with environment related project covenants

The loan agreement and project agreement between the government and ADB includes 10 assurances (or “covenants”) for environmental safeguards and/or related to environmental issues (Appendix 1). These relate to the timely and effective implementation of the EMP, as well as project-specific assurances tailored to the current project. Compliance with these assurances is a condition of the loan and project agreements. For the current reporting period all of 10 of the assurances are in compliance with.

G. Issues for follow-Up documented in the previous EMR and any missions undertaken during the current reporting period

58. **ADB Handover mission was held** from 10-12 March 2021 to conduct a change in ADB project teams for the PIU. The aim of the mission was to (i) ensure smooth handover between the ADB teams, in communication with the Government and PIU, (ii) assess and summarize project progress since the first annual review mission, and (iii) identify next steps for project implementation. The mission held meetings with the MET, MOF, and PIU. Due to travel restrictions imposed by the coronavirus disease (COVID-19) pandemic, the mission was held through virtual (on-line) meetings. This aide-mémoire documents the mission findings and follow-up actions, which were discussed at a virtual wrap-up meeting with MET and MOF on 12 March 2021. The agreements are subject to approval by the higher authorities of the Government and ADB.

H. Reporting

This section of the implementation is not yet available at this stage of the project.

Currently, there is no progress construction phase and at the stage of detailed engineering design, thus physical implementation of the EMP is not started and monitoring firms are not recruited.

III. LESSONS LEARNED

59. On DED of Khatgal-Jankhai-Toilogt road, state expertise had made the recommendation of emergency exit on right side of Jankhai pass, which could result the destruction almost 5 ha of forest.

60. Due to DED has not finalized and approved, the DEIA screening and endorsement period have been delayed. And Currently, as per Law on Land of Mongolia, article 34.1, “to utilize the land for industrial or service purpose entity shall get EIA before the concession of land”. However, by the Law on Environmental Impact Assessment, article 7.3, “client shall submit the DED which approved by the related organization”, but on the other hand, according to Law on Urban Development, chapter 22, “to get approval on DED, land concessions or licenses required in the documents necessary to submit in bureaucratic process”.

61. In other word, these documents which needed to submit by the law to get decision from government agency required each other at the same time. Therefore, the current legal system in Mongolia has created this paradox of problem, where all three of the documents require each other at the same time which causing work procedures of PIU on each infrastructure DED staggering and losing time.

IV. NEXT STEPS

62. According to the current implementation of the EMP, the main environmental issues found and proposed improvement measures are listed in Table 3 below.

Table 4: Environmental issues and Corrective Actions

Issue	Action	By When	By Whom
Preparation of DEIAs for the various packages and any required environment baseline assessments	<ul style="list-style-type: none"> Supervise and coordinate the domestic certified firm in the process of DEIAs and any required environment baseline assessment. Endorsement of DEIAs Update the EMP if needed 	From July to December, 2021	PIU
Public consultation	<ul style="list-style-type: none"> Conduct at least two rounds of public consultation 	31 Dec, 2021	PIU
Training	<ul style="list-style-type: none"> Training on monitoring and inspection methods, data collection and interpretation, reporting system of EMP 	31 Dec, 2021	PIU
Next EMR	<ul style="list-style-type: none"> Prepare EMR and submit to ADB 	31 January 2022	PIU

APPENDIX 1 COMPLIANCE WITH ENVIRONMENTAL ASSURANCES

Schedule	Para No.	Covenants	Status of Compliance
LA 4	22	<p>Safeguards Monitoring and Reporting</p> <p>The Borrower, through the Project Executing Agency, shall do the following:</p> <p>(a) submit Safeguards Monitoring Reports to ADB in respect of implementation of and compliance with Environmental Safeguards and the EMP, semiannually during construction and the implementation of the Project and the EMP, and thereafter annually during operation, until the issuance of ADB's Project completion report unless a longer period is agreed in the EMP; and disclose relevant information from such reports to the respective affected people under the Environmental Safeguards, the Involuntary Resettlement Safeguards and the Indigenous Peoples Safeguards promptly upon submission;</p> <p>(b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and</p> <p>(c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP promptly after becoming aware of the breach.</p>	Being complied with.
Environmental Covenants			
LA 4	17	<p>The Borrower, through the Project Executing Agency, the Project Executing Agency, Project Implementing Agencies and PIU to, shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the SPS; and (c) all measures and requirements set forth in the IEE and EMP and any corrective or preventative actions (i) set forth in a Safeguards Monitoring Report, or (ii) which are subsequently agreed between ADB and the Project Executing Agency.</p>	To be complied with.
LA 4	18	<p>Without limiting the generality of the foregoing, the Project Executing Agency shall ensure that: (a) during detailed engineering design of the CKTC, meaningful consultations are held with local residents, civil society organizations and other stakeholders to assess community concerns about the siting of the CKTC and its access road and to identify community-led or other solutions to address any community concerns; (b) the consultations include dissemination of all site-related information collected for the detailed designs, including the exact proposed location for the CKTC and access road; (c) if, following consultations, some stakeholders oppose the location of the CKTC, the PIU delivers a report and recommendations for resolution to the project steering committee and ADB and that the project steering committee confers with ADB on next steps; and (d) that design work and other preparation for the CKTC is suspended until siting issues are resolved in a manner acceptable to ADB.</p>	To be complied with.
Resettlement covenants; Indigenous Peoples covenants			

LA 4	19	No Involuntary Resettlement or Indigenous Peoples Impacts The Borrower shall ensure and shall cause the Project Executing Agency to ensure that the Project does not have any involuntary resettlement impacts or indigenous peoples impacts within the meaning of the SPS. In the event that the Project does have any such impacts, the Borrower shall, and shall cause the Project Executing Agency, Project Implementing Agencies and PIU to, take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.	To be complied with.
Safeguards - Related Provisions in Bidding Documents and Work Contracts			
LA 4	21	The Borrower, through the Project Executing Agency, shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to: (a) comply with the measures relevant to the contractor set forth in the IEE and the EMP (to the extent they concern impacts on the respective affected people under ADB's Environmental Safeguards during construction), and the domestic environmental impact assessments, and any corrective or preventative actions set forth in (i) a Safeguards Monitoring Report, or (ii) subsequently agreed between ADB and the Project Executing Agency; (b) make available a budget for all such environmental and social measures; (c) provide the Project Executing Agency with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP; (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.	To be complied with.
Gender and Development			
LA 4	26	The Borrower, through the Project Executing Agency, shall ensure that (a) the SGAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the SGAP; (c) adequate resources are allocated for implementation of the SGAP; and (d) progress on implementation of the SGAP, including progress toward achieving key gender and social outcome and output targets, are regularly monitored and reported to ADB.	To be complied with.
LA 4	27	The Borrower, through the Project Executing Agency, shall ensure that the "Consultation and Participation Plan" and "Stakeholder Communication Strategy" for the Project are fully implemented in accordance with their terms and that activities thereunder are regularly monitored and reported to ADB.	To be complied with.
Labor Standards and Labor Standards covenants			
LA 4	24	The Borrower, through the Project Executing Agency, shall ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. The Borrower shall cause the Project Executing Agency or the relevant Project Implementing Agency to include specific provisions in the	The PIU has developed "H&S plan guideline for contractors during COVID-19".

		bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women.	Further specific provisions of labor standards will be complied in the bidding documents and construction work plans.
LA 4	25	The Borrower, through the Project Executing Agency, shall strictly monitor compliance with the requirements set forth in paragraph 24 above and provide ADB with regular reports as provided in the PAM.	To be complied with.
Grievance Redress Mechanism			
LA 4	31	The Borrower, through the Project Executing Agency, shall ensure that a safeguards grievance redress mechanism acceptable to ADB is established at the Project Executing Agency and each Project Implementing Agency in accordance with the provisions of the IEE and EMP, within the timeframe specified in the IEE and EMP, to consider safeguards complaints.	GRM has established in accordance with PAM. GRM team defined: (a) an eligible complaint; (b) channels for receiving complaints; (c) resolving complaint; and (d) complaint form

LA=loan agreement

APPENDIX 2 PHOTOGRAPHS



Fieldwork in Khuvsgul aimag, Kick-off meeting in Murun soum

Fieldwork in Khuvsgul aimag, Kick-off meeting in Murun soum



Fieldwork in Khuvsgul aimag, Kick-off meeting in Murun soum





Fieldwork in Khuvsgul aimag, at location of Administration of Khuvsgul special protected areas HQ

Fieldwork in Khuvsgul aimag, during meeting with Administration of Khatgal village



Fieldwork in Khuvsgul aimag, during meeting with Administration of Khankh soum

Fieldwork in Khuvsgul aimag, during kick-off meeting of CS20

